

**EFFECTIVENESS OF CONTRACTOR DEVELOPMENT
PROGRAMME
IN KWAZULU NATAL**

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**Submitted in fulfilment of the academic requirements of
Master of Science**

**In Construction Management
Construction Studies**

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December 2017**

PREFACE

The research confined in this dissertation was completed by the candidate within the school of Engineering, Collage of Agriculture, Engineering and Science, University of Kwa-Zulu Natal, Howard Campus, South Africa. The research was financially supported by the University of Kwa-Zulu Natal.

The contents of this work has not been submitted in any form to another university and, except where the work of others is acknowledged in the text, the results reported are due to investigation by the candidate.

As the candidate's Supervisor I agree to the submission of this dissertation



SIGNED:

SUPERVISOR, PROF THEO C. HAUPT

DECEMBER 2017

DECLARATION 1 - PLAGIARISM

I, Weziwe Nokukhanya Hadebe, declare that

1. The research reported in this dissertation, except where otherwise indicated, is my original research.
2. This dissertation has not been submitted for any degree or examination at any other university.
3. This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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 - a. Their words have been re-written but the general information attributed to them has been referenced
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Signed _____

ACKNOWLEDGMENTS

My sincere appreciation and gratitude go to the almighty God for giving me strength throughout this research and without whom I would have not been able to and achieve and finalise.

- My special acknowledgements and thanks also go to the emerging contractors from all districts within the Kwa-Zulu Natal Province for their inputs, this research would not have been successful without their cooperation and assistance.
- I would like to thank my supervisor, Prof Theo Haupt, for his availability and rapid feedback and for continuous guidance, encouragement and professional support.
- Mr Robert Lukan, for his assistance with statistical aspects of this dissertation.
- My Sister, Samkelo Zulu for her support with data collection in UThukela District.
- My Brother, Silas Hlophe for his continued motivation and support.
- Last but not least, this dissertation is a special dedication to my late mother, I know you are super proud of your girl.

ABSTRACT

The construction industry in South Africa is a major contributor towards the economic growth. According to the IDC (2016), the construction industry has contributed 9% towards the gross domestic products in 2008, with this figure increasing to 12% towards the gross in 2016. This latest contribution comes from 12 500 construction projects, with majority being government led projects. The government is implementing and awarding tenders in its construction led project through the Contractor Development Programme. The Contractor Development programme was designed specifically to develop previously disadvantaged and marginalised contractors. Despite the increase in the number of government led construction projects, a survey conducted in 2011 indicates that contractors remain dissatisfied with the programme operations. Moreover, during the parliamentary briefing in 2015, it was indicated that more has to be done to support contractors to grow within the programme.

In KwaZulu Natal alone, the programme is having 6900 contractors between grades 1 to 3, with majority of these on grade one. It was therefore assumed that while contractor development programmes are important to assist participating contractors to achieve overall improved performance, growth and development, the open access to such programmes by all interested parties is counter-productive resulting in these goals not being achieved. This research therefore aimed at examining if the backlog due to openness of registration on the contractor development programme is in actual fact hindering the development of contractors. The aim was to establish if registration on the contractor development is too open and whether participants are satisfied with growth and developmental aspects of the programme.

The study sampled 364 participants who participated in the study. The detailed narrative data was also gathered from six participants who participated in the focus group interviews. The overall research design employed in the investigation of the research problem was triangulated or mixed methods. Based on the inferential, descriptive and thematic analysis conducted, it could be revealed that registration on the contractor development programme is easy and too open to allow access to any contractor, including those without the necessary experience and interest. Contractors indicated overall high satisfaction with system registration. This is indicative of system openness and easiness. The openness increased competition and resulted into the behaviour of opportunistic contractors.

The openness resulted in competing for resources such as tenders and training, and it ultimately led to low level of satisfaction with growth and development amongst the contractors. Participants in both data gathering methods indicated limited training, growth and development in the contractor development programme.

It was found that being part of the programme does not necessarily translate into increased development. Moreover, poor communication in the programme was indicated to be a major concern for contractors.

Keywords: Contractor Development, Contractor Development Programme, Construction Industry Development Board, Emerging Contractor, Black-Economic Empowerment, Public Employment Programmes, Construction Industry, Contractor Performance, Contractor Growth and Contractor Development.

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LIST OF ACRONYM

CD	Contractor Development
CDP	Contractor Development Programme
CIDB	Construction Industry Development Board
CDPF	Contractor Development Programme Framework
NCDP	National Contractor Development Programme
CIDBGS	Construction Industry Development Board Grading System
EC	Emerging Contractor
DPW	Department of Public Works
NDPW	National Department of Public Works
GEAR	Growth, Employment and Redistribution
RDP	Reconstruction and Development Programme
NDP	National Development Plan
BEE	Black Economic Empowerment
Stats SA	Statistics South Africa
SME	Small Medium Enterprise
SARS	South African Revenue Services
BEE	Black-Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
GNU	Government of National Unity
ANC	African National Congress
PPP	Preferential Procurement Policy
PEPs	Public Employment Programmes
EPWP	Expanded Public Works programme
PICC	Presidential Infrastructure Coordinating Commission (PICC)
SONA	State Of Nation Address
FTE	Full Time Equivalent

NQF	National Qualifications Framework
CETA	Construction Education and Training Authority
NDT	National Department of Transport
NYDA	National Youth Development Agency
NHBRC	National Home Builders Regulatory Council
LED	Local Economic Development
SPSS	Statistical Package for Social Science

CHAPTER 1

1 INTRODUCTION

1.1 INTRODUCTION

Construction revolutionised human civilisation. As infrastructure expands, humanity grows. The construction industry is a significant contributor to employment and growth in South Africa. However the industry has been in a slump since the 2010 Soccer World Cup projects. The 2015 financial year got off to a poor start, with the construction industry being adversely impacted by the metal-workers' strike in July 2014 and further instances of labour unrest internally and at clients and suppliers thereafter. This unsettled environment resulted in delays on significant projects in South Africa. However, the construction industry continues to be an important player in the economy of South Africa. Since 2008, construction has contributed around 9% to total formal and informal employment in South Africa, while the contribution of construction to GDP has been around 9%. The South African government is the single biggest construction client, with a total construction works spend in 2014 that amounted to about R350 billion. The sector currently employs around 884 000 people in the formal sector and a further 450 000 in the informal sector (Behm 2008; PWC 2015).

Contractor development refers to the process of identifying and removing the constraints affecting development and performance of construction firms. In South Africa the National Contractor Development Programme (NCDP) Framework recognises that contractors' developmental needs are different at different stages of their growth and life cycles and proposes interventions accordingly. Such interventions include learner contractor development and skills development for smaller contractors; enterprise development and performance improvement for more established contractors; and contractor performance enhancement for established contractors (Construction Industry Development Board, 2011).

There are a number of reasons that Contractor Development Programmes are established, which in turn influences their objectives. The main reasons are:

- improving the overall performance of contractors in the particular Province;
- improving the ability of local contractors to compete with international construction firms;
- growing small contracting enterprises and provide opportunities for them;
- promoting and improving the use of efficient labour intensive methods; and

- provide opportunities for and growing contracting enterprises owned by affirmative action target groups (ibid).

Whatever their rationale, the programmes aim to address the typical challenges facing contractors such as:

- skills shortages;
- financial constraints and limited access to funding;
- late payments by clients;
- high skilled workers turnover;
- complicated contract procedures;
- intense competition;
- lack of sufficient resources and capital equipment;
- limited access to professional advisors; and
- difficulty ensuring regular materials supply (ibid).

The Contractor Development Programme (CDP) identifies contractor development as comprising of development through: improved access to work opportunities; improved construction business environments e.g. payment cycles; offering training and advisory services; promoting technology transfer and use; facilitating networking, joint venture and sub-contracting opportunities; the unbundling of large contracts and the adoption of appropriate procurement strategies (ibid).

Despite their good intentions, Contractor Development Programmes have experienced several impediments affecting their success. Typically, these include

- the selection of inappropriate entrants such as those with insufficient basic skills or those with motives not necessarily prioritising their development;
- inadequate or inappropriate training/skills development;
- lack of work opportunities to sustain the contractors;
- contractors being hampered by lack of access to finance; and
- the difficult industry environment even for established contractors (ibid).

Most programmes also lack the proper monitoring and evaluation processes that would identify and address constraints such as the ones above (ibid). In the quest to effectively investigate the subject matter stated above, this introductory chapter would be covering the following research areas: background and contextualisation of the research, problem statement, hypotheses, objectives, methodology, assumptions, delimitation, limitations, ethical considerations, and structure of the study. Coherence of these research areas would ensure that the research problem is addressed.

1.2 BACKGROUND & CONTEXTULISATION

Contractor Development refers to the process of identifying and removing the constraints affecting the development and performance of construction firms (Construction Industry Development Board, 2011). In South Africa, the Contractor Development Programme (CDP) Framework recognises that a contractor's developmental needs are different at different stages of their growth and life cycles and proposes interventions accordingly. Contractors development programmes aim to achieve multiple goals which include:

- improving the overall performance of contractors;
- improving the ability of local contractors to compete with national and international construction firms;
- growing small contracting enterprises and provide opportunities for them;
- promoting and improving the use of efficient labour intensive methods; and
- provide opportunities for and growing contracting enterprises owned by affirmative action target groups (ibid).

The CDP identifies contractor development as comprising of development through:

- improved access to work opportunities; improved construction business environments e.g. payment cycles;
- offering training and advisory services;
- promoting technology transfer and use;
- facilitating networking, joint venture and sub-contracting opportunities;
- the unbundling of large contracts and the adoption of appropriate procurement strategies.

A CIDB (2011) study identified the following as the key areas for development namely,

- Skills developed by the contractors on the development programme, i.e. growth and progression of contractors during the programme and after exiting;
- Contractors opinion on the performance of the programme;
- Programme management's opinion on the performance of the programme;
- Stakeholder views on the performance of the programme; and
- Performance of the programme in achieving its goals and objectives.

Although not a generic term, contractor development has been used extensively to refer to the application of management and economic principles to remove the constraints affecting the development and performance of construction firms. In KwaZulu-Natal CDP Framework identifies several contractor development components which contractors need to progress through before becoming competent. It recognises that contractors' developmental needs are different at

different stages of their growth and life cycles and proposes interventions accordingly. The stages, corresponding to components, are:

1.2.1 Construction workforce development

Construction plays an essential role in South Africa's economic and social development. It provides the physical infrastructure that is the backbone of economic activity. It is also a major benefactor of employment opportunities. The role of the CIDB is to facilitate and promote the improved contribution of the construction industry to SA's economy and society.

The principal aim of CIDB is to promote:

- uniformity in construction procurement
- efficient and effective infrastructure delivery
- construction industry performance improvement
- development of the emerging sector, including industry transformation; and
- skills development

The CIDB determines the contractor grading by evaluating the financial and work capabilities of the contractor applying for a higher CIDB grade. The financial capability narrates the financial history (turnover) and the amount of working capital the contractor can collect to sustain a contract, i.e. available capital. Available capital is determined from the liquid cash resources available to the contractor, loans that may be leveraged and any financial sponsorship. The works capability is determined by the largest contract the contractor has undertaken and completed in the class of construction works (completed during the five years immediately preceding the application)

Table 1.1: CIDB grading system

GRADING SYSTEM				
Designations (Level)	Upper limit of tender value range	Best annual turnover	Largest single contract	Available capital
2	R 650 000	-	R 130 000	-
3	R 2 000 000	R 1 000 000	R 450 000	R 100 000
4	R 4 000 000	R 2 000 000	R 900 000	R 200 000
5	R 6 500 000	R 3 250 000	R 1 500 000	R 650 000
6	R 13 000 000	R 6 500 000	R 3 000 000	R 1 300 000
7	R 40 000 000	R 20 000 000	R 9 000 000	R 4 000 000

8	R 130 000 000	R 65 000 000	R 30 000 000	R 13 000 000
9	No limit	R 200 000 000	R 90 000 000	R 40 000 000

1.2.2 Contractor development

This component focuses on the development of contractor organisations as opposed to development of the contractors' workforce, and comprises several sub-components;

a) Emerging Contractor(EC)

For the purposes of this study, a clear understanding of an emerging contractor (EC) is needed in order to assess effectively the size and calibre of the business enterprise being identified for development. The definition of a small-scale contractor varies according to who is defining it. A widely used definition of an EC, developed by the National Department of Public Works and described by Dlungwana et al., (2004:15) is: *An EC is a sole trader, partnership or legal entity that adheres to statutory labour practices, is registered with the South African Revenue Service and is a continuing and independent enterprise for profit, providing a commercially useful function.*

The emerging contractor programme targets emerging contractors in CIDB grades 2 and 3 who exhibit potential to develop. Through learnerships and mentoring the emerging contractor's skills in the business side of contracting such as, for example, tendering, pricing, financial management, marketing, contract administration are developed.

The Construction Industry Development Board's (CIDB's) lowest contractor grading, Grade 1, offers "no barrier" to entry into the industry, making it difficult for companies/clients to select high-potential entities from the enormous number of those registered. Conditions of registration as grade 1 building contractor are namely:

- pay the relevant administration fee(s), for each class of works applying for;
- notify the CIDB of any change of particulars relating to an existing registration;
- be free from any restrictions to tender;
- comply with the Code of Conduct for All Parties Engaged in Construction Procurement, as published by the CIDB in the Government Gazette no. 25656 of 2003 (CIDB 2016); and
- renew registration every three years for requalification of grades.

The Implementation of contractor Development programme in KwaZulu Natal is faced with challenges, the main impediments towards the success of the programmes are:

- Difficulty in selecting the appropriate entrants into a programme, as access is

usually open to all interested participants.

- Lack of insistence on prior experience in the industry, and on prior technical, managerial and construction related skills.
- Inadequate training and difficulties in synchronising training as it is available at times suitable for contractors and their workloads. In addition, the amount of training required for contractors is generally underestimated.
- Contractors with little understanding of the nature and complexity of construction, and how to deal with arising risks.
- Lack of construction specific skills such as pricing, project management and the programming of site activities,
- Institutional challenges including limited training institutions and the shortage of appropriate training materials,
- Legal challenges to the selection and provision of services to a selected group,
- Poor management and lack of funding for the programmes,
- Difficulty in identifying deserving contractors. (Construction Industry

Development Board, 2016)

1.3 PROBLEM STATEMENT

While contractor development programmes are important to assist participating contractors to achieve overall improved performance, growth and development, the open access to such programmes by all interested parties is counter-productive resulting in these goals not being achieved.

1.4 HYPOTHESES

Hypothetical statements are building blocks of solving the research problem. According to Du Plooy (2009) and Brink, Van der Walt & Van Rensburg (2012), hypotheses are testable or measurable statements aiming at resolving the research problem. In the light of this discussion, the following hypotheses will be tested:

- The contractor development programme is not achieving the expected overall improved performance, growth and development of participants
- The open or easy access by all interested parties to participate in contractor development programs is counter-productive with unintended consequences
- Proper identification of contractor development programme participants increases the chance of overall contractor development

1.5 OBJECTIVES

The objectives of the study have to do with what the researcher seeks to achieve in the study. For example, a study may seek to describe or evaluate a phenomenon. The objectives of the study are mainly influenced by problem statement and the research design. Du Plooy (2009:50) states that objectives of the study may not necessarily be mutually exclusive, meaning the study may carry more than one objective. Having said that, this particular study has more than one research objective and these are alluded below:

- To establish whether contractor development programs are achieving the expected improved performance, growth and development of participants in them;
- To determine the consequences of the easy access of any interested party or entity to participation in contractor development programmes;
- To examine how programme participants are identified for participation,
- To establish the relationship if any between proper recruitment procedures of identifying participants and their overall development

1.6 METHODOLOGY

The methodology to be followed in the study includes the following, namely.

- An extensive literature review which includes previous relevant studies will be undertaken to identify gaps, challenges and to establish a theoretical framework for the study
- The research methodology will involve multiple methods to achieve triangulation. These methods will include both quantitative and qualitative approaches.
- Surveys will be conducted to determine the views, opinions and experiences of a sample of contractors who have participated in contractor development programmes to determine the outcome of that participation in terms of their overall development, growth and sustainability.
- A number of case studies will be done to gather qualitative data and indepth understanding of the challenges involved in contractor development programmes.
- The data gathered will be analysed using various statistical analysis software applications.
- Inferences and conclusions will be drawn from the analysis and possible recommendations made to improve the success rate of contractor development programmes.

1.7 ASSUMPTIONS

Assumptions in research have to do with views that the researcher holds regarding the problem statement (Bless, Highson-Smith & Kagee 2013). These are so basic that, without them, the research problem itself could not exist (Leedy & Ormrod 2010:62). Specific to this study, the researcher holds the following assumptions have been made:

- That information provided is/ will be reliable and accurate for the study
- That participants have in-depth knowledge and understanding of the public sector contractor development programme.
- Participants possess relevant and technical experience to partake in the study

1.8 DELIMITATION

Delimitations are those characteristics that limit the scope of the study and define the boundaries (Leedy & Ormrod 2010; Simon 2011). These are mainly choices made by the researcher about the area of study. Unlike the limitations, delimitations are controllable and the following are applicable in this study:

- Focus on how open access to contractor development programme by all interested parties is counter-productive resulting in programme goals not being achieved.
- The focus would be on emerging small contractors
- The contractors with CIDB grading of 4-9
- The target population would be limited to participants residing in the province of Kwa Zulu Natal.
- The study does not seek to review the contractor development programme
- The outcomes of the study are not to be generalised across the entire programme

1.9 LIMITATIONS

Limitations have to do with potential weaknesses in the study and are considered out of control (Leedy & Ormrod 2010; Simon 2011). The following are considered limitations of this study:

- The study to be limited to a sample of CIDB-registered Kwa Zulu Natal contractors in grades 1 to 3 (GB contractors)
- A select number of appropriate case studies will be done which involve projects and contractors in the KwaZulu-Natal province
- The study will be done within ten months

1.10 ETHICAL CONSIDERATIONS

Ethical issues are apex in research, more especially when the study being conducted has to do with people as subjects, and in the effort to conform to international accepted ethical standards, Informed consent would be obtained from all sampled participants. Part of this would include informing participants of the nature of the study, its benefits and risks. The consent letter would also indicate that participants are not bound or coerced to participate, so should they feel uninterested along the study, they are free to withdraw.

- Information collected would be treated with confidentiality. This would be done to safeguard participants against possible victimization
- It would be ensured that basic human right conditions are met while participants are partaking in the study, these will includes ensuring that no participant is psychically harmed or emotional hurt as a result of this study.
- Due to financial limitations, participants would not be incentivised to partake in the study

1.11 STRUCTURE OF THE STUDY

Chapter 1: Introduction

This chapter introduced basic concepts of the contractor development, contextualisation of the study, the objectives in terms of what the study seeks to achieve and outlined problem statement to be investigated through appropriate research methods.

Chapter 2 Literature review

This chapter entails engaging relevant literature or theory which will serve as a theoretical ground for this study. The literature sources such as journals, textbooks, articles, dissertations, theses, policy documents, case studies commissioned studies would be reviewed and systematically be integrated into the study.

Chapter 3: Methodology

The aim of this chapter would be presenting the vehicle to which the objectives of this study would be realised. Research methodology entails explicating data gathering methods and techniques considered appropriate for the purpose of this study.

Chapter 4: Data collection, analysis and interpretation

Appropriate data gathering methodologies outlined in the previous chapter would be used to gather data and analyse it. The data would be gathered from participants and appropriate analysis methods would be used to identify relevant patterns which would be used to draw conclusion.

Chapter 5: Conclusion and recommendations

This chapter would conclude the study to answer the problem statement. The conclusion will be drawn based on objectives and hypothesis. The outcomes of the study would further recommend best ways to address gaps in the contractor development.

CHAPTER SUMMARY

As stated in the introduction, this chapter discussed the background and contextualisation of the study, problem statement which entails investigating the effectiveness of contractor development programme in terms of achieving an overall improved performance, growth and development in the light of its openness. The chapter further formulated explicitly stated three hypothetical statements, objectives, the relevant research methods and assumptions. Other research areas discussed in the chapter are delimitation, limitations, issues related to ethical implications. The chapter achieved its objectives as stated in the introduction section.

CHAPTER 2

2 LITERATURE REVIEW

2.1 INTRODUCTION

In 1948, when the National Party in South Africa ascended to power, it systematically implemented its promise to segregate the black people from all socio-economic activities. This step came three years after South African entered into industrial stage- the stage of industrial maturity or the stage of self-sustained growth (Friedmann & Rostow 2014:50). Lavery (2007) posits that, in this process of side-lining blacks and some English speaking Whites, the new political dispensation brought White supremacy to a new level as the rest of the continent was being decolonised following the World War II. During this period, non-Whites were treated, socially, economically and politically, as second class citizens and Africans were given a status of non-citizen (Linford 2011). Further to this strategy, in their quest to manage the black population, the National Party confined black communities to the homelands of Bantustans, and this enabled them to successfully justify stripping away any basic rights Africans had in their country of birth (Lavery 2007).

Holistically speaking, the apartheid system did more damage to blacks economically than socially and politically, as government worked to create the economic system that prioritised and favoured Whites more than others, more especially Afrikaners (Linford 2011, Lavery 2007). The government at the time was also able to decrease intra-race disparities, as the Whites were extended increased opportunities and non-Whites were subjected to socio-economic suppression. It is this that, consequently, resulted in rapidly widening gap between Whites and non-Whites. Moreover, to ensure that economic dominance of Whites over blacks is sustained, the National Party dedicated itself to advancing the welfare of White South Africans, working to improve the standing of poor Whites while Africans remained side-lined (Linford 2011).

The economic ripple effects of apartheid system started to linger after the new political dispensation. After taking power in 1994, the government of African National Congress adopted socio-economic policies aiming at redressing the effects of Apartheid. These policies included GEAR (Growth, Employment and Redistribution), Reconstruction and Development Programme (RDP) and recently the National Development Plan (NDP) (Friedmann & Rostow 2014:50). These policies allowed more opportunity for class mobility and the new government reversed the apartheid laws and the economic growth was stimulated to become inclusive (Bhorat 2012 & Gelb 2003).

Part of the reforms by government to ensure inclusive economy by empowering Africans was development of boost emerging contractors through contractor development programme. These reforms are encapsulated in new economic policies and today are evident in programmes such as Black Economic Empowerment. In addition, the small and medium enterprise grant to small medium manufacturers was also introduced to fast-track inclusive economy and development of small entrepreneurs. The grant came into operation in 1997, was introduced for entrepreneurs that are too small to be considered for the tax concession scheme. The grant comprises of three years' financial incentives and up to three years' tax relief. By the end of 1997, 218 applications received from entrepreneurs who intended to employ about 7 000 people had been approved.

The principal aim of the contractor development or emerging contractor development programme is to address the need to unlock economic growth constraints, develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals.

The government is realising these objectives by establishing framework for contractor development programme which sees growth constraints unlocked and to stimulate the role of industry and stakeholders for skills development, meaningful empowerment and improved performance (Construction Industry Development Board, 2015). While the contractor development programmes are important to assist participating contractors to achieve overall improved performance, growth and development, the open access to such programmes by all interested parties is counter-productive resulting in these goals not being achieved.

This chapter will cover a host of literature on construction industry in South Africa, the Contractor development programme in terms of historical overview of contractor development programme, rationale for contractor development programme, creation of employment opportunities through contractor development programme, construction Industry Development Board in contractor development programme, nature of the contractor development programme, shortcomings of the programme, and chapter summary.

2.2 CONTEXT OF SOUTH AFRICAN CONSTRUCTION INDUSTRY

Construction industry plays a crucial role in fostering development in the formal and informal sector of the South African economy. The industry is responsible for investment and overall driving of economic development. Although the industry contributes to the economic development just like other economic sections such as manufacturing, agriculture, mining, the industry is apex in that, it provides means for other sectors to realise growth. For example, construction within agriculture is crucial for the sector to expand.

According to PWC (2016), the construction industry in South Africa is also the main contributor to employment and growth. In 2012, the industry created one million work opportunities, with

additional estimate of 424 000 individuals employed in the formal sector (Public Works, 2012). In the period between September 2005 – 2006, an annual employment growth indicates that there was 9.5% in growth, with this sector increasing its figures by 390 000 people in a period between 2001 – 2006. Moreover, the industry has seen a significant increase in growth of 14%. This is 4% increase from 10% in 2005. Furthermore, figures indicate that, notwithstanding domestic and global economic challenges, the industry's confidence in South Africa has improved slightly in the first quarter of 2017. This follows a mild improvement in construction activity and drop in the investor confidence in the period between 2011 - 2015 (Stats SA, 2016). While overall investment in the economy contracted by 4.4% year to year in the fourth quarter, the real growth in construction works was 2.3% year on year in the fourth quarter of 2016 up from 1.3% in the third quarter (Stats SA, 2016).

Historically tracking, public sector infrastructure expenditure has increased by 15.8% per year between 2003/04 and 2006/07 financial years (Public Works, 1999). The construction industry alone has successfully contributed 35% to the total gross domestic fixed investment. In this process, close to 230,000 work opportunities have been created and poverty gap was slightly decreased. Combined, the total value of the construction industry in 2006 was estimated at R122, 345 billion. This is 38% of the total gross capital formation. The government alone through its public infrastructure investment remains the single main contributor of construction, thus contributing between 40% to 50% to the entire construction expenditure. The government's infrastructure investment has seen government houses, bridges, roads, schools, clinics and many more infrastructures being constructed. All these have seen influx of entrepreneurs under the small and medium categories trying to venture into the construction sector. These entrepreneurs are attracted to the returns that the industry brings (Chadhliwa, 2015). The system controls in place to regulate the influx of emerging contractor appears to be weak, thus opening up to any individual to quality to be an entrepreneur. The fact that government is the main driver of construction investment is good in that it can easily roll out empowerment programmes such as contractor development programme and should be easy to regulate this programme through incentives and punitive measures if it wants to realise its goals to empower the previously disadvantaged groups.

Frost and Sullivan (2015) and Smallwood and Rwelamila (1996) have indicated number of challenges facing the construction industry in South Africa. These challenges were assessed or observed when projects were being rolled out. Although number of challenges such as poor performance, decrease in market capitalisation, poor marketing strategies, lack of opportunities, compliance and most importantly, lack of necessary skills to compete better in the construction market.

In fact, shortage of skills and poor management were identified as the biggest challenge facing the South African construction industry. In a survey conducted by Business Day (2007), Grant Thornton indicated that a shortage of skilled workers is the main obstacle to expansion of 58% of medium-to-large business in South Africa.

Some of the main contractors have no idea of basic construction requirements. Some have qualifications in construction but lack basic management skill, this which leads to mismanagement of funds, poor operations, not meeting project deadlines- accurate predictions of project completion and meeting completion dates result in clients being satisfied; giving contractors a comparative advantage over others.

This lack of skills in the industry appears to link with very low survival rate in the South Africa's SME sector (Mahembe, 2011). This is a major concern because those emerging without skills or resources or management skills are bound to fail. In addition, the failure of emerging contractors due to lack of necessary skills is linked with the fact that, many obtain opportunities through corrupt means, for example, a contractor without any skill would secure a tender before establishing a business. HSE (2016) indicated that some companies pay governmental departments to have tenders secured or fast tracked, thus leading to entity failure and other challenges. For most of the emerging entrepreneurs, instead of possessing necessarily required skills, most have required capital (Thwala & Mofokeng, 2012). So, even though skills developed by the contractors on the development programme is a priority, this area remains a challenge and hindrance to achieving objectives of the programme.

The inability to wholly understand the construction process, lack of project management skills, complexity of the project, uncertainty, poor communication, inadequate integration of tasks and inadequate coordination of tasks all result in delays in project delivery (Aiyetan, Smallwood & Shakantu, 2011).

2.3 CONTRACTOR DEVELOPMENT PROGRAMME

2.3.1 Historical overview of contractor development programme

The economic exclusiveness of South Africa emanates from the economic structures designed by the apartheid designed regime to protect the interests of the minority (Govender & Watermeyer, 2000:3). In this process, economic opportunities favoured mostly Whites and saw blacks being systematically side-lined. The access of economic opportunities by blacks majority began in 1994 after the first democratic elections. To redress the economic consequences of apartheid, South Africa, under the new government introduced number of reforms seeking to ensure inclusive economy. Such instruments seeking to redress the effects of the apartheid system includes policies, strategies, plans and programmes of actions. Moreover, number of legislative organs such as parliament and government structures is used as tools to promote inclusive socio-

economic opportunities. Such includes public sector procurement systems which seeks to “increase the base of economic activity, provide economic opportunities for the previously disadvantaged individuals and to address skewed racial ownership patterns as indicated in the PPPFA Act 23 of 2000” (PPPFA Act 23).

Employment and business opportunities for previously marginalised individuals and communities are provided through targeted procurement, and through variety of techniques, all which seeks to provide opportunities to the targeted enterprises. According to Watermeyer, Gouden, Letchmiah and Sheze (1998) targeted procurement in a practical, realistic and measurable manner, allows government to achieve certain socio-economic objectives, through engineering and construction works contracts. In addition, it’s an enabler for organs of state to “operationalise policies in a transparent, targeted, visible and measurable manner when engaging in economic activity with the private sector, without compromising principles such as cost, efficiency, competition, transparency and equitability” (ibid). In the context of construction industry, government through Public Works has in 1996 introduced affirmative procurement policy in the quest to redress the economic burdens of apartheid. For many in the industry, this was the first attempt to ensure that construction firms (primarily black owned) previously disadvantaged are awarded an equal opportunity to those owned by Whites. So, this policy mainly targeted affirmable business enterprises (ABEs)- defined as enterprises registered with South African Revenue Services (SARS), conforming to labour standards and which black persons own, manages and control and with turnovers within prescribed limits (ibid).

The introduction of affirmable business enterprises was followed by another policy by government seeking to transform the economy to include more blacks. This reform policy is called Black-Economic Empowerment (BEE). It follows a research by Spencer (2005) which indicated that the historical and deliberate marginalisation of black South Africans from contributing freely in the mainstream economy resulted in a society marked by vast inconsistencies and inequalities. Resulting from this, the Government’s BEE policy objective was centres around strengthening South Africa’s shared economy in order to meet the needs of all the people of South Africa and significantly minimise the gulf between citizens irrespective of the race; in terms of skills and opportunities in the shortest possible time. However, due to sluggish implementation of this policy, frustrations began to arise and those promised to benefit from this policy immediately accused it lacking commitment and the fear that it may not meet its objectives (Ibid). Sluggish transformation through BEE has seen construction industry suffering transformation and inclusive

The more frustrated was those contractors who did not possess all the necessary resources, capacity or expertise with which to fulfil contracts in their own right are (ibid). So in a nutshell, construction industry was never spared from sluggish implementation of BEE and thus, the

development of contractor development programme premise on the compelling need to unlock growth constraints, to develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals as per above (Construction Industry Development Board, 2009, 2011 & 2016).

The programme is public sector led programme comprising of a partnership between the Construction Industry Development Board, National and Provincial Public Works and other willing stakeholders and partners.

The main objectives of the programme is to (1) increase the capacity, (2) equity ownership, (3) sustainability, (4) quality and (5) performance of Construction Industry Development Board registered contractors. The ultimate goal is to effectively raise contribution of the construction industry to South Africa's accelerated and shared growth initiative.

To achieve this objective, participants within the NCDP should commit to all or some of the following developmental outcomes:

- Improve the grading status of contractors in targeted categories and grades;
- Increase the number of black women, disabled, and youth-owned companies in targeted categories;
- Create sustainable contracting enterprises by enabling continuous work through a competitive process;
- Improve the performance of contractors in terms of quality, employment practices, skills development, safety, health and the environment; and
- Improve the business management and technical skills of these contractors (ibid).

2.3.2 Rationale for contractor development programme

The construction industry development board was established in terms of Act of Parliament (38 of 2000) to oversee the sustainability, growth of construction enterprises across the country and participation of the emerging sector. According to the act, the board basically has to ensure inclusive participation in the construction industry, more socially ensuring that the previously disadvantaged and marginalized groups are awarded an opportunity to participate in the construction industry.

The CIBD then provides strategic leadership to construction industry stakeholders to stimulate sustainable and inclusive growth, reform and improvement of the construction sector (Government gazette 2000). The act follows long passive dominance system designed by the apartheid government where it was ensured that one racial group, mainly White, benefit and dominate the industry. It is part of government micro and macro-economic policies and the makes the concept of Broad-Based Black Economic Empowerment possible. Below are some of the

policies aligned to it:

2.3.2.1 Reconstruction and Development Programme (RDP).

In 1994 a new era dawned in South Africa with the election of a Government of National Unity (GNU). The new government's Reconstruction and Development Programme (RDP) became the new national development programme. The programme is an integrated coherent and socio-economic policy framework which seeks to mobilize all the people of South Africa and its resources towards a final eradication of Apartheid and the building of a non-racial, non-sexist future (African National Congress, 1994). The programme paves the way for the development of programmes that facilitate the distribution of wealth, alleviation of poverty and inequality, amongst other policies the RDP has a bearing on the conceptualization of the expanded public works programme; growth, development and redistribution (macro-economic strategy); local economic development programme and contractor development programme in particular.

2.3.2.2 Growth, Empowerment and Redistribution (GEAR)

The Growth, Employment and Redistribution was a macroeconomic strategy announced in 1996 which emphasized the importance of creating jobs. The strategy was adopted by the department of Finance in June 1996 as a five-year plan aimed at strengthening economic development, broadening of employment, and redistribution of income and socio-economic opportunities in favor of the poor. The principal goals of the policy were:

- economic growth of 6% in the year 2000,
- less than 10% in inflation,
- employment opportunities growth above the increase in economically active population,
- deficit on the current account and the balance of payments between 2 and 3 percent,
- ratio of growth domestic savings to GDP of 21.5 percent in the year 2000,
- improvement in income distribution,
- relaxation of exchange controls and reduction of the budget deficit to below 4 percent of GDP (Lewis 2001 & Knight 2001).

2.3.2.3 Preferential Procurement Policy In 2000, the Preferential Procurement Act 5

This act was enacted specifically to cater for and to provide a preference framework and for the transformation of the country's procurement system (Republic of South Africa, 2000). The mechanism that was applied to permit procurement to be used as an instrument of social policy was that of targeted procurement- which specified that any organ of state must determine a preferential procurement policy.

As explained above, the targeted procurement provides employment and business opportunities for previously marginalized and disadvantaged groups, thereby, allowing social objectives to be linked to procurement in a fair, transparent, equitable and cost effective manner (Govender and Watermeyer, 2001). Preferential procurement assists government in the selection of enterprises owned by previously disadvantaged individuals, thus impacts on the redistribution of wealth and skills.

2.3.2.4 Broad Based Black Economic Empowerment (BBBEE)

Linked with the preferential procurement policy of 2000 and preferential procurement act 5, discussed above, the Broad Based Black Economic Empowerment (BBBEE) Act no 53 of 2003 (BBBEE, 2003:2), which governs the black economic empowerment programme was enacted to “establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the black economic empowerment advisory council and provide for matters connected herewith”. This programme has successfully achieved its goal of transforming and awarding previously disadvantaged groups an opportunity to participate in the economy. However, the criticism of this programme is that it is seen as a corruption tool that is no longer relevant.

2.3.2.5 The Framework Agreement for Labour Intensive Agreement 1993

This framework agreement for public employment programmes (PEPs) was born out of the realization that greater use of labour intensive methods instead of reliance to machinery could alleviate unemployment by generating work opportunities. The concept of and proposals for labour intensity were developed in early 1990s during the transition from the Apartheid Era (McCutcheon and Taylor Parkins, 2003).

Following robust engagement with all stakeholders, a draft framework agreement was signed in 1993 between Government, Trade Unions and the Construction Industry representatives. This agreement has premised the development of the expanded public works programme in 2004. The focus of this programme was on utilisation of labour intensive methods to create a significant increase in employment per unit of expenditure during the provision and maintenance of much needed public building and infrastructure.

The five year review of CIBD (2007) has indicated that, the Construction Industry Development Board is becoming successful in addressing the triple challenges of unemployment, poverty and inequality. Inclusion of local and township enterprises is enabling communities in those areas to benefit in terms of skills development and employment opportunities, thereby tackling poverty (Status Report 2004). The next section will discuss Construction Industry Development Board as part of public employment programme (PIP)

2.3.3 Creation of employment opportunities through contractor development programme

Creation of employment opportunities by the contractor development programme can be measured in terms of the expanded public works programme's infrastructure sector. The sector requires that all work opportunities created through construction projects be registered with Public Works, a department which oversees implementation of contractor development programme.

The Expanded Public Works programme was introduced in 2003 following the Growth and Development summit where it was resolved that more jobs, better jobs and decent work for all can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities (Public Works, 2004). The programme is a nation-wide programme that is aimed at reorientation of existing public sector expenditure to draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and also increase their capacity to earn an income. The programme emphasizes the need to focus investment on social infrastructure in a manner that addresses severe conditions of underdevelopment and entrenched poverty. Although the programme today has been expanded to include four different sectors, with the inclusion of social, environment and culture and non-state, in its inception it was purely infrastructure based. This sector, in the context of EPWP, will be discussed in detail:

The infrastructure sector is the largest EPWP sector. It is significant mainly because of the large investments and allocations already planned; and the continued scope to increase the labour-intensity of the infrastructure spending by government. Infrastructure projects changes the economic landscape in SA. President Jacob Zuma, in his February 2012 State of the Nation Address, indicated that the government is looking at spending R3.2 trillion in the next three years on over 40 major infrastructure projects, and some of these are the 17 Strategic Infrastructure Projects (SIP's). A Presidential Infrastructure Coordinating Commission (PICC) was established, with its supporting Management Structures. The Commission was tasked to draw up South Africa's infrastructure implementation master plan. This master plan will, among other things, outline geographically defined strategic projects in all the provinces with emphasis on poorer Provinces. (SONA 2012)

The EPWP Infrastructure sector is aligned with broader Government objectives which include poverty reduction, transformation, empowerment, urban and rural development, and growth and job creation. In order to achieve these objectives, the sector is targeting the unemployed, poor and those in geographic areas (poverty nodes) that have a prevalence of social, economic and environmental challenges, physical outputs and increasing the labour Intensity.

In terms of jobs creation targets, the sector has set a target to create 2,451,003 work opportunities and approximately 799,240 FTE jobs during EPWP Phase III. This follows creation of over one million work opportunities in phase I & II respectively.

The infrastructure sector involves the use of labour-intensive methods in the construction and maintenance of public sector funded infrastructure projects. According to the Department of Public Works (2006), labour-intensive infrastructure projects under the EPWP entail:

- (a) using labour-intensive construction methods to provide employment opportunities to local unemployed people;
- (b) providing training or skills development to those locally employed workers; and
- (c) building cost-effective and quality public assets.

The areas identified as those that are specifically suited to labour-intensive methods include, low-volume roads; trenching or ditching; digging storm water drains; laying of sidewalks; spreading and shaping; loading; and gravelling and finishing.

Training and enterprise development are central in the programme, Training in labour-intensive construction techniques is provided to contractors and supervisors working on the EPWP infrastructure projects. The contractors receive training in business management, while supervisors are trained on technical issues related to labour-intensive construction. On successful completion of the learnership, a formal qualification pitched at level 4 on the National Qualifications Framework (NQF) is issued to contractors and the supervisors. This training is provided in the form of a learnership called the Vuk'uphile programme for contractors and in the form of re-orientation workshops for officials. This learnership training programme (Vuk'uphile) is the main in EPWP Infrastructure sector. It was developed by the Department of Public Works, together with the Construction Education and Training Authority (CETA).

There are four sub-programmes used to implement contractor development programmes within the expanded public works programme. These are provincial roads programme, Vuk'uphile contractor learnership programme, national youth services programme and large projects programme (ibid):

2.3.3.1 Provincial Roads Programme

The focus of this programme is on

- (a) building of and maintenance of rural roads;
- (b) assisting provincial roads departments to implement projects and programmes using labour-intensive methods;

- (c) support provincial roads departments in partnership with the National Department of Transport; (d) support the creation of EPWP work opportunities by using labour-intensive construction and maintenance projects; and
- (e) incorporates labour-intensive methods of construction during road designs and specifications for construction and maintenance projects selected.

The programme also replicate best practice programmes like the Zibambele maintenance programme in Kwazulu-Natal as one of its key focus points.

2.3.3.2 Vuk'uphile Contractor Learnership Programme

The principal aim of this programme is to train contractors and supervisors in labour-intensive methods of construction. In addition to this, partnerships have been formed with CETA and various public bodies to ensure sustainability and proper implementation of the programme. While Department of Public Works provides programme management and mentor support, the CETA is specifically providing and ensuring quality assurance training.

2.3.3.3 National Youth Services Programme

The chief aim of this programme is to recruit youth (16-35 years) and train them in various artisan trades in construction. This programme runs for the duration of one-year and consists of 6 months theoretical training and 6 months of practical training. In terms of the implementation, the programme is executed via the National and Provincial Departments of Public Works through their capital and maintenance projects. Implementation of the projects is done in partnership with the National Youth Development Agency.

2.3.3.4 Large Projects Programme

The aim of this programme is to support public bodies (provincial departments and municipalities) with implementation of labour-intensive projects with the value larger than R30 million. These public entities are supported or assisted with designs, use of labour-intensive methods during construction, and meeting the reporting requirements.

The programme also assists public bodies to bundle smaller projects together to reach a value of more than R30 million to form Large Projects. Partnerships with large contractors and emerging contractors are used during the Large Projects Programme. These partnerships are in turn used as an exit strategy for Vuk'uphile programme.

2.3.3.5 Masakhe Contractor Development Programme

The Department of Public Works is mandated to be the custodian and portfolio manager of government's immovable assets and is also mandated to facilitate, coordinate and provide leadership in job creation initiatives and contractor development programmes. It is against this background that the Kwa-Zulu Natal Department of Public Works developed the Masakhe Emerging Contractor Development Programme. The Masakhe Emerging Contractor Development (Masakhe ECDP) stands to advance historically disadvantaged contractors through capacity building and targeted procurement, within an environment structured for effective management. The programme is aimed at:

- Creating a conducive environment in which emerging contractors can thrive, by facilitating access to Financial support, Training and Mentoring and Skills transfer
- Creating an emerging contractor development mechanism, performing: Basic business management and technical training, Implementing targeted procurement interventions
- Establishing a credible database of emerging contractors, which will encompass a screening mechanism for profiling HDI status and technical competence

2.3.4 Construction Industry Development Board in contractor development programme

2.3.4.1 The roles and responsibility

Construction plays a pivotal role in South Africa's socio-economic development and it provides the physical infrastructure that serves as the backbone of economic activity. The industry is also a large-scale provider of employment opportunities. With this in mind, the systems and processes in the industry were formalised through the establishment of Construction Industry Development Board. The construction industry development board is a schedule 3(a) public entity established in terms of the CIDB Act 38, of 2000. The board was established to lead construction industry stakeholders in construction development (Construction Industry Development Board, 2017). The role and responsibility of the board is to facilitate and promote the improved contributions to the construction industry to SA's economy and society. This is done through promotion of the following (ibid):

- Uniformity in construction procurement
- Efficient and effective infrastructure delivery
- Construction industry performance improvement
- Development of the emerging sector, including industry transformation; and
- Skills development

Additional to this, the scope of Construction Industry Development Board excludes home building, which is regulated by the National Home Builders Regulatory Council (NHBRC). Contractors undertaking housing projects for the public sector do not need to be registered on the Construction Industry Development Board register of contractors. However, all clients are required to register construction projects on the Construction Industry Development Board register of projects. These projects are above the value of R200 000, in the public sector and those above R10 million for the private sector and state-owned entities. The Construction Industry Development Board is an agency overseen by the Department of Public Works, and its board is appointed by the Minister.

2.3.4.2 Grading and evaluation system

The Construction Industry Development Board determines the contractor grading by evaluating the financial and work capabilities of the contractor applying for a higher CIDB grade. The financial PPPFA Act 23 capability narrates the financial history (turnover) and the amount of working capital the contractor can collect to sustain a contract, i.e. available capital. Available capital is determined from the liquid cash resources available to the contractor, loans that may be leveraged and any financial sponsorship. The works capability is determined by the largest contract the contractor has undertaken and completed in the class of construction works (completed during the five years immediately preceding the application)

Table 2.1: Construction Industry Development Board Grading System (CIDBGS)

GRADING SYSTEM				
Designations (Level)	Upper limit of tender value range	Best annual turnover	Largest single contract	Available capital
2	R 650 000	-	R 130 000	-
3	R 2 000 000	R 1 000 000	R 450 000	R 100 000
4	R 4 000 000	R 2 000 000	R 900 000	R 200 000
5	R 6 500 000	R 3 250 000	R 1 500 000	R 650 000
6	R 13 000 000	R 6 500 000	R 3 000 000	R 1 300 000
7	R 40 000 000	R 20 000 000	R 9 000 000	R 4 000 000
8	R 130 000 000	R 65 000 000	R 30 000 000	R 13 000 000
9	No limit	R 200 000 000	R 90 000 000	R 40 000 000

(Source: Construction Industry Development Board, 2017)

2.3.4.3 Accessibility of CIDB

In terms section 14 of CIDB Act 38 of 2000, the activities or progress of the CIDB needs to be reviewed at least once every five years. According to the previous five year review of the construction industry development board, one of the challenges identified was constraints on Construction Industry Development Board's capacity to respond to increasing demand for guidance and mentoring. Capacity constraints are caused by growing number of registrations. The number of registered contractors has greatly exceeded expectations, largely because of the large number of Grade 1 contractors seeking registration. In December 2004, there were 1500 contractors on the register; by December 2005, this had increased to 7500. By December 2006, 27500 registrations had been processed (but some firms had registered in more than one Category). Approximately 80% of all applications have been from Grade 1 contractors.

The large number of registrations has caused administrative problems, and the major challenge facing Construction Industry Development Board is to clear the resulting back-log. It has taken on extra staff and is changing its procedures with the aid of business process re-engineering. The proposed Ten Construction Contact Centres (provincial outreach centre), where registration services will be provided, will assist the registration process, particularly for Grade 1 contractors. This intervention to decentralise registration process is not doing much in terms of speeding up or clearing backlog. It remains difficult for contractors, more especially Grade 1, to source registration support as these centres are now decentralised to provinces but centralised to cities within these provinces where it is difficult for those in remote rural areas to access. Most do not have means, in terms of capital, to cope with logistic arrangements to registration centres.

2.3.5 Nature of the contractor development programme

2.3.5.1 Contractor development

The contractor development programme focuses on the development of contractors, more socially those previously marginalised- primarily black owned and emerging ones. In the context of this study, an emerging contractor is a "sole trader, partnership or legal entity that adheres to statutory labour practices, is registered with the South African Revenue Service and is a continuing and independent enterprise for profit, providing a commercially useful function" (Public Works, 2004). By focusing primarily on emerging contractors, the programme focuses on emerging contractors in CIDB grades 2 and 3 who display potential to develop. Through learnerships and mentoring the emerging contractor's skills in the business side of contracting such as, for example, tendering, pricing, financial management, marketing, contract administration are developed.

Particular to this study, the Construction Industry Development Board's (CIDB's) lowest contractor grading, Grade 1, offers "no barrier" to entry into the industry, making it difficult for companies/clients to select high-potential entities from the "magnitude" of those registered. Moreover, this open access to all interested parties is counter-productive resulting in programme's goals not being achieved. According to (Construction Industry Development Board, 2016) conditions of registration as grade 1 building contractor are as follows:

- pay the relevant administration fee(s), for each class of works applying for;
- notify the CIDB of any change of particulars relating to an existing registration;
- be free from any restrictions to tender;
- comply with the Code of Conduct for All Parties Engaged in Construction Procurement, as published by the CIDB in the Government Gazette no. 25656 of 2003 (ibid); and
- renew registration every three years for requalification of grades.

The Implementation of the contractor development programme in KwaZulu-Natal is faced with challenges, the main impediments towards the success of the programmes are:

- Difficulty in selecting the appropriate entrants into a programme, as access is usually open to all interested participants.
- Lack of insistence on prior experience in the industry, and on prior technical, managerial and construction related skills.
- Inadequate training and difficulties in synchronising training as it is available at times suitable for contractors and their workloads. In addition, the amount of training required for contractors is generally underestimated.
- Contractors with little understanding of the nature and complexity of construction, and how to deal with arising risks.
- Lack of construction specific skills such as pricing, project management and the programming of site activities,
- Institutional challenges including limited training institutions and the shortage of appropriate training materials,
- Legal challenges to the selection and provision of services to a selected group,
- Poor management and lack of funding for the programmes,
- Difficulty in identifying deserving contractors.

2.3.5.2 Selection criteria

As outlined in the programme framework, the targeting of specific contractors forms an integral part of the design of a CDP and the following guidelines should be followed when identifying target groups:

- Ownership: CDPs should target the development of black, women, disabled, and youth-owned companies. Specifically, CDPs should target the development of companies in those Classes of Works (CoWs) and Grades where imbalances in such ownership exist.
- Supply and Demand: CDPs should target the development of new contracting capacity only where demonstrable shortages exist that are aligned with the service delivery objectives of the client.
- Performance Improvement (or competence development): CDPs should target to improving the performance of contractors – in particular in those areas which are aligned with the service delivery objectives of the client.
- Local Economic Objectives: Where feasible, targeting of contractors should reflect local economic objectives. (Construction Industry Development Board, 2016)

2.3.5.3 Programme support initiatives

As envisioned in the contractor development programme implementing manual, the most critical element in any CDP is the support initiatives provided or arranged by clients which includes mentoring, technical skills development, business and financial management training, access to finance or a combination of the above.

- Training: This initiative requires the client to organise training with an accredited institution. The training should be aligned with the *Requirements and Guidelines for CIDB Contractor Competence Accreditation* which is available from the CIDB, which are deemed to be minimum standards necessary for running a contracting enterprise and for supervising building and construction works within the fields off:
 - Business management;
 - Building and construction works management (operational and supervision); and
 - Legislative issues.
 - Training strategy

A training strategy determines the overall training programme and logistics to conduct training. It should address the training approach, objectives and outcomes, based on the contractors training requirements started above, and also the process of identifying and mobilising training institutions which can provide the required training. The following logistical arrangements should be addressed:

- The number of people to be trained
- The venue and date of the training
- The training materials required
- The expected input and output of the training
- The training service provider must identify suitable training service providers to provide the training. The training should be accredited with the Construction Education and Training Authority.

The training should be provided and structured so that the contractor can meet the requirements for CIDB Contractor Competence Accreditation. This typically involves the attainment of formal NQF level qualifications, or work place training and experience leading to the equivalent competence.

- Mentoring: A contractor's mentorship needs are to be identified and an appropriate mentorship intervention should be developed. Mentorship should revolve primarily around the contractor's business management skills and knowledge, such as tendering and marketing. Mentors must be registered as mentors with the Council of Project and Construction Management Professionals.

2.3.5.4 Contractor Assessment

The purpose of the assessment is to select contractors that meet the entry level requirements in line with the focus of the CDP and to determine their developmental needs. All contractors applying for development must be registered in the CIDB Register of Contractors (Construction Industry Development Board, 2011).

- Criteria for access

Clients should apply the following criteria to determine which contractors get access to contractor development programmes (Construction Industry Development Board, 2011:13):

- Competence
- Financial upgrading; and
- Socio-economic goals

- Competence

The contractor must be assessed to determine their level of competence, as outlined in the Requirements and Guidelines for CIDB Contractor Competence Accreditation. The competence assessment can be done in terms of formal qualifications and experience requirements, or in terms of the requirements for an external competence assessment undertaken by a CIDB recognised external Competence Assessment Panel. From Table 2.2, it is evident that there are competencies required per grade and class of work that the contractor must possess in order to be rated through criteria outlined in Table 2.3.

Table 2.2: Required competencies per grade and class of works

Category	Grade	NQF Level	Minimum Qualifications for building and construction management and for building and construction technology	Minimum Experience
GB: General Building CE: Civil Engineering	5 & 6	5	<ul style="list-style-type: none"> • Diploma or National Certificate; or • CETA accredited RPL Certificate 	5 years
	2 to 4	4	<ul style="list-style-type: none"> • National Certificate; or • Industry recognised CETA accredited training programme 	3 years
TC: Trade Contractor/Artisans	1 to 50	3 to 5	<ul style="list-style-type: none"> • National Certificate; • CETA accredited RPL Certificate; or • Registration with relevant trade association 	3 years

(Source: Construction Industry Development Board, 2011)

Once the contractors' competence has been determined, contractors should be rated as indicated in the table below for assessing their suitability for enrolment into the CDP. The competence assessment will then also be used for evaluating the mentoring and training requirements of contractors that are enrolled within a CDP.

Table 2.3: Criteria for rating required competencies per grade and class of works

Description	Rating
Contractor possessing the required qualifications and minimum experience	2
Contractor possessing the minimum experience but without the required	1
Contractor possessing the required qualification but without the minimum	0
Contractor without the required qualification and experience	-1

(Source: Construction Industry Development Board, 2011)

- Determining Competence Rating

The rating must be conducted based on the following principle for a Grade 5 or 6 General Building/Civil Engineer Contractor:

- A Contractor possessing of an NQF 5 Qualification or above (Diploma or National Certificate or a CETA accredited RPL Certificate) in building and construction management; and building and construction technology; with 5 or more years' experience, must score a (2);
- A contractor possessing of an NQF 4 Qualification and less on the specified areas, with 5 years' or more experience must score a (1);
- A contractor possessing of an NQF 5 Qualification or above on the specified areas, with 4 years' or less experience, must score a (0); and
- A contractor possessing of an NQF 4 or less Qualification on the specified areas, with 4 years or less experience, must score a (-1).

This principle must be applied to other classes of works and grades, based on the requirements outlined by the *Requirement and Guidelines for CIDB Contractor Competence Accreditation* (Construction Industry Development Board, 2011:14).

- Financial upgrading factor

The contractor must be assessed to determine a financial upgrading factor and to measure how close the contractor is to upgrading to the next grade designation. As evident in Table 2.4, the financial upgrading factor is determined in line with the requirements of the CIDB Register of Contractors based on the following:

- best annual turnover;
- largest contract; and
- available capital as indicated in the table on the following page (based on the current CIDB requirements).

Table 2.4: Financial upgrading factor for contractor to upgrade to next grade

Grade	Upper limit of tender value range	Best annual turnover		Largest contract		Available capital	
		Turnover	Rating	Value	Rating	Amount	Rating
2	R 650 000	R 1 000 000	2	R 500 000	2	R 100 000	2
		R 750 000	1	R 383 333	1	R 75 000	1
		R 500 000	0	R 266 666	0	R 50 000	0
		R 250 000	-1	R 150 000	-1	R 25 000	-1
3	R 2 000 000	R 2 000 000	2	R 1 000 000	2	R 200 000	2
		R 1 666 666	1	R 833 333	1	R 166 666	1
		R 1 333 333	0	R 666 666	0	R 133 333	0
		R 1 000 000	-1	R 500 000	-1	R 100 000	-1
4	R 4 000 000	R 3 250 000	2	R 1 600 000	2	R 650 000	2
		R 2 833 333	1	R 1 400 000	1	R 500 000	1
		R 2 416 666	0	R 1 200 000	0	R 350 000	0
		R 2 000 000	-1	R 1 000 000	-1	R 200 000	-1
5	R 6 500 000	R 7 800 000	2	R 3 250 000	2	R 1 300 000	2
		R 6 283 333	1	R 2 700 000	1	R 1 083 333	1
		R 4 766 666	0	R 2 150 000	0	R 866 666	0
		R 3 250 000	-1	R 1 600 000	-1	R 650 000	-1
6	R 13 000 000	R 24 000 000	2	R 10 000 000	2	R 4 000 000	2
		R 18 600 000	1	R 7 750 000	1	R 3 100 000	1
		R 13 200 000	0	R 5 500 000	0	R 2 200 000	0
		R 7 800 000	-1	R 3 250 000	-1	R 1 300 000	-1

(Source: Construction Industry Development Board, 2011)

Once the rate for each area has been determined, the client should allocate an overall financial upgrading factor rating using the following formula (Construction Industry Development Board, 2011:14):

$$\frac{\text{Best annual turnover} + \text{largest contract} + \text{available capital}}{\text{rating}} = \text{Overall financial upgrading factor rating}$$

3

- Contractor Rating

The financial upgrading factor rating can be cross referenced against the contractor's competence rating to identify the contractors which are close to upgrading to the next grade designation but require assistance on competency. As evident in Table 2.5, a score of 20, 40, 60 or 80 out of a maximum of 80 is then given to contractors that fall within the highlighted areas as shown.

Table 2.5: Determining Contractor Rating for Grade 2-6 Contractors

Grade 2 – 8	Competence Rating			
Financial Upgrading Rating	-1 No qualifications or Experience	0 Qualifications & No Experience	1 Experience & No Qualification	2 Experience & Qualifications
2 Very close	0	0	0	0
1 Close	0	80	60	0
0 Far	0	40	20	0
-1 Very far	0	0	0	0

(Source: Construction Industry Development Board, 2011:16)

- Contractor Prioritisation

The focus of the CDPs should be on contractors functioning within the highlighted area for further assessment on socio-economic goals. However, the client may select contractors functioning outside the recommended area at their own discretion (Construction Industry Development Board, 2011:16).

- Awarding points for Socio-Economic Goals

The selection process for the contractors should give preference to enterprises with Historically Disadvantaged Individual equity ownership which have Women, Disabled and Youth ownership. Therefore, contractors must be scored out of a maximum of 20 points for socio-economic goals in line with the Preferencing policy of the department. Table 2.6 depicts an example of how the socio-economic goals can be determined and scored (Construction Industry Development Board, 2016).

Table 2.6: Awarding points for socio-economic goals

Example of how socio-economic goals can be determined	
G	Poi
PE Status	4
Women	6
Disability	4
Youth	6
Total	2

(Source: Construction Industry Development Board, 2011:16)

- Selecting contractors for development

The contractor rating (out of 80) should be added to the points awarded for socio-economic objectives (out of 20) to determine the overall score awarded to the contractor. Contractors should then be ranked from highest score to lowest score and the cut-off point is determined by the budget available. In order for a contractor to be selected for contractor development, a minimum score of 20 should be obtained for the overall score awarded (Construction Industry Development Board, 2011:16).

2.3.6 Shortcomings of the programme

The assessment of the programme has shown that although there are many successes achieved by the programme, the following shortcomings remains challenging to the programme and to certain extent hinder greater achievements (Construction Industry Development Board, 2017).

2.3.6.1 Poor coordination of subcontractors

Most of the emerging contractors are subcontracted and these subcontractors need to be properly coordinated by the prime contractor to ensure timeous delivery of assigned aspects of works. However while main contractors are expected to swiftly coordinate sub-contractors, this has proven to be a major challenge- a challenge that at times leads to suffering of all those involved in the project.

2.3.6.2 Inappropriate construction methods

Construction industry is a complex industry that requires activities to be carried out using best practices, tools and techniques. When construction procedures flawed, errors occur, thus leading to rework and delays. A plan that is not realistic and that does not conform to contraction methods will lead to delay in project completion or in a worst case scenario, could lead to collapse of a project.

At times local contractors fail to comply with practicable work programmes at the initial stage of project planning, which in turn impairs monitoring of project progress against the stipulated time.

2.3.6.3 Inadequate experience

Experience in the construction industry could be a matter of life and death for a project or even the business of the contractor. Particular to this study, contractor simply gaining entrance in the contractor development programme without prior experience in construction are among those who hinders progress of the programme.

2.3.6.4 Incompetent and poor management

Important to this study, proper construction management is the backbone of any successful construction business. Contractor's employees that are not skilled in project management are not able to manage their project site appropriately, thus, culminating in faulty work, reworks and delay in completion of tasks. In addition, a study by Construction Industry Development Board (2013) on lack of management shortcomings on sub-contractors has identified the following:

- overall, management practices of specialist subcontractors were considered by main contractors to be good, but for generalist and trade subcontractors were considered to be fair to poor;
- financial management skills and business management systems of general subcontractors were poor, with business management skills and management and supervision being fair;
- lack of financial pricing and estimating skills;
- access to finances and continued support from cibd;
- poor health and safety management practices; and
- reluctance to train employees.

2.3.6.5 Lack of skills

Proper management, financial management, and overall technical skills in the construction industry are apex. Without these skills, construction activities could potentially be a dangerous activity, a fruitless exercise and a losing game.

2.4 CHAPTER SUMMARY

This chapter discussed the context and an overview of South African Construction Industry. As part of context. The chapter also outlines the fact that the South African Government views the construction industry as the driver of public infrastructure and creation of job opportunities. The chapter also discussed historical overview and establishment of contractor development programme; and construction industry development board (CIDB) in terms of Act 38 of 2000. Relevant legislative and policy frameworks aligned with the contractor development programme have been discussed. The chapter also discussed how the contractor development programme creates employment opportunities through the Expanded Public Works Programme. The role of CIDB and the nature of contractor development programme were also discussed and contextualised to this study. Lastly, and in particular to this study, the chapter discussed shortcomings of contractor development programme. The study would build forth on these shortcomings which it is assumed they hinder realisation of programme goals.

CHAPTER 3

3 METHODOLOGY

3.1 INTRODUCTION

This chapter provides an outline of the research methodology and methods used for this study. Research methodology forms part of the research design, and it elucidates, specifically, the strategies which could be employed during the data collection and data analysis processes. Maree (2012:36) states that research methodology specifies the techniques that the researcher is intending to use during sampling, data collection, data documentation and data analysis processes.

3.2 RESEARCH DESIGN

There is a plethora of research designs that can be employed to examine any subject. However, objectives and goals should always guide the process of determining relevant research design. Research design is crucial in research as it is the core organ of every study and without it the study would be like a ship without a rudder going around in circles (Steyn & Puth 2000:29). Even though there are many definitions of research design, the definition by Regin (1994:191) will be adopted as it is deemed relevant. Research design can therefore be defined as the developed plan used for collecting and analysing evidence that will make it possible for the researcher to answer whatever questions are asked or confirm hypothetical statements formulated. In essence, it is the cross-cutting concept that touches all aspects of the research from data collection to selection of the techniques of data analysis. Glatthorn and Joyner (2005:97) add that research design guides the researcher by outlining the specific plan for studying the research problem. This in other words means, a design of the study explicates the appropriate type of research which could be reliably conducted to achieve the end-product or the goal. It entails a blueprint of “how” one plans to conduct a particular study.

The research design can be structured in terms of two approaches, namely standardised or quantitative and unstandardized or qualitative approaches. While on one hand the standardised or quantitative design includes data collection methods such as surveys, laboratory experiments, field experiments, programme evaluation studies and statistical modelling, non-standardised or qualitative design includes ethnographic interviews, comparative studies, participatory action research, content analysis, historical studies, discourse analysis and life history studies (Flick 2011:66,68 and Babbie & Mouton 2001:78,79). There is also an approach that allows the use of both methods collaboratively; the design is called multiple methods or triangulation design.

For this particular study, a design wherein both methods are used simultaneously will be employed. This will allow both survey and personal interviews to be conducted. The mixed/multiple methods are considered recent design in social science. According to Grbich (2013:27) the advantage of using both designs is that on the one hand combined approaches complement each other, thereby strengthening validity and reliability of the study. Using mixed methods also increases the capacity to cross-check one data set against another. “A mixed methods design is useful to capture the best of both qualitative and quantitative approaches” (Creswell 2004:22).

The example of multiple methods is when one use survey (questionnaire) to establish the attitudes and knowledge of participants towards contractor development programme and then later uses focus group interviews to learn more about individual in-depth opinions to measure the same phenomena. Or alternatively, instead of using the in-depth interviews, the researcher can use the focus group interview as a follow up of a survey.

Using multiple or mixed methods therefore means that the process of selecting participants would also involve two procedures for selecting participants. Participants in the qualitative part of the study would be sampled differently from those in quantitative part of the study. Both probability and non-probability sampling methods would be used and applied as follows:

3.2.1 Population

In research, population can be defined as the aggregate of all possible study objects about which a statement is intended (Flick 2011:251). For the purpose of this study, the population targeted is the entire 6,900 contractors registered on CIDB database. This includes 5,000 registered contractors under grade one, 1,502 under grade two and 398 under grade three. These are beneficiaries of contractor development programme. Of this total universal population, the accessible population of interest would be those contractors on grades 1 to 3 who reside in Pietermaritzburg. The accessible population is the population that the researcher is interested in and has access to. The sampling frame of accessible population would be drawn to select participants through simple random sampling (qualitative focus group interviews) and convenience sampling (quantitative survey).

Population parameters would be considered in both qualitative and quantitative sampling. A parameter is the summary description of a given variable in a population (Babbie & Mouton 2001:175). In order eliminate bias in participant and respondents selection and to ensure that the right subjects are sampled in the study the target population would consist of participants who registered on CIDB database, reside in Pietermaritzburg and be in grade category one to three. In addition, those participating in the survey should have access to emails and have contact details.

3.2.2 Non-probability sample (quantitative & qualitative approaches)

Non-probability sampling entails probability of including each element of the population in a sample in a sample unknown (Bless, Higson-Smith & Sithole 2013:60). In a nutshell, it is not possible to determine the likelihood of the inclusion of all representative elements of the population into the sample. So, basically not all elements stand an equal chance of being included in the sample. Notwithstanding this disadvantage of not awarding everyone in the population an equal opportunity of being selected, non-probability sampling has practical advantages. This sampling method allow researchers to make decisions concerning the individuals to be included in the sample, based upon a variety of criteria which may include knowledge of the researcher, capacity and willingness to participate in the research (Vosloo, 2014:327). According Bless, Higson-Smith & Sithole (2013:172) and Du Plooy (2009), the sampling method is cheaper, faster and adequate for homogeneous populations. In addition, Neuman (2006:220) adds that non-probability sampling more convenient or ease selection of participants. For this study, all contractors participating in contractor development programmes are considered homogeneous and will be sampled through this method.

A specific type of non-probability sampling called convenience sampling was used to draw the desired sample for the quantitative part of this study. Convenience sampling enables the researcher to select only those contractors available to participate in the quantitative survey. It simply enables the researcher to shop around any available subjects from homogeneous population. So, although there are thousands of contractors participating in the contractor programme, you will find that others would be too busy and not available to partake in the survey, then convenience sampling allows the researcher to pick however available until the desired sampling size is reached. This is the reason why convenience sampling is also called available sampling (Du Plooy 2009). Particular to this study, the researcher identified and contacted contractor development programme beneficiaries available to participate in the study. They were contacted and consent to participate was also obtained in the process until the desired sampling size of 364 is reached. So those willing or interested to participate were then sampled based on their availability

For the qualitative part of the study, a purposive sampling was used to sample participants to partake in the focus group interview. By explanation, this type of sampling is regarded as non-probability sampling method and it is distinguishable in that the researcher choses participants based his/her pre-knowledge that they meet characteristics of the representative sample (Bless, Higson-Smith & Sithole, 2013:172; Du Plooy 2009:123). In essence, it means such individuals are known to be capable of providing adequate knowledge deemed necessary to meet objectives of the study.

Through purposive sampling, the researcher identified **six** participants meeting population parameters. The selected participants were selected with the assumption that they possess necessary knowledge in line with the objectives of the study; and it is assumed that the information to be provided by them would be truthful and reliable.

3.2.3 Qualitative, Quantitative and Multiple/Mixed Methods

There are a number of data collection methods in social science. Qualitative research is commonly known for its humane/naturalistic-approach in social science. This particular approach is the opposite of quantitative research approach. While quantitative approach relies extensively on numbers and statistics during analysis and interpretation of the findings, the qualitative approach is often used in social sciences to explore in-depth areas that were never investigated before. Specific to this study, qualitative approach was used to conduct the in-depth focus group interviews to explore more on the satisfaction of contractor development programme.

Furthermore, in qualitative approach, the focus is on using the small samples which are used to generate a better understanding of the phenomena being investigated (Bless, Highson-Smith & Sithole 2013:16).

On the other hand, quantitative approach entails using surveys, laboratory experiments, field experiments, programme evaluation studies and statistical modelling, structured statistical and numerical methods to collect and analyse data. Processes are highly structured and controlled. In this study, a survey will be conducted to collect information on opinions and perceptions of those participating in contractor development programme.

In this study, multiple or mixed methods were employed to collect both statistical and in-depth information on perceptions of participants on contractor development programme. This approach is relatively new and builds on both quantitative and qualitative approaches. Put simply, mixed methods entails a process whereby both qualitative and quantitative methods are used to complement each other (Maree 2007:268). According to Brink, Van der Walt and Van Rensburg (2012:128) the benefits of multiple methods is that it ensures confirmability, reliability and validity of the analysis and findings.

3.2.3.1 Qualitative Part

- **Data collection method**

The qualitative design of this study enabled data to be collected through focus group interviews. An interview can be defined as the two-way conversation in which the interviewer asks the participant questions in a face-to-face encounter to collect data and to learn the ideas, beliefs,

views, opinions and behaviours of the participants (Maree 2007:87, Brink, Van der Walt and Van Rensburg, 2012:157).

The type of interview used during qualitative data collection is a focus group interview. Group interviews as a way of collecting data are a much older method. Even though the technique originated in sociology, it was the marketing researchers who contributed much towards its development (Blackburn & Stokes 2000:3). Application of the technique in the social science can be tracked back to the study conducted by Bogardus in 1926. This study serves as the first documented work demonstrating the effectiveness of interviewing people in a group (Bogardus 1926). Although Bogardus is the first scholar to interview people in the group form, the academic credit goes to Merton who published a book in which he used the focus group to enable him to collect the data during the study of the effort to examine the persuasiveness of propaganda efforts and the effectiveness of training materials for troops and a study on the factors affecting the productivity of work groups during the World War II (Rennekamp & Nall 2012:10, Blackburn & Stokes 2000:4, Merton & Kendall 1946, Merton et al 1956). The definitions of the focus groups mainly differ in terms what constitutes or what determines the focus group, the participant-researcher relationship and the interactions amongst the participants (Blackburn & Stokes 2000:4, Smithson 2000:104). When analysing the theoretical consensus of the definition of the focus group, one arrives to the conclusion that although there are differences, scholars agree on what constitutes and what enables the technique to purposeful use the interaction in order to generate data.

Focus group can be defined in various ways, depending on the objectives of the study. For example, Bless, Higson-Smith and Kagee (2006), defined the focus group interviews as a semi-structured group interview conducted by a skilled facilitator. Barker and Rich (1992) defined it as the group discussion organised to explore a specific set of issues. Krueger (1998:88) defined the technique as a carefully planned discussion designed to obtain perception on a defined environment.

The differences in the definitions show that it is not always easy to define data collection methods. This difficulty is also confirmed by Carey (1994) who once stated that the definition of focus group remains imprecise. However irrespective of its impreciseness and for the purpose of this study, focus group interviews can be defined as the process of using a semi structured group session, moderated by a group leader, held in an informal setting, with the purpose of collecting information on a designated topic (Carey 1994:226).

This definition does not only include the crucial elements and the aspects of the focus group interview, such as the moderator, types of the questions, the natural setting and the objective of the study, it also encompasses the characteristics of other definitions above.

It was not until the early 1980s that the focus groups were rediscovered and endorsed by the social scientists for academic purpose, this followed after the marketing and medical research textbooks were published providing the technique with the exposition (Blackburn & Stokes 2000:4). It was also during this era that the technique was renamed to focus group interviews from the group interviews. In 1990s the technique became known and used cross different fields. Today the technique is not only used as a tool of acquiring the in-depth accounts from the participants within a short period, it is also being advanced and improved to ensure that it becomes the effective analytic tool (Smithson 1998). This type of interview is appropriate and in line with objectives of this study. According to University of Toronto (2002), focus groups are effective in that:

- One can collect the information that allows for in-depth discussion and probing on an issue of interest. This means you can collect opinions of more than one person in one session and the interaction between group participants can result in increased elaboration on a topic and broader insight into understanding an issue
- The method is able to provide a tremendous amount of information at a reasonable cost. It proved to be less costly than conducting 8-12 in depth interviews and cheaper than many of the quantitative data collection methods
- Focus groups enable the researcher to collect the opinions of more people within a shorter period of time compared to the other qualitative methods.
- The participants can also benefit by observing the group if a room with one way mirror is used.

With these advantages in mind, during data collection through focus group, **six** participants were grouped together and interviewed. A convenient and conducive venue was organised by the researcher. Prior to taking part in the study, participants received consent letters outlining details of the study, and the fact that participation is voluntary and that they can withdraw participation at any point during the interviews.

During the focus group interviews, a funnel structure which is the most popular format of the focus group would be used. In funnel structure, the moderator begins with a broad and less structured set of questions to ease and prepare participants with the topic. A set of warm-up questionnaires pertaining to contractor development programme would be considered at the early stage of the interview. This would be done to minimise the reactivity of the respondents who can turn to be offended along the proceedings (Maree 2007:91). The aim is to hear participant's general perspectives and to ease them into a situation whereby they will debate openly.

At this stage, the momentum of the interaction will accelerate and participants will adjust to the environment. It is important at this topic enticing or stimulating stage that the researcher starts structuring discussion and picks issues related to the topic (Brink, Van Der Walt & Van Rensburg 2012:159).

During the focus group interviews, the researcher encouraged full participation and interaction amongst the members. Questions were probed and follow ups were made to steer the discussions. Towards the end of discussions, the moderator directed discussions to be broader and more general. In concluding the interview, the moderator or researcher would summarise prominent points that emerged from the interaction and verifies her understanding of these points (Maree 2007:91).

- **Data collection technique**

An interview guide or moderator guide will be utilised to collect data. The data collection technique addresses the how part of collecting data. The moderator guide would consist of constructs or what is intended to be measures. In this instance, the constructs would be questions on contractor development satisfaction. During the group interview, a moderator will direct the discussions. The moderator is the group facilitator who can either be the researcher or the experienced person. This person facilitates group interaction and discussion (De Vos, Strydom, Fouche & Delport 2011:367). The moderator must possess good communication skills to encourage participation.

A semi-structured interview schedule will be used to guide the study during the interviews. The schedule will be used to gain a detailed picture of participant's beliefs, perceptions or accounts on contractor development programme. The researcher will develop a set questions adopted from the survey part of this study. The schedule will consist of seven questions on contractor development programme satisfaction and two questions on demographics. The demographic questions will be included after (end) main constructs questions. This will be done to minimise fear and scepticism of the participants. Asking participants personal questions in the introductory stage might generate fear and make them think they are falling into a trap.

After a set of communication satisfaction questionnaire were adopted for this particular section, the researcher pre-tested or piloted the questions. During pre-testing, one participant was sampled and interviewed. After the questions were pretested the researcher then used the six (6) interviewing steps proposed by Terreblache, Durrheim and Painter (2006:297). The steps are: interview planning, setting up the interview, the ins and outs of recording, starting the interview, the interview itself and ending the interview.

The researcher posed a question orally being guided by the interview guide and the respondents were expected to respond orally. The researcher, being assisted by assistant, recorded responses by jotting them down. The researcher also used a voice recording devices/instrument to complement field notes. The recorded data would be transcribed during analysis and to draw conclusions. The focus group session was also recorded through digital recorder. The video camera was not be used as the researcher is not interested in behavioural observations.

- **Data analysis method**

For the purpose of this study, content analysis was employed to analyse data collected through focus group interviews. By definition, content analysis is a qualitative data analysis that identifies and summarise message content. It basically enables researchers to look at data from different perspectives with a view to identify key words in the text. Such key text is important for data interpretation (Maree 2007:101). It is also important to emphasise each focus group interview will be analysed separately and independently. To analyse the data as well as ensuring validity and reliability of the findings, the following steps will be followed: Bless, Highson-Smith & Kagee (2013:342-343):

- Immersion in the data: this includes reading and rereading information gathered until it is fully understood. This would include putting together jotted and transcribed notes (Welman, Kruger & Mitchell 2005:211). It will also include cleaning or filtering the data so that contradictions are eliminated. During cleaning of raw data, all information deemed irrelevant would be cut out. This will be done to ensure internal validity by eliminating confusions and inconsistencies.
- Preliminary coding: coding refers to breaking down data collected into fragments which share common characteristics. So, codes are the categories of coding / categorizing / classifying common texts. For example looking at matching patterns so to group together all negative or positive words or sentences (perceptions) about contractor development programme.
- Coding definition: it is in this step wherein codes are given definition or meanings. Clear definitions would be assigned to different codes. This step includes putting together the coding system.
- Coding: Once codes are finalized, the text data will be fitted or assigned to relevant codes, for example all negative words will be coded in the category called negative attitude towards contractor development programme.
- Inter-coder reliability: to ensure reliability of data collected, inter-coder reliability will be done by drawing similarities in the responses from the focus group interviews. There

should be a degree of agreement between the two or more coding to ascertain inter-coder reliability of the study.

- Interpretation of results: the last step would include applying one's mind and give the data collected meaning.

3.2.3.2 *Quantitative Part*

- **Data collection method**

For the quantitative part of the study, a survey was conducted to collect data from 364 participants. This size was determined using sampling size calculator with confidence level of 95% and margin of error of 5%. There are three distinguishable characteristics of survey research. Firstly, survey research is used to quantitatively describe specific aspects of a given population. These aspects often involve examining the relationships among variables. Secondly, the data required for survey research are collected from people and are, therefore, subjective. Finally, survey research uses a selected portion of the population from which the findings can be later generalised back to the population. In simple terms, survey is a data collection tool used for carrying out survey research. It can be defined as means for gathering information about the characteristics, actions, or opinions of a larger group of group (Kraemer 1993:77).

The advantages of using surveys are that, this data gathering method is capable of obtaining information from large samples of the target population. In addition, they are also capable of gathering data on demographics that describe the composition of the sample (McIntyre 1999, De Vos, Strydom, Fouche & Delpont 2011 & Bless, Highson-Smith & Kagee 2006). Researchers can use various surveys at a minimal cost, can easily be administered and makes generalisation easy. Information about attitudes that otherwise would be difficult to measure using observable techniques (McIntyre 1999). The data gathering technique of the survey also enables easy comparison when analysing the results. The method allows variety of data to be collected; such includes information on different ages and gender. The researcher is convinced that this method would lead or enable the research objectives to be achieved.

With these benefits in mind and considered appropriate, an email survey was conducted. Email survey entails that the survey is administered to a sample via electronic email. This method was chosen because contractors are busy and some are far, thus, administering survey through email would be more effective than any other survey method.

- **Data collection technique**

Comparably, just like qualitative focus groups, interview uses moderator guide as data collection technique, survey relies on questionnaire (survey instrument) as data gathering method.

Questionnaires are set of questions with constructs linked with the research problem. The questionnaire will be email-administered to sampled respondents. Emailed questionnaires are a set of questionnaires administered to participants through electronic mail (De Vos, Strydom, Fouche & Delport 2011).

After the questionnaire has been emailed, the researcher would contact participants, individually, to confirm receipt of questionnaire and reaffirm if they would be participating. When contacted, they would be briefly advised on the procedure to complete the questions. This would enhance internal validity of the study as it would limit spoiled questionnaires erroneously completed. Accompanying the questionnaire would be a consent letter indicating risks and benefits of participating in the study. The letter would also indicate that participants are not coerced to participate in the study. Not only that online administering of questionnaires would ensure timeous response, the emailed questionnaires also have the following benefits (De Vos et al 2011; Du Plooy 2009; Bless, Highson-Smith & Kagee, 2006:229: easily standardized, time and cost effective (feasible), and reaches a geographically diverse sample. The questionnaire included contact details of the researcher and they were advised to contact the researcher should they experience challenges with completing the questionnaire (electronic facilitation).

Sampled contractors were given three days to complete the questionnaire. After three days, a follow up would be done with all respondents to ascertain challenges. Those who have complied with time frame would be thanked. When thanking them for participating, the researcher would also indicate that the outcomes of the study would be shared with all respondents.

The manner in which a question is presented to participants is very important in research. In terms of design, items in a questionnaire can consist of statements and questions which can be open or closed ended. While in one hand open ended questions are associated with the in-depth interviews, in another, closed ended questions also referred to standardised questions or fixed-alternative questions are highly structured questions linked with the survey part of this study (De Vos et al 2011). They are considered fixed and standardised because respondents are limited from giving in-depth accounts or detailed information.

The simplest type of closed-ended question limits respondent to only two options namely *yes* or *no*. Example of such is when contractors are asked if they are participating or benefiting from contractor development programme; the given options would either be *yes* or *no* (mutually exclusive). Deemed more relevant in this study, the closed ended questions would be employed in this study to test views of contractor development participants. The quality of closed ended information can also be increased and instead of giving respondents *yes* or *no* options; the item is instead made to be more descriptive (Ligthelm & Van Wyk 2005). The respondent is still

expected to choose only one option however the yes/no option would have been replaced by more descriptive options.

The respondent simply compares the closed-ended options and chooses accordingly. This type of item is called paired-comparison question and would be applied in this study as part of items in the questionnaire. Unlike with simple yes/no responses, inclusion of this type of item requires proper literature so that proper pre-statements/assumptions can be included.

Contingency questions are also another type of questions/items that would be included in this study. Contingency questions are the types of questions that apply to some respondents and thus should always include clear instructions. Particular to this study, there are questions that would apply to some participants and not others. For example, some questions would apply to grade one contractors and not grade two or three. Contingency questions would assist in ensuring some participants are filtered out. It is therefore important that instructions be clear when filtering out subgroups in the questionnaire. Poor instructions could deter researcher's intentions and potentially affect the internal validity of the study as participants could end up answering the questionnaire wrongly (Ligthelm & Van Wyk 2005).

The items in the questionnaire would also include ranking questions. Instead of selecting one option, more relevant options would be provided to allow respondents to rank options according to their preference. Ranking of responses should not be haphazard, but should follow a particular logic, for example from least to most or from most to least.

Inventory questions are as well closed-ended and would be considered in this study. Herein, respondents would not be limited to choosing only one option, instead comprehensive overview of all possible options that could possibly apply to each respondent would be provided. Respondents would be required to choose only responses/options that apply to them. Even if a thorough literature review has been done, it can sometimes be difficult to include all pre-coded responses. To deal with this, additional category called "other" would be included.

- **Data analysis method**

In analysing quantitative data collected through the survey, raw data would first be reviewed first for consistency and completeness with the missing values verified against the source. The cleaning of raw data would be done to ensure that data is organised and synthesised. This process would be followed by analysing the data using the latest version of the Statistical Package for Social Science (SPSS). Once analysis is done through SPSS, descriptive statistics, a quantitative data analysis method that allows researchers to summarise and organise data (Salkind 2014:229),

would be used to present data in the form of frequency distribution tables and graphical presentations such as histograms, pictograms and multiple bar charts.

- **Structure of the questionnaire**

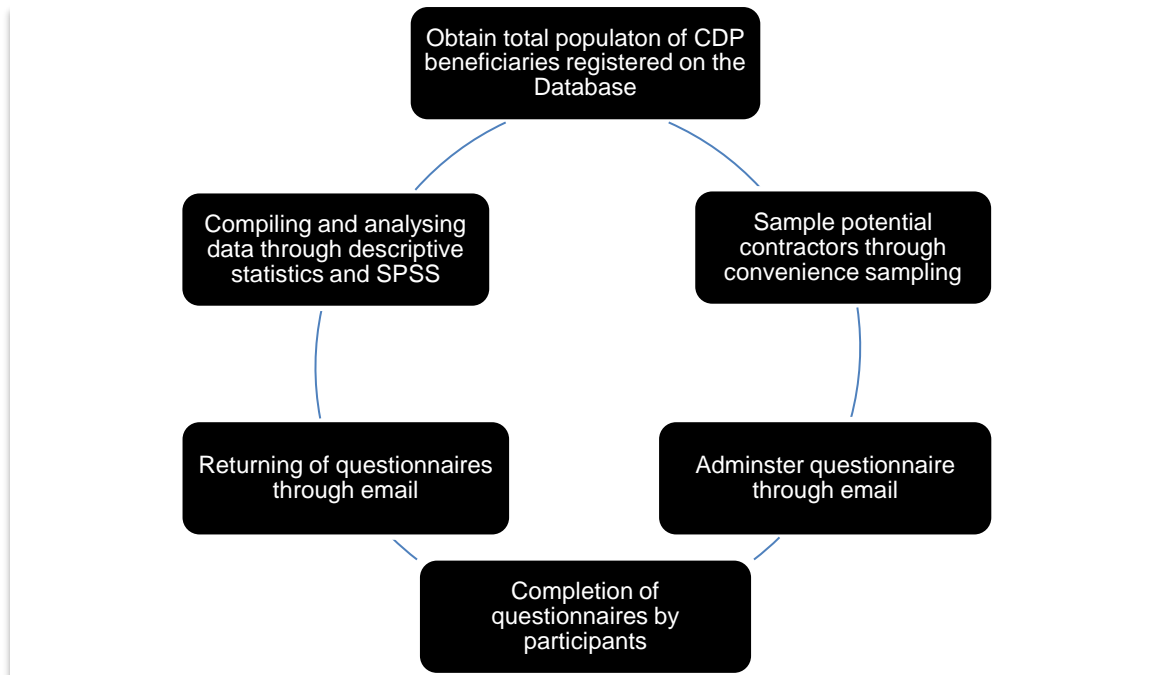
The questionnaire as a measuring instrument was developed following thorough engagement of the literature. In terms of the structure, the questionnaire contains different forms of close-ended questions, which give respondents a range of answers to choose from (Sunjka & Emwanu, 2015:193, Du Plooy 2009). Closed ended questions also referred to standardised questions or fixed-alternative questions are highly structured questions and are mostly appropriate for survey studies. The simple close ended question in the instrument contains yes/no option. However, the researcher also added another type of close-ended question termed paired-comparison question (Du Plooy 2009). Paired-comparison questions are a type of close-ended question where options given to respondents are more descriptive. The respondent is still expected to choose only one option however the yes/no option have been replaced by more descriptive options.

The questionnaire also includes inventory questions, another type of closed-ended question. Herein, respondents are not limited to choosing only one option but more than one. Inventory questions seek to obtain comprehensive overview of all possible options that could possibly apply to each respondent (Du Plooy 2009). The questionnaire also includes ranking questions. Ranked questions are another type of closed-ended questions and instead of selecting one option; the researcher provides more relevant options that the respondents will rank according to their own preference. There are also open-ended questions which allow respondents to briefly narrate their responses.

- **Final questionnaires administration and collection**

The schematic presentation below (figure 3.1) seeks to indicate the process followed when administering questionnaires.

Figure 2.1: Questionnaire administration procedure



- **Response Rate**

To increase and boost response rate, the researcher contacted respondents before emailing the questionnaires, encouraging them to respond speedily. In addition, the following techniques as suggested by Zuniga (2004) & Quinn (2002) will increase the response rate:

- Repeat reminder emails to non-respondents
- Persuade respondents that their responses are of great value.
- Grant respondents extension and more time to complete the questionnaires
- Assure respondents of the anonymity of their responses. This is one of the main concerns for email survey respondents and anonymity appears to likely boost responses if managed effectively (Dommeyer, Baum & Hanna (2002).
- Questionnaires have also been kept brief to encourage response rate.
- Participants would be furnished with contact details to notify the researcher once the questionnaire is completed and emailed.

The process of administrating and receiving the questionnaires back was allocated three days. Thus, the successful response rate for the study was 100%, which could be translated into 364/364 of the returned questionnaires.

- **Testing Hypotheses**

In chapter one, three hypothetical statements were formulate. Most importantly, the formulated statements were to be tested or measured in order to address or answer the research problem. The hypotheses were tested through test statistics. Through test statistics which was conducted through different elements of the SPSS (correlation coefficients, normality tests and reliability statistics), the hypotheses were either rejected or could not be rejected.

- **Validity and reliability**

In order to ensure the reliability and validity of the study, the researcher will pre-test or pilot the questionnaires and the interview schedule/ moderator guide. Questionnaire will be pre-administered/tested to a group of five respondents while the interview schedule will be pre-tested with one participant. To ensure internal validity of the study, those sampled for pilot testing would not form part of the main study. Testing is threat of internal validity caused by the fact that the respondents used during pre-testing of the study become aware of the questions in the questionnaire and this causes them to be more thoughtful of their responses when being included in the actual or main study (Babbie & Mouton 2001:217). To meet requirement of validity, participants would have to meet population parameters explained above. For example, the internal validity of the study would be threatened if a contractor outside grade one to three is sampled. Pretesting the measuring instrument will ensure that the questionnaire is reliable by establishing the internal consistency (Du Plooy 2009:131).

Pre-testing both the questionnaires and the interview schedule would also ensure a type of validity called the face validity. Face validity is concerned with the way the instrument is perceived or appear to the participants (Bless, Highson-Smith & Kagee 2006:161). Unreliable instrument can influence the results, in order to ensure the instrument reliability the researcher will establish the expert-jury validity. The student's academic supervisor will be asked to perform expert validity on the set of questionnaires.

Internal validity of this study is also strengthened by using multiple/mixed methods of both questionnaires and the interview schedule to collect data. According to Maree (2007:80) and Grbich (2013:33) mixed methods is another way that can be used to ensure validity and credibility of the study. In this study the interview findings will be integrated with the survey findings in order to solve the research problem.

In line with specifically the interview schedule, the researcher would also ensure trustworthiness and dependability of the study. In order to ensure the trustworthiness and dependability of the study, the researcher will ensure that the setting of the study is not contaminated or influenced by outside interferences. In addition to this, the researcher would guarantee participants that she is

bound by research ethics outlined in the consent letter and they should not fear to participate. By doing this, the researcher would be relaxing the climate of the study. This process created a trustworthiness and dependability of the study.

In addition, to test reliability, Cronbach's alpha internal consistency analysis item analysis was used to assess the reliability constructs in the questionnaire. This would be done through Cronbach's alpha values. Constructs refers to the concepts which would be used to measure opinions of contractors participating in the contractor development programme.

In testing the reliability through Cronbach's alpha value: a Cronbach's alpha which is above 0.8 would indicate good reliability; alpha between 0.6 and 0.8 would indicate acceptable reliability; and alpha below 0.6 would indicate unacceptable reliability. A reliable Cronbach coefficient alpha value is a validation that the individual items of a dimension measure the same dimension (concept) in the same manner (or consistently). Burns and Grove (2009:379) further adds that, a Cronbach's alpha coefficient value of 1.00 denotes optimal reliability, in that each item in the instrument measures exactly the same thing.

3.3 CHAPTER SUMMARY

This chapter discussed relevant methodology critical in resolving the research problem. In the chapter, a multiple methods research design was explained to be the relevant methodological design for this study. In addition, the chapter has discussed the target population for the study, relevant sampling methods, data gathering methods and techniques for both quantitative and qualitative parts (multiple methods) of the study. Pre-testing method would be used to ensure validity of survey while Cronbach's alpha value would be used to ascertain reliability of the constructs.

CHAPTER 4

4 DATA ANALYSIS

4.1 INTRODUCTION

In this chapter, the analysis of the data collected is presented. The analysis was performed using the Statistical Package for Social Sciences (SPSS) version 23. Moreover, descriptive statistics were used to summarise, organise and visualise findings. This analysis technique enabled data to be presented in the form of tables, graphs and other visual forms. Further to this approach, inferential statistical analysis was performed from descriptive analysis and this analysis enabled conclusion of the study by drawing inferences.

4.2 STATISTICAL ANALYSIS

4.2.1 Descriptive statistics

Descriptive statistics is a typical first step of data analysis and provides a very useful initial examination of the data (Tustin, Ligthelm, Martins & Van Wyk, 2005). This analysis technique can be defined as a procedure in which quantitative data can be organised, summarised and visualised (De Vos, Strydom, Fouche & Delport, 2011; Terre Blanche, Durrheim & Painter 2006:564). It involves different logical patterns that the researcher can rely on to justify his or her arguments and claims about the topic of interest. Presenting data through descriptive statistics means getting an instant picture of the distribution of sample data (Field, 2009).

4.2.2 Inferential statistics

Inferential statistics enable researchers to go beyond describing the sample data (means, standard deviation and proportions) to make references about the population from which the sample was drawn (Tustin, Ligthelm, Martins & Van Wyk, 2005:558). Put differently, inferential statistics enable the researchers to make inferences about the population on the grounds of what has been observed in the sample. It entails the use of statistical theory, methods and techniques to draw (probabilistic) conclusions from data. (Terre Blanche, Durrheim & Painter 2006:564). The process of drawing inferences involves point estimate and interval estimation.

4.3 RESPONSE RATE

Data collection took place in the period between August-September 2017. Convenience sampling was used to gather data from a sample (n) of 364 participants. All participants responded translating into a 100% response rate. To increase and boost response rate, the researcher contacted respondents before emailing the questionnaires, encouraging them to respond speedily. In addition, Zuniga (2004) & Quinn (2002) methods of increasing response rate were employed. These included repeating reminder emails to non-respondents, persuading respondents that their responses are of great value, grant respondents extension and more time to complete the questionnaires, and assuring respondents of the anonymity of their responses.

The high response rate could also be attributed to narrative responses in the focus group interview in which participants indicated that the study actually gave them a platform to express their views with regards to the programme. They then encouraged one another to participate so that their concerns can be recorded. It would also appear that, public relations and communication qualifications and skills by the research assistant, attributed to the high response rate. Some respondents contacted the researcher commending the high professional skills portrayed by the assistant who was involved in data collection. The high response rate also appears to have been due to the fact that the researcher is involved in the contractor development programme and most of the respondents know her. They were however informed that they had to be honest in the study.

Due to time and feasibility constraints and the fact that the researcher had access to contact details of all contractors, the questionnaires were administered through email. This choice was made on the basis that all respondents had means to access emails. The questionnaires were semi-structured, meaning they contained both close and open-ended questions.

4.4 QUALITATIVE ANALYSIS

The qualitative approach of this study entailed collecting data through focus group interviews. There are varying contentions as to how many members should be involved in a focus group. For example, according to Morgan (1997) and Bernard (2011), the rule of thumb in determining the size of the focus group should range between 6 to 10, plus a moderator and an assistant. In contrast, Bless, High-smith and Kagree (2006) contend that it is practical to have a number ranging between four and eight participants. Considered appropriate for this study, the focus group composition consisted of six participants who were interviewed together.

When analysing the focus group data, a thematic analysis was conducted. Thematic analysis is a method of identifying, analysing and reporting patterns (themes) within data (Fereday & Muir-Cochrane, 2006). Data themes patterns are crucial to the description of a phenomenon and should be linked with objectives, hypotheses and objectives of the study. Following transcription of data collected through technological device, the thematic analysis was performed by extracting, coding and categorising data text in developed themes, based on the data's characteristics (Bowen 2009). Table 4.1 shows thematic analysis performed.

Table 4.1 Registration communication mediums (n=6)

Communication mediums	Frequency
Telephone	16.66%
Personal/Manual	66.66%
Postal services	16.66%

From Table 4.1 it appears that most participants preferred or used personal or manual means (66.7%) to register on the contractor development programme.

Table 4.2 Reasons for registering with cidb (n=6)

Reason	Frequency
Financial gains	33.33%
Development and goals	66.66%
Skills	16.66%

Similarly, Table 4.2 indicates that most participants (66.7%) registered with CIDB for development reasons. This was followed by financial gains (16.7%), which includes obtaining tenders. A participant commented as follows:

"I simply joined because it increases the chances of receiving tenders".

Table 4.3 Technical qualifications and construction experience (n=6)

Qualifications & experience	Frequency
Electrical engineering	16.66%
Civil engineering	33.33%
Project management	16.66%
Marketing	16.66%
Experience	33.33%

The analysis shows that most of those who participated in the focus group interviews possessed civil engineering and construction experience.

Table 4.4 Identification of contractors (n=6)

Contractor Identification	Frequency
Frustration	66.66%
Documents	16.66%
Communication	33.33%
Criteria	50.00%
Database	16.66%

The thematic analysis indicates that participants in the contractor development programme are more frustrated with the programme. They are also concerned about selection criteria used in the contractor development programme. Verbatim quote regarding communication “*We never receive feedbacks, I don’t even know who to contact when experiencing challenges*”.

Table 4.5 Goals and objectives of the contractor development programme (n=6)

Goals and objectives	Frequency
Grapevine	16.66%
Communication	66.66%
Inconsistent	16.66%
Vague/not clear	83.33%

Contractors indicated that the objectives and goals of the programme of the programme are vague and not clear to them. Their second concern was with communication in the programme.

Table 4.6. Accessibility and easiness of registering on the contractor development programme (n=6)

Accessibility & easiness	Frequency
Efficiency/user friendly	50.00%
Skill and literacy	33.33%
Assisted	16.66%

Participants reported that the registration on the contractor development programme was efficient and the system was user friendly.

Table 4.7. Overall experience with the programme in terms rating (n=6)

Overall Experience	Frequency
5/10	33.33%
2/10	33.33%
4/10	16.66%
1/10	16.66%

The overall analysis indicates that the overall rating of the participants was unsatisfactorily towards the contractor development programme.

Table 4.8. Growth and development aspects (n=6)

Growth & Development	Frequency
5/10	33.33%
3/10	33.33%
2.5/10	16.66%
1/10	16.66%

Participants rated poor their overall experience with growth and development.

Table 4.9. Performance since you have joined the programme and training (n=6)

Overall performance	Frequency
None	100%
Training since joined the programme	
None	100%

Participants reported no improving performance and lack of training since they joined the contractor development programme.

Table 4.10. Personal future plans in the contractor development programme (n=6)

Future plans	Frequency
Uncertain	50.00%
Remain	50.00%

While 50% of the contractors indicate to plan to remain in the programme in future, 50% equally indicated to be uncertain about this.

Table 4.11. Additional information (n=6)

Additional information	Frequency
Selection criteria	16.66%
Training	50.00%
Distribution of work	33.33%
More support	16.66%

Participants further indicated that training is needed and distribution of work be looked into to benefit contractors. A verbatim from participants includes: “*We have never received any training from any stakeholders in the contractor development programme*”

4.5 QUANTITATIVE SURVEY ANALYSIS

4.5.1 Contractor profile.

Contractors were presented with ten (10) questions aimed at profiling their socio-demographical information. The participant responses are shown in Table 4.12.

Table 4.12 Profile of respondents (N=364)

Profile	Distribution	N	%
Position	Owner/founder	259	71.2%
	Co-owner/founder	105	28.8%
Gender	Male	226	62.1%
	Female	138	37.9%
Population group	Black	302	83.0%
	White	4	1.1%
	Colored	33	9.1%
	Asian/Indian	25	6.9%
Qualifications	Master's Degree	1	0.3%
	Honours/BTech/BSc	3	0.8%
	Diploma	20	5.5%
	Certificate	30	8.2%
	Matriculation Certificate	121	33.2%
	Basic Education	103	28.3%
	No Educational Qualifications	86	23.6%
Experience	Years (Max)	1 year	
	Years (Median)	6 years	
	Years (Min)	11 years	
Type of business	General Contractor	312	85.7%
	Sub-contractor	12	3.3%
	Civil contractor	22	6.0%
	Specialist contractor	7	1.9%
	Home building contractor	10	2.7%
	Other	1	0.3%

District of operation	Amajuba	27	7.4%
	Harry Gwala	27	7.4%
	Ilembe	36	9.9%
	King Cetshwayo	43	11.8%
	Umkhanyakude	42	11.5%
	Ugu	39	10.7%
	Uthukela	55	15.1%
	Umgungundlovu	31	8.5%
	Umzinyathi	33	9.1%
	Zululand	20	5.5%
	Ethekwini	11	3.0%
Average turnover in the past three years	Annual Turnover (Max)	R 1,000, 000	
	Annual Turnover (Median/Mean)	R 355, 000	
	Annual Turnover (Min)	R 100, 000	
CIDB activation	Active	362	99.5%
	Not sure	2	(0.5%)
Registration status	Registered on my own	95	26.1%
	Registered by company assistant	122	33.5%
	Registered by family or friend	143	39.3%
	Registered by service provider	4	1.1%

Evidently from Table 4.12, 259 (71.2%) of respondents were owners/ founders of their companies while 105 (28.8%) of respondents co-owned/founded the company they represented in the study. Most respondents (62.1%) were males, and were Black (83.0%). Interestingly, there were also White participants (1.1%). Further, most participants (33.2%) had matriculated while 28.3% had some form of basic education. However, a further 23.6% reported having no education.

The median years of experience was 6 years, with the maximum being 11 years and the minimum being one year. Most respondents (85.7%) regarded themselves as general contractors. Most contractors participating in the contractor development programme (15.1%) came from the district of UThukela.

The annual mean turnover in the past three years was R355, 000 with the minimum turnover being R100, 000 and the maximum turnover being R1,000,000. Most participants (39.3%) had not registered on the contractor development programme on their own and were assisted or registered by a family member or a friend.

4.5.2 Reliability Statistics

The reliability of the scaled responses was tested by using the Cronbach's alpha reliability coefficient to establish if the 5-point Likert scale employed was internally consistent in measuring the constructs. A Cronbach's alpha reliability co-efficient > 0.8 is indicative of good reliability while a coefficient between 0.6 and 0.8 would indicate acceptable reliability. The reliability coefficients of each construct are shown in Table 4.13. It is evident that the reliability of the scale for overall satisfaction was good and overall contractor development programme experience was acceptable.

Table 4.13 Cronbach Alpha reliability statistics

Reliability Statistics			
Construct	Cronbach's Alpha	N of Items	Reliability
Overall Satisfaction	0.829	16	Good
Overall contractor development programme experience	0.667	10	Acceptable

Table 4.14 shows the categorization of the various scaled responses to simply the interpretation of the findings.

Table 4.14: Data interpretation range and categories

Scale		Range	Category
5	Totally Satisfied/strongly disagree	> 3.67	High
4	Satisfied/disagree		
3	Neutral	2.33 – 3.66	Average/medium
2	Dissatisfied/agree	< 2.32	Low
1	Totally Dissatisfied/strongly agree		

4.5.3 Normality Testing

A normality test was conducted to compare the shape of the research sample distribution to the shape of a normal curve. The test assist in assuming that if the sample is normally shaped, the population from which it was drawn from could also be predicted to be normally distributed (Hain, 2010). In a theoretical normal distribution, probabilities with > 0.05 mean are regarded as normal, while probabilities with < 0.05 mean would be regarded as not normal. In the actual testing of normality, a theoretical normal distribution was compared with the actual distribution of the data

and this is shown in Tables 4.15.

There are two methods used to assess normal distribution of data, these are statistical and graphical testing. In statistical testing, the techniques Shapiro-Wilks and Kolmogorov-Smirnov tests were used. Graphical normality tests are in particular very useful when the sampling size is huge. The sampling size of 364 is considered huge. The results of the graphical normality tests are shown in figures 4.1 and 4.2.

Table 4.15: Contractor Development Programme Satisfaction Normality Test

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
CDPSAT	.244	364	.000	.798	364	.000
CDPEXP	.189	364	.000	.836	364	.000
a. Lilliefors Significance Correction						

Figure 4.1: Satisfaction Normality Test

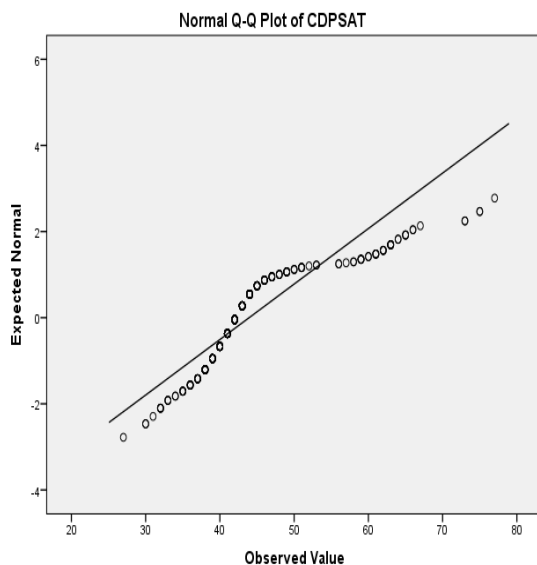
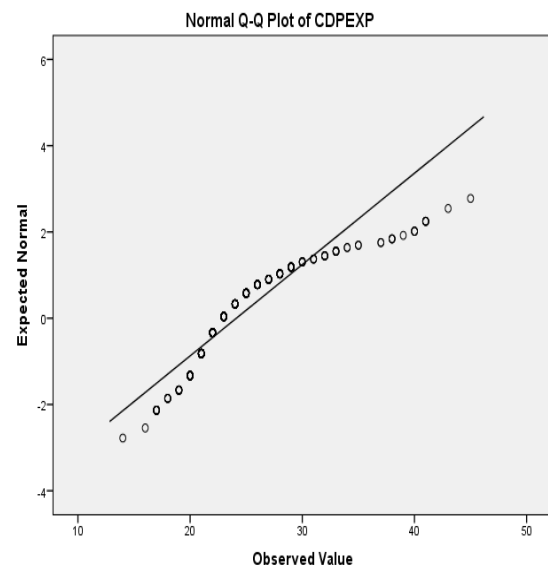


Figure 4.2: Experience Normality Test



The graphic tests as shown in table 4.15 and figures 4.1 & 4.2, cast a doubt that the sample is coming from a normally distributed population (Hain, 2010). It is important to state that in the bigger sampling size, normality parameters becomes more restrictive and it becomes harder for the data to meet the requirements of normal distribution. So for very large data sets, normality testing becomes less important (Ghasemi, 2012, Bera 1993). With this statistical significance of .000, and not all graphic data plots following a bell-shaped curve without any data skewed above or below the mean, the study's data does not meet the criteria for a parametric test (not normally distributed,

equal variance, and continuous).

As such the data was analysed with a nonparametric test (Neideen & Brasel, 2007). For this reason, Spearman rank coefficient was therefore used to determine how well two variables for individual points or constructs predicted each other.

This was performed in the section on correlation coefficient below. It is important to conduct these tests because psychological variables such as satisfaction and experience are approximately normally distributed and this therefore helps in validating the findings.

4.5.4 Correlation Coefficients

Correlation of various constructs was conducted to measure the magnitude of any linear associations between them (Rodgers & Nicewander 1988). Determining the level of correlation entails a statistical method that determines the degree of relationship between two or more variables.

As shown in Table 4.16, it would seem that although not significant, the relationship between the two constructs which are satisfaction and experience is strongly positive (.190) at significance level of 0.00. There is a strong negative (-.254) correlation between registration on the contractor development programme satisfaction at significant level of 0.00. There is another strong negative relationship (-.154) between the construct- experience and registration on the contractor development programme at a significant level of 0.03. There is observed strong positive relationship (.173) between population growth and registration on the contractor development programme, at a significant level of 0.01. Due to constructs being considered not normal, the correlation was performed using Spearman's correlation test. A test of the significance of Pearson's r would more likely to inflate type I error rates and reduce power (Bishara & Hittner, 2012); subsequently Spearman was considered as alternative method to determine correlation coefficients.

4.4.2 Satisfaction measurement with overall registration on the Contractor Development Programme

According to Bless, Highson-Smith & Kagee, (2013), the best approach to estimate satisfaction level is by considering one value which represents all other values. The mean was considered to be the most informative measure of central tendency and was used to identify key findings. Participants were presented with 16 statements on aspects of their overall satisfaction with the registration process of the contractor development programme and asked to indicate their level of satisfaction on a 5-point Likert scale where 1=totally dissatisfied, 2=dissatisfied, 3=neutral, 4=satisfied and 5=totally satisfied. Their responses ranked by the means are shown in Table 4.17.

Table 4.17 Contractor Development Programme satisfaction distribution table (N=364)

Statement	Mean	Std. Deviation	Satisfaction Level	Mean Rank
Own registration on the system	4.154	0.7774	High	1
Ease registration on the CIDB	3.898	0.8833	High	2
Ease registration on the CDP	3.802	0.8873	High	3
First time registration on CDP	3.786	0.9201	High	4
Understanding of being grade 1,2 &3	3.679	1.1002	High	5
Understanding of objectives of the Programme prior to registration	3.486	0.9165	Medium	6
Compliance with system requirements	3.475	0.8378	Medium	7
Benefits of being a beneficiary on the contractor development Programme	2.297	0.9060	Low	8
Benefitted from tender since registered on the contractor development Programme	2.135	0.9684	Low	9
Extent to which you have been identified as a potential contractor	1.984	0.9089	Low	10
Growth and development since joined the Programme	1.962	0.9670	Low	11

Performance since joined the Programme	1.887	0.9991	Low	12
Overall experience with contractor development Programme	1.885	1.0030	Low	13
Training received from contractor development Programme	1.860	0.8263	Low	14
Possession of construction experience prior registration	1.827	0.9032	Low	15
Effectiveness of communication	1.824	0.8076	Low	16

From Table 4.17, it is evident that of the 16 statements about registration respondents expressed high levels of satisfaction with five statements with means ranging from 4.154 to 3.679, and average or medium level of satisfaction with two statements with means ranging from 3.486 to 3.475. Participants further expressed low levels of satisfaction with the remaining nine with means ranging from 2.297 to 1.824. The statements with which respondents were highly satisfied are:

• Own registration on the system (mean=4.154)
• Ease registration on the CIDB (mean=3.898_
• Ease registration on the CDP (mean=3.802)
• First time registration on CDP (mean=3.786)
• Understanding of being grade 1,2 &3 (mean=3.679)

It seems that the level of satisfaction is dependent on their own involvement in the registration process. The statements with which participants expressed average levels of satisfaction are:

• Understanding of objectives of the Programme prior to registration (mean=3.486)
• Compliance with system requirements (mean=3.475)

This means indicates balanced mixed reaction in terms of these statements. The statements with which participants expressed low levels of satisfaction are:

• Benefits of being a beneficiary on the contractor development Programme (mean=2.297)
• Benefitted from tender since registered on the contractor development Programme (mean=2.135)
• Extent to which you have been identified as a potential contractor (mean=1.984)
• Growth and development since joined the Programme (mean=1.962)
• Performance since joined the Programme (mean=1.887)
• Overall experience with contractor development Programme (mean=1.885)
• Training received from contractor development Programme (mean=1.860)
• Possession of construction experience prior registration (mean=1.827)
• Effectiveness of communication (mean=1.824)

It seems that respondents were not satisfied with the benefits of participating in the contractor development programme including their actual performance, growth and development, training and effectiveness of communication about the programme itself. This is confirmed by the focus group thematic analysis which indicates that training, performance and growth were less mentioned during the interviews.

4.4.3 Contractor Development Programme Experience

In order to measure the experience of contractors with the contractor development programme, participants were presented with 10 statements and asked to indicate their level of agreement on a 5-point Likert scale where 1=strongly agree, 2=agree, 3=moderate/neutral, 4=disagree and 5=strongly disagree. Their responses ranked by the means are shown in Table 4.18.

Table 4.18 Contractor Development Programme experience distribution table (N=364)

Statement	Mean	Std. Deviation	Level of agreement	Mean Rank
The contractor development Programme is beneficial to contractors	3.810	1.0149	High	1
Intending to remain a member of contractor development Programme in future	3.217	0.9733	Neutral/Moderate	2
The role of CIDB is clear	2.975	1.2295	Neutral/ Moderate	3
Full compliance with legislative requirements as contractor	2.931	0.6456	Neutral/ Moderate	4
It directly or indirectly worsened my finances	2.027	0.9147	Low	5
Enjoying support depends on geographical location (rural vs urban) of contractors	1.915	0.9005	Low	6
Improvements are needed in the contractor development Programme	1.893	0.9460	Low	7
The Programme gave me high expectations	1.802	0.9589	Low	8
Benefits the political connected instead of those previously disadvantaged	1.799	0.9066	Low	9
It should be wholly reviewed to empower emerging contractors	1.753	0.8524	Low	10

Evidently from Table 4.18, of the ten statements on experience with contractor development programme, respondents expressed low levels of agreement with one statement with a mean score of 3.810. Moreover, they expressed neutrality or average agreement with three statements with means ranging from 3.217 to 2.931. They further expressed high levels of agreement with experience with the remaining means ranging from 2.027 to 1.753. The statement with which most respondents did not agree is:

- The contractor development Programme is beneficial to contractors (mean= 3.810)

The contractors evidently did not agree that the contractor development programme (CDP) was beneficial to them.

The statements with which participants were undecided or neutral are:

- Intending to remain a member of contractor development Programme in future (mean= 3.217)
- The role of CIDB is clear (mean= 2.975)
- Full compliance with legislative requirements as contractor (mean= 2.931)

These findings suggest that contractors were neutral about continuing to participate in the CDP, the role of the CIDB and about complying with all the requisite legislative requirements for being a contractor.

Contractors felt that participating in the CDP affected their financial position, that their geographical location affected the level of support they received, that the CDP needed improvement, that the CDP created expectations that were unfulfilled, that the CDP benefited only those with political connections and that the entire programme needs to be reviewed to ensure that the target group, namely emerging contractors, were beneficiaries and empowered.

- It directly or indirectly worsened my finances (mean= 2.027)
- Enjoying support depends on geographical location (rural vs urban) of contractors (mean=1.915)
- Improvements are needed in the contractor development Programme (mean= 1.893)
- The Programme gave me high expectations (mean= 1.802)
- Benefits the political connected instead of those previously disadvantaged (mean= 1.799)
- It should be wholly reviewed to empower emerging contractors (mean= 1.753)

4.4.4 Overall ranked challenges.

Respondents were asked about their major challenges. They were asked to rank these from the highest priority to the lowest. Of those who responded, only 314 (86.2%) successfully ranked items according their preference. Table 4.19 tabulates the various challenges in the accordance with the frequency with which respondents ranked their experiences while participating in the contractor development programme.

It is evident that financial constraints and limited access to funding were challenges experienced by almost all of the participants. Late payments by clients (86.3%), lack of sufficient resources and capital equipment (85.6%) and poor communication (84.7%) were the next dominant challenges that were experienced. Limited access to professional advisors (54.4%) and complicated contract procedures were experienced by just more than half of the respondents.

Table 4.19: Challenges experienced in the contractor development programme

NO .	CHALLENGES EXPERIENCED	FREQUENCY	%
1	Financial constraints and limited access to funding	303	96.40%
2	Late payments by clients.	271	86.30%
3	Lack of sufficient resources and capital equipment.	269	85.60%
4	Poor communication.	266	84.70%
5	Skills shortage.	241	76.70%
6	Intense competition.	203	64.60%
7	Difficulty ensuring regular materials supply	202	64.30%
8	High skilled workers turnover.	199	63.30%
9	Limited access to professional advisors.	171	54.40%
10	Complicated contract procedures.	169	53.8%

As shown in Table 4.19, in terms of major challenges 96.4% of respondents indicated that their main challenge in the contractor development programme was financial constraints and limited access to funding. This challenge formed part of the interview schedule and participants indicated during the focus group interview that they needed more tenders and job opportunities. Some selected comments include:

“It is a must to be registered in order to operate and get work. There is no other way.”

“I am from the construction background, so mainly wanted to register my own company”

The second major challenge reported by respondents confirms that financial benefits supersede all other objectives of the programme. As shown in Table 4.10, 86.3% of the contractors indicated that late payments by the clients were their second major concern. Some selected comments include:

“I nearly quit and dissolved my company after an invoice took 8 months and 3 weeks to be processed, seven employees resigned due to this and I was driven to debt because of incompetent clients”.

“Challenge one had was one of the programmes named CPG partner where subcontract, the department after awarding the department forgets about you after that so whatever rates the main contractor is packaging the work and takes all the mistakes made on the BOQ and then they say you signed the contract and the rates stands as is. In the end you end up working for R200 000 but claim R100 000 and that’s a loss. You must wait for them to be paid before you get paid.”

Moreover, 85.6% indicated serious lack of sufficient resources and capital equipment. Further, 84.7% of respondents indicated the need to improve communication in the programme. Some selected comments include:

“Wanted to add on that thing of Contractor Development Programme that the information, not sure how true it is, we were told that the pool of contractors that fell under CDP, that at some point they were going to be nominated to work with higher companies like Grade 7, but ever since it has never been implemented it hasn’t happened. Only this year I saw on the newspaper that I was part of that pool but up until today have not received any information from the Department on how will we function after that”.

“Another thing, some departments are doing it and some are not, if they receive a document they are supposed to tell you if you are successful or not. You submit a document and not hear anything after that.”

“It is just the word on the street; it was not something communicated by the departments. People just told me there is a programme where they are trying to create a pool of contractors.”

“I have done it twice but never got a response. No information is provided.”

In terms of skills development, 76.70% of respondents indicated the need for training. This was confirmed during the focus group interviews that more has to be done to improve training. Some selected comments include:

“I first heard about this contractor programme through a friend, then again during a roadshow, I was told it’s a contractor development initiative meant to uplift us, but we have not heard about any developmental aspect such as training or enrolment initiatives by them, they are failing us- we can see that”.

“Training on contract management, financial management”

Furthermore, 64.30% indicated difficulty in ensuring regular materials supply. This finding indicates the need to train and develop contractors in contractor development programme. The study has also found that respondents were less concerned or challenged by complicated contract procedures (53.8%) and limited access to professional advisory (54.4%).

During the focus group interviews, they indicated that the reason why they are less concerned with these challenges is because they source the services from the consultants. Some selected comments include:

“We simply procure the services of professionals service providers to assist us with that”.

The main objectives of the contractor development programme are to

- (1) increase the capacity,
- (2) equity ownership,
- (3) sustainability,
- (4) quality, and
- (5) performance of CIDB registered contractors.

Further, the ultimate goal of the programme is to effectively raise the contribution of the construction industry to South Africa's accelerated and shared growth initiative. To achieve the objective of shared growth, participants within the Contractor Development Programme should commit to all or some of the following developmental outcomes:

- Improve the grading status of contractors in targeted categories and grades;
- Increase the number of black women, disabled, and youth-owned companies in targeted categories;
- Create sustainable contracting enterprises by enabling continuous work through a competitive process;
- Improve the performance of contractors in terms of quality, employment practices, skills development, safety, health and the environment; and
- Improve the business management and technical skills of these contractors (Construction Industry Development Board, 2011).

With these objectives in mind, it would seem that the programme is not effective enough to achieve or actualize them. This is evident in the fact that participants reported low satisfaction with benefits of participating in the programme including their actual performance, growth and development, training and effectiveness of communication about the programme itself.

4.6 CHAPTER SUMMARY

The purpose of this chapter was to present an analysis to investigate satisfaction and level of agreement of contractors with regards to contractor development programme. Descriptive and inferential statistical analyses were performed. The two enabled the researcher to draw conclusions about constructs and this would assist in concluding the study. The Cronbach's alpha test was done to establish the reliability of the measures in terms of internal consistency. The findings have indicated poor satisfaction with benefits of the programme. Moreover, it was found to be not meeting its objectives. Programme monitoring tools such as communication seem to be disabled, inadequate and ineffective.

Summarily, the study has found that contractors did not agree with the general believe that the contractor development programme (CDP) was beneficial to them. It further appears that respondents were not satisfied with the benefits of participating in the contractor development programme including their actual performance, growth and development, training and effectiveness of communication about the programme itself. This is confirmed by the focus group thematic analysis which indicates that raining, performance and growth were less mentioned during the interviews. The findings further indicates that contractors felt that participating in the CDP affected their financial position, that their geographical location affected the level of support they received, that the CDP needed improvement, that the CDP created expectations that were unfulfilled, that the CDP benefited only those with political connections and that the entire programme needs to be reviewed to ensure that the target group, namely emerging contractors are adequately supported and empowered.

CHAPTER 5

5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of this chapter is to provide summary and conclude the research problem on the openness and ease access to contractor development programme, thereby resulting into counter-productive with goals and objectives. In the process of concluding the study, the chapter will focus on testing the hypothetical statements formulated in chapter one. Conclusions would either be accepted or rejected based on the analysis of the questionnaire and focus group discussions conducted. The possible recommendations for further research would also be made.

5.2 LITERATURE SUMMARY

Summarily, the literature of this study focused on two instrumental aspects: Construction Industry in South Africa and Contractor Development Programme as the government led programme aiming redressing structural inequalities in government led construction projects. The focus of the programme is on elevation of previously disadvantaged and marginalised contractors (CDP). These two critical areas of literature are summarised below:

The historical context of the construction industry in South African

Historically tracking, public sector infrastructure expenditure has increased by 15.8% per year between 2003/04 and 2006/07 financial years (Public Works, 1999). The construction industry alone has successfully contributed 35% to the total gross domestic fixed investment. In this process, close to 230,000 work opportunities have been created and poverty gap was slightly decreased. Combined, the total value of the construction industry in 2006 was estimated at R122, 345 billion. This is 38% of the total gross capital formation. The government alone through its public infrastructure investment remains the single main contributor of construction, thus contributing between 40% to 50% to the entire construction expenditure. The government's infrastructure investment has seen government houses, bridges, roads, schools, clinics and many more infrastructures being constructed.

All these have seen influx of entrepreneurs under the small and medium categories trying to venture into the construction sector. These entrepreneurs are attracted to the returns that the industry brings (Chadhliwa, 2015). The system controls in place to regulate the influx of emerging contractor appears to be weak, thus opening up to any individual to qualify to be an entrepreneur. The fact that government is the main driver of construction investment is good in that it can easily roll out empowerment programmes such as contractor development programme and should be easy to

regulate this programme through incentives and punitive measures if it wants to realise its goals to empower the previously disadvantaged groups.

Frost and Sullivan (2015) and Smallwood and Rwelamila (1996) have indicated number of challenges facing the construction industry in South Africa. These challenges were assessed or observed when projects were being rolled out. Although number of challenges such as poor performance, decrease in market capitalisation, poor marketing strategies, lack of opportunities, compliance and most importantly, lack of necessary skills to compete better in the construction market. In fact, shortage of skills and poor management were identified as the biggest challenge facing the South African construction industry. In a survey conducted by Business Day (2007), Grant Thornton indicated that a shortage of skilled workers is the main obstacle to expansion of 58% of medium-to-large business in South Africa. Some of the main contractors have no idea of basic construction requirements. Some have qualifications in construction but lack basic management skill, this which leads to mismanagement of funds, poor operations, not meeting project deadlines- accurate predictions of project completion and meeting completion dates result in clients being satisfied; giving contractors a comparative advantage over others.

This lack of skills in the industry appears to link with very low survival rate in the South Africa's SME sector (Mahembe, 2011). This is a major concern because those emerging without skills or resources or management skills are bound to fail. In addition, the failure of emerging contractors due to lack of necessary skills is linked with the fact that, many obtain opportunities through corrupt means, for example, a contractor without any skill would secure a tender before establishing a business. HSE (2016) indicated that some companies pay governmental departments to have tenders secured or fast tracked, thus leading to entity failure and other challenges. For most of the emerging entrepreneurs, instead of possessing necessarily required skills, most have required capital (Thwala & Mofokeng, 2012). So, even though skills developed by the contractors on the development programme is a priority, this area remains a challenge and hindrance to achieving objectives of the programme. The inability to wholly understand the construction process, lack of project management skills, complexity of the project, uncertainty, poor communication, inadequate integration of tasks and inadequate coordination of tasks all result in delays in project delivery (Aiyetan, Smallwood & Shakantu, 2011).

Now, having discussed this, the apartheid was engineered in a way that guaranteed the white minority to monopolise the construction industry, both in the private and public sector. Post 1994, the new government had seen a need to reform the construction industry in order to benefit black emerging contractors. This need has seen the establishment of the contractor development programme. The main objectives of the programme is to (1) increase the capacity, (2) equity ownership, (3) sustainability, (4) quality and (5) performance of Construction Industry

Development Board registered contractors. The ultimate goal is to effectively raise contribution of the construction industry to South Africa's accelerated and shared growth initiative.

The Contractor Development Programme

The economic exclusiveness of South Africa emanates from the economic structures designed by the apartheid designed regime to protect the interests of the minority (Govender & Watermeyer, 2000:3). In this process, economic opportunities favoured mostly Whites and saw blacks being systematically side-lined. The access of economic opportunities by blacks majority began in 1994 after the first democratic elections. To redress the economic consequences of apartheid, South Africa, under the new government introduced number of reforms seeking to ensure inclusive economy. Such instruments seeking to redress the effects of the apartheid system includes policies, strategies, plans and programmes of actions. Moreover, number of legislative organs such as parliament and government structures is used as tools to promote inclusive socio-economic opportunities. Such includes public sector procurement systems which seeks to "increase the base of economic activity, provide economic opportunities for the previously disadvantaged individuals and to address skewed racial ownership patterns as indicated in the PPPFA Act 23 of 2000" (PPPFA Act 23).

Employment and business opportunities for previously marginalised individuals and communities are provided through targeted procurement, and through variety of techniques, all which seeks to provide opportunities to the targeted enterprises. According to Watermeyer, Gouden, Letchmiah and Sheze (1998:1) targeted procurement in a practical, realistic and measurable manner, allows government to achieve certain socio-economic objectives, through engineering and construction works contracts. In addition, it's an enabler for organs of state to "operationalise policies in a transparent, targeted, visible and measurable manner when engaging in economic activity with the private sector, without compromising principles such as cost, efficiency, competition, transparency and equitability" (Ibid). In the context of construction industry, government through Public Works has in 1996 introduced affirmative procurement policy in the quest to redress the economic burdens of apartheid.

For many in the industry, this was the first attempt to ensure that construction firms (primarily black owned) previously disadvantaged are awarded an equal opportunity to those owned by Whites. So, this policy mainly targeted affirmable business enterprises (ABEs)- defined as enterprises registered with South African Revenue Services (SARS), conforming to labour standards and which black persons own, manages and control and with turnovers within prescribed limits (Ibid).

The introduction of affirmable business enterprises was followed by another policy by government

seeking to transform the economy to include more blacks. This reform policy is called Black-Economic Empowerment (BEE). It follows a research by Spencer (2005) which indicated that the historical and deliberate marginalisation of black South Africans from contributing freely in the mainstream economy resulted in a society marked by vast inconsistencies and inequalities. Resulting from this, the Government's BEE policy objective was centres around strengthening South Africa's shared economy in order to meet the needs of all the people of South Africa and significantly minimise the gulf between citizens irrespective of the race; in terms of skills and opportunities in the shortest possible time. However, due to sluggish implementation of this policy, frustrations began to arise and those promised to benefit from this policy immediately accused it lacking commitment and the fear that it may not meet its objectives (ibid). Sluggish transformation through BEE has seen construction industry suffering transformation and inclusive

The more frustrated was those contractors who did not possess all the necessary resources, capacity or expertise with which to fulfil contracts in their own right are (ibid). So in a nutshell, construction industry was never spared from sluggish implementation of BEE and thus, the development of contractor development programme premise on the compelling need to unlock growth constraints, to develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals as per above (Construction Industry Development Board, 2009, 2011 & 2016). The development of the contractor development programme is linked with other strategic micro and macro-economic interventions such as the Reconstruction and Development Programme (RDP), Growth, Empowerment and Redistribution (GEAR), The Framework Agreement for Labour Intensive Agreement 1993, Broad Based Black Economic Empowerment (BBBEE) and Preferential Procurement Policy In 2000, the Preferential Procurement Act 5. Some of the sub-programme under the Contractor Development Programme includes, inter alia, Masakhe Contractor Development Programme, Vuk'uphile Contractor Learnership Programme, National Youth Services Programme, Large Projects Programme and Provincial Roads Programme

Linked with the literature summarised above, the problem statement for this study is:

While contractor development programmes are important to assist participating contractors to achieve overall improved performance, growth and development, the open access to such programmes by all interested parties is counter-productive resulting in these goals not being achieved.

The hypotheses to be tested are:

- H1: The contractor development programme is not achieving the expected overall improved performance, growth and development of participants.
- H2: The open or easy access by all interested parties to participate in contractor

development programmes is counter-productive with unintended consequences.

- H3: Proper identification of contractor development programme participants increases the chance of overall contractor development.

The primary aims and objectives of the study were:

- To establish whether contractor development programmes were achieving the expected improved performance, growth and development of participants in them;
- To determine the consequences of the easy access of any interested party or entity to participation in contractor development programmes;
- To examine how programme participants were identified for participation;
- To establish the relationship, if any, between proper recruitment procedures of identifying participants and their overall development.

5.3 HYPOTHESES TESTING

- **Hypothesis 1: The contractor development programme is not achieving the expected overall improved performance, growth and development of participants**

According to CIDB (2009), the contractor development programme was developed following an identified compelling need to unlock growth constraints, to develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals. McCutcheon and Croswell (2001) further stated that the challenges facing emerging contractors such as those in CIDB grades 1 to 3 who participate in the contractor development programme, are, *inter alia*, capital and expertise such as entrepreneurial, managerial, technical and administrative skills.

The contractor development programme should be able to assist emerging contractors to network with role players to maximise their development as suggested by the integrated emerging contractor development model (Hauptfleisch, 2006). In doing this, the programme would be fulfilling its mandate of developing and growing emerging contractors. The contractor development programme is in partnership with a number of stakeholders such as Construction Industry Development Board, Public Works and others. Although, according to Construction Industry Development Board (2009), these stakeholders have committed resources to develop previously disadvantaged contractors, the commitment is not visible.

Participants in the study reported low levels of satisfaction with these critical areas of contractor development. Their level of satisfaction with growth and development since joined the programme was low, while their level of satisfaction with performance since joined the programme was also low. Thematic analysis further indicates less frequency of training, growth and development in the contractor development programme. This finding is further validated by Construction Industry Development Board, which confirmed that it has been very difficult to obtain reliable information on the growth and performance of contractors that have participated in the contractor development programme (Construction Industry Development Board, 2009).

Therefore, the hypothesis that the contractor development programme is not achieving the expected overall improved performance, growth and development of participants, cannot be rejected.

Hypothesis 2: The open or easy access by all interested parties to participate in contractor development programmes is counter-productive with unintended consequences.

The open and easy access when registering on the contractor development programme allows any interested person to automatically become a contractor creating the possibility of abuse of the programme. The aim of the contractor development programme is to elevate previously disadvantaged and marginalised contractors (CDP). The challenge with this open access is that it is difficult to establish if those in it are disadvantaged or not. Without clear criteria to include only the intended beneficiaries, namely previously disadvantaged and filter out the opportunistic contractors, it would be difficult for the programme to realise its objectives.

This study confirmed that registration on the contractor development programme was easy and too open to allow any contractor, including those without the necessary experience and interest. Contractors indicated overall high satisfaction with system registration. This is indicative of system openness and easiness.

It is apparent that the programme is open for opportunistic contractors who see perceive it as a quick way of gaining access to tenders. Most contractors reported satisfaction with registration on the contractor development programme. This indicates that most found it easy to register and gain access to benefits meant for the previously disadvantaged contractors. The challenge with this openness is that it threatens the capacity of the programme and thereby catering for the few, with no guarantee that the previously disadvantaged contractors are benefitting. As a result the programme is counter-productive with unintended consequences. With the contractor development programme reporting unreliable information in terms of developmental aspects of contractors participating in the programme (Construction Industry Development Board, 2009), it would seem that the programme opens up for any interested party and there is no system to monitor the influx of contractors registered through ease access.

During the parliamentary briefing, it was confirmed that the main objectives of the contractor development programme is to improve contractors grading status from grade 1, which is easy to enter, all the way up to grade 9 (NCDP-CIDB parliamentary briefing, 2015). Unintended consequences are backlog to monitor contractor performance and opportunistic contractors who receive benefits and thus straining the capacity of the contractor development programme to cater for the disadvantaged with a real need of support. Opportunistic contractors benefit from preferential procurement policy framework act (PPPFA) and continue to receive incentives in the form being promoted to higher grades. The openness enables the challenge of collusion amongst cartels and corruption (NCDP-CIDB parliamentary briefing, 2015).

Therefore, the hypothesis that the open or easy access by all interested parties to participate in contractor development programmes is counter-productive with unintended consequences cannot be rejected.

- **Hypothesis 3: Proper identification of contractor development programme participants increases the chance of overall contractor development**

The contractor development programme was developed to support previously disadvantaged contractors, more particularly black contractors. In 2009, the programme recorded 80% of black contractors in their system across grades 2 to 6 (Construction Industry Development Board, 2009). The aim is to transform the construction industry to be more inclusive of previously disadvantaged groups. Ideally, there should be a positive correlation between being identified as the contractor development programme participant and contractor development. This means being part of the programme should increase the developmental aspects. On the extent at which participants have been identified as a potential contractor, it would appear that this was not the case. On measuring their experience and satisfaction in terms of benefits associated with the contractor development programme, participants indicated low satisfaction and high disagreement with the programme benefits.

Therefore, the hypothesis that a proper identification of contractor development programme participants increases the chance of overall contractor development cannot be rejected.

5.4 CONCLUSIONS

The study examined the performance of the Contractor Development Programme in terms of its easy and open access to anyone. The aim was to establish whether the openness of the system registration was counter-productive with respect to the objectives of the programme, namely whether being open and easy to register was not placing constraints on the programme, and making it hard for the programme to deliver on its objectives.

The study confirmed that although the aim of the programme is to accept all contractors deemed previously disadvantaged, the openness and easy access to the programme is counter-productive with unintended consequences. It has emerged that the majority of contractors who successfully registered with the contractor development programme were negative about whether the programme growing or developing them. The overall benefits were not being realised because the system was simply too open for everyone, including the opportunistic contractors who make competition too hard for deserving emerging contractors.

The unintended consequences of the openness of the programme include allowing opportunistic contractors participation and corrupt activities. Previous studies indicates that corrupt and unfair competition are associated with patronage, nepotism, bribery, ghosting, kickbacks embezzlement, rigging, collusion and conflict of interest; and these are more prevalent in the construction industry where contractor development programme belongs (Grobler & Joubert 2004; Hartley 2009; de Jong et al. 2009; Bowen, Edwards & Cattell 2012). The current registration system fails to filter out opportunistic contractors to allow only the deserving ones. The study confirmed that there is a need to reform and improve the registration process of the programme so that it can benefit deserving contractors.

In chapter one, the researcher formulated four objectives linked with the problem statement and hypotheses. These objective are restated are: (1) to establish whether contractor development programme are achieving the expected improved performance, growth and development of participants in them; (2) to determine the consequences of the easy access of any interested party or entity to participation in contractor development programmes; (3) to examine how programme participants are identified for participation; and (4) to establish the relationship if any between proper recruitment procedures of identifying participants and their overall development.

With regards to the first objective, it has been achieved as it was successfully established that contrary to the general believe, the programme is in fact not achieving its objectives in terms of improving performance, growth and developments of its beneficiaries. Pertaining to the second objective, the study has successfully determined through survey and focus group interviews that the fact that the requirements of registering on the contractor development have been too relaxed, any contractor, including opportunistic ones, simply qualifies to benefit. This consequently increases competition and ultimately defeats the purpose of the programme in terms of developing the deserving contractors. The study has also achieved objective three in that, it successfully examined how the programme participants are identified. The study revealed that the process of identifying participants was rather vague and not specific, thereby resulting into any contractor qualifying. Fourth and last objective, the study has successfully established that recruitment procedure in the programme did not translate into overall development. This confirms the finding that the openness of the programme requirements denies deserving contractors growth, improvement and development due to influx.

5.5 ADDITIONAL LIMITATIONS

In the process of conducting the study, the following additional limitations were noted:

- Limiting methodology by focusing on cross sectional approach instead of longitudinal approach which would have enabled analysis of impact of the programme on contractors over a longer period,
- The focus group was not inclusive of contractors with socio-impairments such as those with disabilities. Contractors with disabilities are more vulnerable and challenges from their perspective could have been impactful towards the study.
- The methodology in terms of evaluating the actual guidelines for contractor development programme. The triangulated approach in this study could not include policy evaluation approach,
- Theoretical expansion on this subject matter based on these limitations could improve the programme to benefit those with real needs.

In the light of these limitations, the following recommendations were drawn to improve the contractor development programme.

5.6 RECOMMENDATIONS FOR FUTURE RESEARCH

Recommendations of this research are based on the data gathered, analysis conducted and findings derived from the study. The study had highlighted researchable areas in pursuit of addressing number of gaps in the contractor development programme. It is recommended that more studies be conducted to expand or build forth on this research to analyse the effectiveness of contractor development programme, particularly with more focus on registration aspects which appear to allow influx of contractors, thus stressing on the capacity to cater for the needy contractors. Moreover,

- Similar studies need to be conducted in covering a broader scope in order to explore the scope and dynamics associated with topic of this research. The researcher understands that since contractor development programme is implemented at a national level, evidence of findings of this research would have to be evident in other provinces or areas in order for programme decision makers to take swift action.
- More studies could be undertaken with focus on exploring the impact of opportunistic contractors on the contractor development programme.
- A different study could be undertaken with focus on specific target groups, such as contractors with disabilities. This could explore more challenges experienced by contractors due to gaps in the programme. This study focused on contractors on grade 1 to 3.
- The statutory bodies involved in the contractor development programme should look into ways to ensure effective communication. The study revealed low satisfaction and major concerns with poor communication.

- The success of the contractor development programme should not be based on the number of tenders given out to contractors, but rather the developmental, growth and improved prospects. So more efforts should be on these areas. In doing this, the programme would swiftly graduate contractors to different grades and will ultimately realise its main objective of unlocking growth constraints, develop sustainable contracting capacity and elevate enterprise development of previously disadvantaged contractors.

5.7 CHAPTER SUMMARY

In this chapter, the findings were interpreted and discussed. The chapter drew conclusions based on the experience and satisfaction of participants of contractor development programme. Of the three hypotheses formulated, two could not be rejected while one was rejected. Moreover, the study made recommendations in terms of inviting for more research to build forth on developments of this research. The study further recommended that improvements be made to improve monitoring systems, communication and registration process to curb opportunistic contractors. The objectives of the study were achieved.

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7 APPENDICES A - E

APPENDIX A

APPENDIX A

Question 1 **What communication medium have you used to register as contractor development programme?**

No. Participants	Emerging Themes			
	Responses	Telephone	Personal/Manual	Postal services
1	register myself and get more information		x	
2	decided to go to Durban for the registration		x	
3	went to Durban to register		x	
4	I registered through an accounting agency			
5	Its better to go there, just went		x	
6	I phoned them, they advised that I can post	x		x
Total		16.66%	66.66%	16.6%

Question 2 What are your underlying reasons for registering on the CIDB?

No. Participants	Responses	Financial gains	Development & Growth	Skills
1	"I am from the construction background, so mainly wanted to register my own company"		X	
2	It is a must to be registered in order to operate and get work	x		
3	To grow my enterprise		X	
4	To get developed		X	
5	To increase chances of obtaining tenders	x		
6	Obtaining skills, financial boost and training in order to grow	x	X	x
Total		33.3%	66.66%	16.6%

Question 3 Describe technical qualifications and experience you possessed prior registering as contractor development programme beneficiary and CIDB

No. Participants	Responses	Electrical engineering	Project management	Civil engineering	Marketing	Experience
1	Electrical Engineering at school but my interest was more on construction and electrical work	x				
2	Mainly worked as a project manager through contractors and that is where I gained experience and interest in the construction industry		x			x
3	I have worked in other industry that had nothing to do with construction then decided to study Civil Engineering diploma then started registering my company			X		
4	Personally I went to a different sector, studied Marketing but then developed interest in construction				x	
5	I have a diploma in civil engineering			X		
6	Have no qualifications, only experience.					x
Total		16.66%	16.66%	33.33%	16.66%	33.3%

Question 4 What is your view on identifying contractors that participate on Contractor Development Programme?

No. Participants	Responses	Frustration	Documents	Communication	Criteria	Database
1	“I am not sure if I will answer correctly but in my view the confusion is when it came back for the second time after closing, then I asked myself if I am grade 3 and not successful in getting into database that does not require money just a standard database but there is grade 1 contractor that succeeded and I have more documents than grade one. That was the confusion.”	x	x			x
2	“I share the same sentiments since we are not sure what criteria they use to choose the companies they use. We submit and not get any communication in between to know that this is what we were looking for and these are the scores you got. We just wait and see if you qualified or not”	x		X	x	
3	“I have done it twice but never got a response. No information is provided.”			X		
4	They never outline the selection criteria					
5	Selection and qualifying in the programme is political	x			x	
6	No proper selection criteria	x			x	
Total		66.66%	16.66%	33.33%	50.0%	16.66%

Question 5 Did you understand the goals of being part of Contractor Development Programme, the objectives and goals of any development programme?

No. Participants	Responses	Grapevine	Communication	Inconsistent	Vague / Not Clear
1	“It is just the word on the street, it was not something communicated by the departments. People just told me there is a programme where they are trying to create a pool of contractors.”	x	X		x
2	“another thing, some departments are doing it and some are not, if they receive a document they are supposed to tell you if you are successful of not. You submit a document and not hear anything after that.”		X		x
3	“wanted to add on that thing of Contractor Development Programme that the information, not sure how true it is, we were told that the pool of contractors that fell under Contractor Development Programme, that at some point they were going to be nominated to work with higher companies like Grade 7, but ever since it has never been implemented it hasn’t happened. Only this year I saw on the newspaper that I was part of that pool but up until today have not received any information form the department on how will we function after that.”		X	x	x
4	The objectives are not clear				x
5	I honestly don’t know the objectives of the programme, maybe they need to communicate those to us		X		x
6	They said they need a pool of contractors to develop.				
Total		16.66%	66.66%	16.66%	83.33%

Question 6 How accessible or easy was it for you to register on the contractor development programme?

No. Participants	Responses			
		Efficient/User friendly	Skill and literacy	Assisted
1	"I think it depends as to which one specifically, there is usually a difficulty in logging into CSD and when it was first established it gave us a lot of issues but now it has improved. It is more efficient."	X		
2	"personally I think that it is user friendly, you are able to see what is going on but it depends on the knowledge of someone whether they understand what is required there because some people who find difficulty in filing the whole application form"	X		
3	"It depends on the system on the number of contractors trying to log in at that time, I have experienced that problem because I tried the day before, was supposed to submit for some of the databases, whereby I only received it almost at 12 and needed to submit by 2pm yet started the day before. Later on tried to log in then could manage to do it."	X		
4	"for someone who is computer literate it is easy but someone who isn't it may not be so easy."		x	
5	"I used a bookkeeper for CSD so I have never seen how to log in and what you need"			x
6	It's really easy to register, all you need is the right tools		x	
Total		50.00%	33.33%	16.66%

Question 8 Overall experience with the programme- rating

No. Participants	Responses				
		5/10	2/10	4/10	1/10
1	5/10	x			
2	2/10		x		
3	4/10			x	
4	5/10	x			
5	1/10				x
6	2/10		x		
Total		33.33%	33.33%	16.66%	16.66%

Question 9 Growth and development aspects

No. Participants	Responses				
		5/10	3/10	1/10	2.5/10
1	5/10	x			
2	5/10	x			
3	3/10		x		
4	3/10		x		
5	2.5/10				x
6	1/10			x	
Total		33.33%	33.33%	16.66%	16.66%

Question 10 Performance since you have joined the programme

No. Participants	Responses				
		None			
1	None	x			
2	None	x			
3	None	x			
4	None	x			
5	None	x			
6	None	x			
Total		100.00%			

Question 10 Training

No. Participants	Responses				
		Untrained			
1	Not received any training	x			
2	Not training rendered	x			
3	We not even aware that we have to be trained	x			
4	None	x			
5	Never	x			
6	Never got trained	x			
Total		100.00%			

Question 11 Personal future plans in the contractor development programme

No. Participants	Responses	Uncertain	Remain
1	You hope one day you will benefit	x	
2	I intend to remain		x
3	Sometimes I feel its useless and time wasting	x	
4	The programme will reach us, will stay		x
5	I will remain in the programme as long as it still exist		x
6	No comment	x	
Total		50.00%	50.00%

Question 12 Additional information

No. Participants	Responses	Selection criteria	Training	Distribution of work	More support
1	The selection criteria for contractors that go into the programme	X			
2	training on contract management, financial management		x		
3	how they split distribution of work within the programme			x	
4	“Why do you have to bid for work when on the programme? You can bid while on the programme but still not get any work			x	
5	Developing contractors must include training and being prioritised when tenders are being issued		x		
6	Government must do more to develop contractors. We are not growing because they neglected us. No training, no funds, not support.		x		x
Total		16.66%	50.0%	33.33%	16.66%

APPENDIX B

APPENDIX B

SEMI STRUCTURED INTERVIEW SCHEDULE WITH CONTRACTOR DEVELOPMENT PROGRAMME PARTICIPANTS
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- **INTRODUCTION**

- Introduction by the moderator and participants
- Purpose and significance of the study
- Discussion of Informed consent
- Indicate structure of the interview (audio recording tapes, note taking, and use of pseudonym)
- Ask if there are any questions of clarity
- Testing of audio recording equipment
- Don't discuss personal information at this stage (ask biographical details later)

1 GOAL OF THE STUDY

To investigate the effectiveness of Contractor Development Programme, in KwaZulu Natal Province.

2 MAIN RESEARCH QUESTION

With its open access system which allows any interested party to register as a contractor:

- Is the contractor development programme achieving its goals of improving performance, growth and development of participants?
- Is this openness not counter-productive with unintended consequences?
- In contrast with openness of the system, will proper identification of contractor development programme participants not increase the chance of overall contractor development?

3 OBJECTIVES OF THE STUDY

- To explore the ways in which the contractor development programme is not achieving overall improved performance, growth and development of participants
- To explain how the open access by all interested parties in contractor development programmes is counter-productive with unintended consequences
- To describe how proper identification of contractor development programme participants increase the chance of overall contractor development

4 INTERVIEW GUIDE

- a. Are you an active contractor registered on the CIDB?
- b. Where did you register yourself as a contractor and when did you register on the CIDB?
- c. What communication medium have you used to register as contractor development programme?
- d. What are your underlying reasons for registering on the CIDB?
- e. Describe technical qualifications and experience you possessed prior registering as contractor development programme beneficiary and CIDB
- f. How were you identified as potential contractor who can register on the CIDB database?
- g. What are your views regarding the process of identifying contractors?
- h. How accessible or easy was it for you to register on the contractor development programme?
- i. Narrate objectives and goals of contractor development programme?
- j. In your own words, describe the level of difficulty when registering on the CIDB?
- k. Describe the requirements you have complied with in order for you to successfully register on the contractor development programme?
- l. How frequent have you registered on the contractor development programme before being successful?
- m. What do you think being grade 1, 2 or 3 contractor entails to you?
- n. Can you reflect on the following areas:

- your overall experience with contractor development programme
 - growth and development since joined the programme
 - your performance since you have joined the programme
 - effectiveness of communication
 - training
 - personal future plans
- o. Have you ever been awarded contract, work or tender since joined the programme?
- p. Would you say you are benefiting from the contractor development programme?
If so, explain how?
- q. Are you continuously complying with legislative requirements as a contractor
(SARS, annual renewal fee, labour compliant)
- r. Do you have any other thoughts that you may want to share concerning contractor
development programme?

5 BIOGRAPHICAL DETAILS

- Age
- Gender
- Level of education – on enrolment

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- No. of years since on contractor development programme
- Residence (urban or rural)

THANK YOU VERY MUCH FOR RESPONDING TO MY QUESTIONS

APPENDIX C

APPENDIX C

QUESTIONNAIRE SURVEY- SATISFACTION MEASURING INSTRUMENT FOR CONTRACTOR DEVELOPMENT PARTICIPANTS IN KWAZULU NATAL

Please indicate by **ticking** the appropriate box or write in the space provided as the case may be.

You are invited to narrate yourself in questions **9, 42 and 43.**

1. What position do you hold in your company	
Owner/founder	
Co-owner/founder	
None of the above	
2. What is Gender	
Male	
Female	
3. What is your population group?	
Black	
White	
Colored	
Asian/Indian	
If other, specify	
4. Indicate your highest qualification	
Doctorate Degree/PhD	
Master's Degree	
Honours/Btech/BSc	
Diploma	
Certificate	
Matric	
Basic Education	
No Educational Qualifications	
5. How many years of experience in the construction industry do you have?	
Indicate your experience below	
6. Which of the following describes your company?	
General Contractor	
Sub-contractor	
Civil contractor	
Specialist contractor	
Home building contractor	
If other, specify.....	

7. Are you active on the CIDB?	
Yes	
Not sure	
No	
8. Who registered you on the contractor development program?	
Registered on my own	
Registered by company assistant	
Registered by family or friend	
Registered by service provider	
Other, specify	

9. Do you possess any construction qualifications or training?	
If So, please specify construction qualifications you posses.....	
10. How many years of experience in the construction industry do you have? Indicate below	
11. In which district in KZN is your company is based and operating?	
✓ Amajuba District	
✓ Harry Gwala District	
✓ Ilembe District	
✓ King Cetshwayo District	
✓ Umkhanyakude District	
✓ Ugu District	
✓ Uthukela District	
✓ Umgungundlovu District	
✓ Umzinyathi District	
✓ Zululand District	
✓ Ethekwini Metropolitan	

12. What was the average range of total annual turnover of your company over the past 3 years? Indicate below		
13. What is your Construction Industry Development Board grading (CIDB) & range of		
Grading	Tender value	
1	R 0.00-0.20 Million	
2	R 0.20-0.65 Million	
3	R 0.65-2.00 Million	
14. How long did it take to register on the contractor development programme? Indicate below		
15. Please tick all applicable communication mediums you have used to register on the contractor development programme		
<input type="checkbox"/> Mobile phone/cellular phone <input type="checkbox"/> Own computer <input type="checkbox"/> Borrowed or computer at internet cafe <input type="checkbox"/> Fax <input type="checkbox"/> Hand delivery of registration forms <input type="checkbox"/> Other, specify below		

16. Based on your experience please indicate your satisfaction with regards to the following activities. The scale is: 1= Totally dissatisfied, 2= Dissatisfied, 3= neutral, 4= Satisfied, 5= Totally satisfied.	1	2	3	4	5
16.1 Registered on the system on my own	1	2	3	4	5
16.2. Easy to register on the contractor development programme	1	2	3	4	5
16.3. Easy to register on the CIDB					
16.4 Successful registered on the contractor development programme on my first attempt	1	2	3	4	5
16.5. The system requirements are easy to comply with	1	2	3	4	5
16.6. Understanding of objectives of the programme before registering	1	2	3	4	5
16.7 Understanding of being grade 1,2 & 3	1	2	3	4	5
16.8 There are more benefits of being a beneficiary of the contractor development	1	2	3	4	5
16.9. Benefitted from a tender since I have registered on the contractor development	1	2	3	4	5
16.10. Possessed construction experience prior to registration	1	2	3	4	5
16.11 Overall experience with contractor development programme	1	2	3	4	5
16.12 Training received from contractor development programme	1	2	3	4	5
16.13 Growth and development since joined the programme	1	2	3	4	5
16.14 Performance since you have joined the programme	1	2	3	4	5
16.15 Effectiveness of communication	1	2	3	4	5
16.16 Extend to which you have been identified as a potential contractor	1	2	3	4	5
17. Based on your experience please indicate extend of your agreement with the following activities. The scale is: 1= Strongly Agree, 2= Agree , 3= neutral, 4= Disagree 5= Strongly Disagree	1	2	3	4	5
17.1 The contractor development programme is beneficial to contractors	1	2	3	4	5
17.2 The role of CIDB is clear	1	2	3	4	5
17.3 Intending to remain a member of contractor development programme in future	1	2	3	4	5
17.4 Improvements are needed in the contractor development programme	1	2	3	4	5
17.5 Benefits the political connected instead of those previously disadvantaged	1	2	3	4	5
17.6 The programme gave me high expectations	1	2	3	4	5
17.7 It directly or indirectly worsened my finances	1	2	3	4	5
17.8 It should be wholly reviewed to empower emerging contractors	1	2	3	4	5
17.9 Enjoying support depends on geographical location (rural vs urban) of contractors	1	2	3	4	5
17.10. Full compliance with legislative requirements as contractor	1	2	3	4	5

18. List your reasons for registering on the contractor development programme

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19. If given an opportunity to improve contractor development programme, which of the following challenges affects you most. Please number the challenges from most to least (1- most to 10-least):

- ☐ skills shortage
- ☐ financial constraints and limited access to funding
- ☐ late payments by clients
- ☐ high skilled workers turnover
- ☐ complicated contract procedures
- ☐ intense competition
- ☐ poor communication
- ☐ lack of sufficient resources and capital equipment
- ☐ limited access to professional advisors
- ☐ difficulty ensuring regular materials supply.