COSATU

Human Resource Policy Work book

COSATU HR POLICY WORKSHOP
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SESSION 1

Rahmat Omar: Overview of COSATU's HR Policy Development Process and Ongoing Negotiations

PRP PROPOSALS ON EDUCATION AND TRAINING

A: ACCESS - PRP RECOMMENDATIONS

1. Eliminate Illiteracy:"rolling" series of campaigns to eliminate illiteracy and semi literacy within 15 years

2. Beyond Basic Education - Lifelong Learning: Concurrent programmes for taking people beyond general education certificate

3. Targeting: Criteria for targeting

4. Improving Access: Additional measures for improving access eg modular structure of curriculum, recognition of prior learning.

5. Facilities/Infrastructure: Facilities/infrastructure: more rational use of existing infrastructure and developing new where required.

6. Financial Support To Learners: Financial support to learners - eg bursaries, paid education/training leave

7. Removal Of Discriminatory Practices

B: INTEGRATION

1. Racial integration:

   Creation of one non racial system through:

   * an integrated department of education and training/lifelong learning
   * a unified qualifications system
   * redistribution of resources

2. Systems Integration:

   includes ABE, training and formal education through:

   * integrated qualifications
   * arrangements for credit transfers
   * recognition of prior learning
   * curriculum
   * accreditation
   * finance and
   * governance arrangements eg single department of lifelong learning

3. Labour Market Integration:

   Provision of nationally accredited education and training within programmes for:

   * job creation schemes
   * public works programmes
   * programmes for retrenched workers

4. Political/National Integration:

   The following to be determined at national level:

* national standards
* qualifications framework
* funding guidelines

C: GOVERNANCE

PRP Recommendations

1. Integration:

* one Ministry of lifelong learning merging all racial departments and incorporating ABE and training
* remove racial inequalities in resource allocation

2. Democratisation: Consultative policy forums representing major players and subsystems

* at national level to coordinate overall policy and prioritisation
* at regional level to assist with coordination and monitoring of specific functions eg that regional arrangements are consistent with the national frameworks.

3. Participation: Creation of statutory bodies with multi-partite and multi sectoral representation to perform delegated functions such as certification, setting national standards (eg national training board, industry training boards, ABE council, schools council)

4. Functions of Government - Some Examples

National:

- identification of education and training needs in accordance with national, social, economic and technological objectives
- identifying and ensuring implementation of measures for redress and redistribution - eg through resource allocation
- national framework for funding, standards, qualifications, accreditation, educator/trainer development
- determining guidelines for priorities in funding and resource allocation
- review all legislation and recommend changes to legislation as required
- planning, setting targets, allocation of resources, keeping records/statistics (in race, sex, class, age categories), monitoring and evaluating effectiveness of programmes.

Local and Regional:

- advise national planning body on policy, funding and legislative matters
- collecting and reporting statistics
- administering incentives systems for all sectors
- ensure consistency in implementation of national plans/targets

D: NATIONAL STANDARDS

Recommendations

1. Generic competencies: National standards should be based on generic (broad and general) competencies. This means that learners would be assessed in terms of generic competencies at each level of the system.

2. Consistency/quality: National standards should ensure consistency by different providers in the quality of the education and training system across the country through its influence on the curricula, certification and accreditation arrangements.

3. Transferability: National standards should enable workers to achieve increased mobility and transferability of skills qualifications across all sectors and regions of the economy and across all sectors and regions in the education and training system.

4. Criteria for other processes: National standards should:

* inform the development of curricula consistent with learning outcomes for a given certificate level.
* be the principal basis on which courses are given accreditation
* be the basis on which ABE and training providers are registered
* be the basis on which nationally recognised certificates are issued.

E: CURRICULUM

Recommendations

a. the curriculum should reflect knowledge, skills, attitudes/values
b. the development of the curriculum framework should involve players from ABE, education and training
c. there should be four levels a national ABE and Training system below artisan level - each level representing a higher degree of complexity
d. each level of the system must contain a required proportion of core (general/ABE) and specialisation (applied/training) modules. The exact combination of ABE and training (proportion of core and specialisation) is still under discussion.
e. the curricula should be developed and delivered in a modular format. A prescribed number of modules would make up a course (Note no prescribed number was specified)
f. curricula should be developed according to agreed national standards based on generic competencies which would describe the end points of learning.
g. prior learning and experience will be assessed through competencies linked to the national standards.
h. the medium of instruction will initially be people's first language then the medium of instruction will gradually change to English.
i. the methodology should be guided by clear principles including

* a task based or problem-solving approach to learning which draws on a wide range of cognitive and communication skills.
* the need to encourage the transfer of skills by opportunities to practice skills and procedures across different types of problems contexts and practice in discussing and thinking about the procedures used to solve problems.

F: CERTIFICATION AND ASSESSMENT

Recommendations

a. a national integrated qualifications system should be introduced which makes provision for clear attainable targets along a continuum towards higher levels in the qualification system. In terms of ABE/T the fourth level referred to in the curriculum section should be equivalent to the school leaving certificate.
b. certificates should reflect a person's competence at different levels based on national standards.
c. certificates should be nationally recognised in that they are transferable (across industries and between different parts of the education and training system), and facilitate access to further learning.
d. certificates should be issued only by accredited bodies.
e. certificates issued under the current system should be reassessed and revalued in terms of new national standards once a new qualifications system is in place.
f. the criteria for assessing an individual's competence (for the purposes of awarding a certificate) should take account of prior learning, both formal and informal.

COSATU PRP Sept 1992 - Aug 1993

Integrated system of education and training

- ABE/T
- integration
- legislation
- governance
- finance

Labour market programmes

- assistance for retrenched workers
- conditions applying to employment contracts
- job creation and public works programmes

Wage bargaining

- linking skills, grading and wages
- developing skills-based grading systems

Industrial development

includes:

- regional development
- work reorganisation
- job design

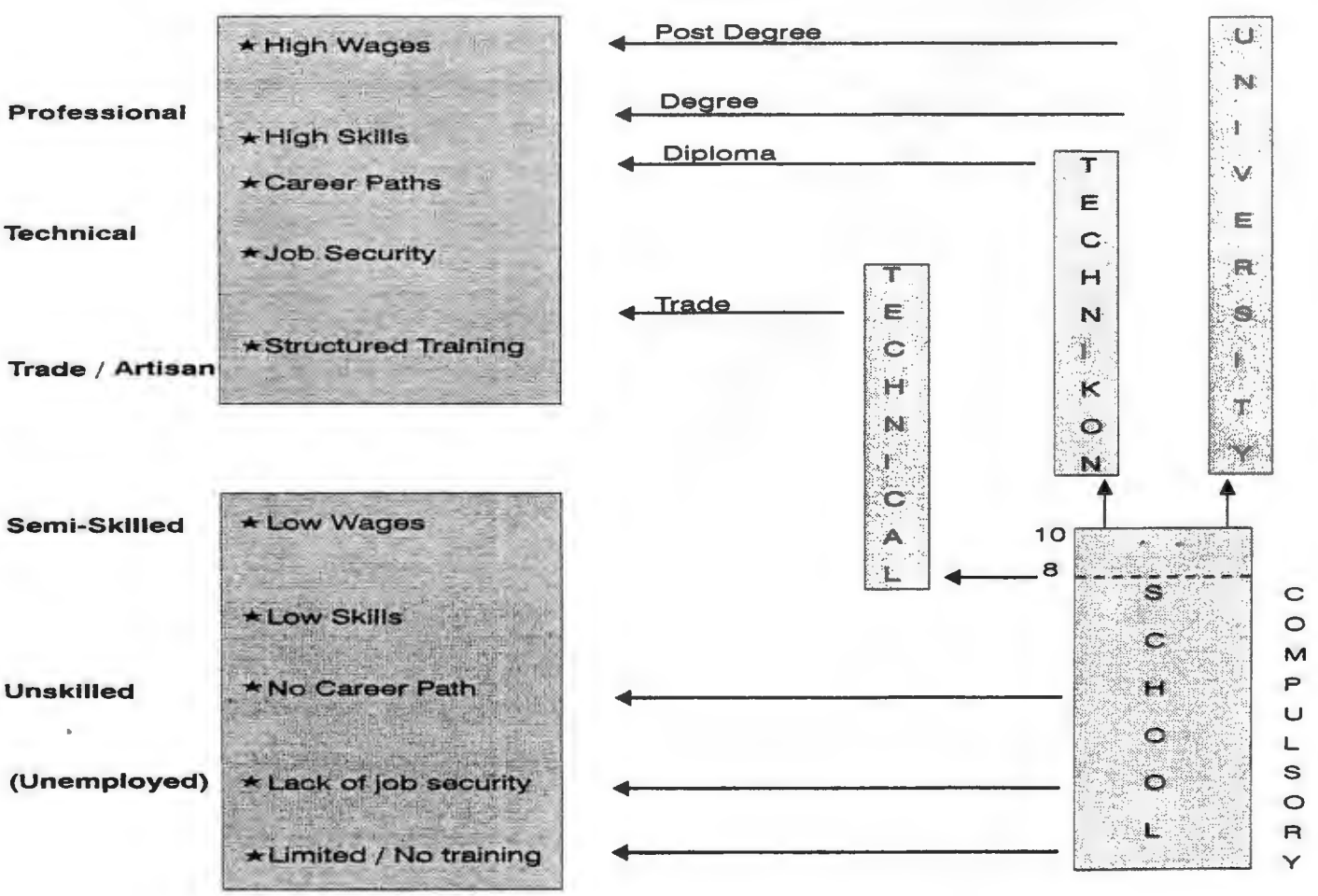
Economic Policy

trade | taxation | monetary policy

investment | wage policy | government spending

human resource development

SKILLS, TRAINING AND THE LABOUR MARKET UNDER APARTHEID.



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Skills, Training & Labour Market Under Apartheid

EDUCATION AND TRAINING SYSTEM
SIX AREAS FOR CHANGE

1. IMPROVING ACCESS -

   To remove all forms of discriminatory practices, inaccessibility and ineffectiveness of the existing system.

2. IMPROVING QUALITY -

   To ensure that all education and training is consistent with nationally agreed competency standards for all categories of the labour market and better training for trainers and teachers.

3. IMPROVING RECOGNITION -

   To establish nationally recognised certificates and to create arrangements for the recognition of prior learning and the transfer of credits between qualifications.

4. IMPROVED REWARDS FOR WORKERS -

   To ensure that the benefits of education and training result in better rewards for workers by creating career path opportunities for all workers in all sectors based on new sectoral grading systems linked to skills standards.

5. IMPROVING FLEXIBILITY -

   To create a more highly skilled, flexible and adaptable workforce for rapidly changing conditions in technology, products and markets.

6. IMPROVING CONSULTATION -

   To empower workers to competently intervene in the processes for negotiating and implementing training plans at workplace and sectoral level.

Education & Training System: Six Areas For Change

1. ACCESS :

Improved access and opportunities for adults to do training/education can be achieved by removing existing barriers which prevent them getting more skills. These barriers include:

- low levels of literacy/numeracy
- lack of paid education/training leave
- high cost/fees of education/training
- inflexible course scheduling arrangements
- restrictive course entry requirements
- lack of child care

2. QUALITY :

Improving the quality of the education and training can be achieved by:

- developing skill competency standards
- developing arrangements for accrediting courses
- developing arrangements for registering training providers
- improving the provision of teacher training

1: Access

2: Quality

3. RECOGNITION :

Improving the recognition of this learning will make it easier for adults to transfer their skills between different employers in all parts of the country and/or to continue to undertake further training. This can be achieved by:

developing arrangements for the recognition of prior learning.

issuing nationally recognised certificates for all accredited training courses

developing a nationally integrated system of education and training which links all levels of the training and education system in all parts of the country

developing systems for credit transfers between different training providers at different levels in the training system.

4. REWARDS :

IThe benefits of training and education should result in better rewards for workers. This can be achieved by:

developing linkages between educational / training certificates and industrial grading systems.

creating skills grading systems which reward higher skills with higher wages

developing new work organisation production systems and redesign jobs around new skills which provide more rewarding, interesting and varied employment.

3: Recognition

4: Rewards

5. FLEXIBILITY AND ADAPTABILITY

Improving the flexibility and adaptability of the workforce requires :

- Ensuring a broad base of education which underpins all training programmes

- Developing the cognitive learning skills of individual workers and reflecting these in industry competency standards

- Identifying and standardising core / common skills within each sectoral or occupational group and across sectors and ensuring that these are made compulsory units within all learning programmes

- Developing new / skills based grading systems which have broadly defined skill competency standards.

6. PARTICIPATION AND INTERVENTION

Improving the ability of workers to participate effectively in negotiations at workplace level on education and training issues requires:

- Access to trade union training programmes to develop their knowledge and understanding of COSATU's Human Resource Policy

- The establishment of workplace level training and grading committees

- Participation in the development of workplace training plans

5: Flexibility & Adaptability

6: Participation & Intervention

Integration

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creation of one non racial system through:
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- ★ a'unified qualifications system,
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includes ABE, training and formal education through:
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- ★ qualifications framework,
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National Standards

1. Generic competencies

National standards should be based on generic (broad and general) competencies. This means that learners would be assessed in terms of generic competencies at each level of the system.

2. Consistency / quality

National standards should ensure consistency by different providers in the quality of the education and training system across the country through its influence on the curricula, certification and accreditation arrangements.

3. Transferability

National standards should enable workers to achieve increased mobility and transferability of skills qualifications across all sectors and regions of the economy and across all sectors and regions in the education and training system.

4. Grading and Pay

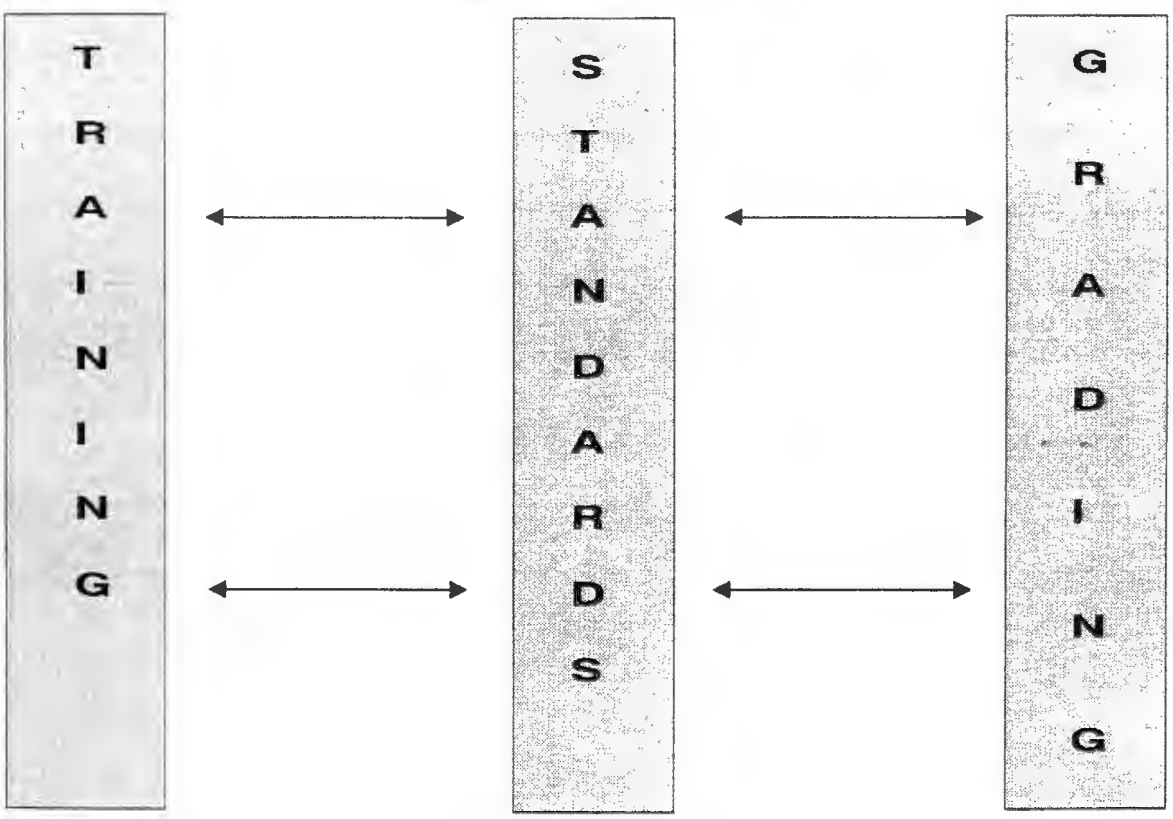
National standards should determine grading levels in each sector against which pay and promotion criteria can be assessed.

Integration

National Standards

AN INTEGRATED SKILLS, TRAINING AND GRADING SYSTEM

3 SYSTEMS

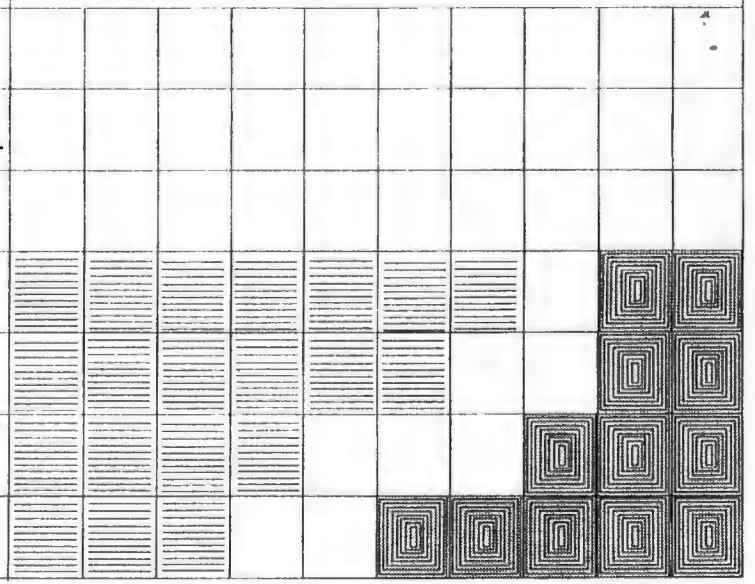


National Standards

An Integrated Skills, Training & Grading System

LINKING SKILL GRADING LEVELS TO THE NATIONAL QUALIFICATIONS FRAMEWORK (NQF)

NQF LEVELS		OLD	GRADING				TRAINING
			NAT	NUM			
8			11	——			
7	DEGREE		10	——			
6	DIPLOMA	+ T3	9	——			
5		+ T2 + T1	8	——			
4	HIGHER ED. CERT (HEC)	STD 10	7	——			
3	TRADE CERT.	N3 9	6	——	ARTISAN	C1	
2		N2 8	5	——			
1	GENERAL ED. CERT IND. CERT. IV (GEC)	N1 STD 7	4	——			
C	IND. CERT. III	STD 5	3	——			
B	IND. CERT. II	STD 3	2	——			
A	IND. CERT. I	STD 1	1	——			



GEC = 40 UNITS = 1600 HRS
TRADE = 60 UNITS = 2400 HRS
HEC = 70 UNITS = 2800 HRS

1 MODULE = 40 HRS
1 COURSE = 10 MODULES
(X 40 HRS = 400 HRS)
NQF (LEVEL 1) = 4 IND. CERT
= 40 MODULES
= 1600 HRS

TECHNICAL
CORE
ABE

SESSION 3

Adrienne Bird: Restructuring the Education and Training System

CONTRIBUTING TO THE GROWTH OF THE NATIONAL QUALIFICATIONS FRAMEWORK

1. INTRODUCTION

The idea of the National Qualifications Framework (NQF), outlined broadly in the National Training Strategy Initiative (NTB, 1994), has become a focus for thinking - and not for those involved in education and training alone. The RDP programme, for example, has indicated that programmes and developments falling under its banner should be undertaken in a spirit and manner that will fit in with the creation of an NQF. So, while the notion of the NQF has entered into the vocabulary of government papers, newspapers and become part of the 'mental scenery' which people use in thinking about the future, the idea itself has not found a legitimately constituted forum to allow for its own growth.

In the new period in which the NQF is to be created, it has become increasingly apparent that ordinary South Africans, from adult basic education practitioners and their learners, workers and trainers in industrial contexts, businessmen and women (from those in office towers to those on the corner of the street), to professors and professionals will *all* need to contribute their expertise to the growth of a unifying education and training framework.

These contributions will include fiery debates about the ideologies and theories of learning which underpin the NQF. The contributions will certainly pose alternative approaches to how the intangible worlds of knowledge and ability should be formalized to allow for learning progression and the recognition of what people have indeed learned. At other levels, people who are good at their jobs will come together to help training boards understand better what it is what they really do. Indeed, if the NQF is to be a practical process that allows *everybody* to find out where they are on the lifelong pathway of learning, the need to listen to people whose learning has happened in ways very different to the commonly accepted norm becomes critical. Unless the work which people do in growing the NQF recognises the spaces created around it, there is tremendous danger that far from being a gateway through which people can readily pass, that the NQF becomes a fortress surrounded by moats and razor-wire, with great gates which will only allow the privileged few to pass inside.

It is certain that, although the idea of the NQF has gained currency, its real value can only be established by seeing whether people from many different constituencies can find enough value in the idea to work together because they can see that the benefits of doing so outweigh the benefits of doing things their own way. Can the vision be translated into multiple realities which nevertheless 'talk' to each other?

Acceptance of the legitimacy of the NQF can only happen if a broad majority of South Africans develop a sense of identification with it because they can see it to be truly in their interests. And the NQF can only be in people's interests if there are processes which begin on the workshop-floor, in the classroom and behind the till. The NQF itself will only be as valuable as the processes by which the standards are set, and the degree of meaningful participation involved. Standards setting, and with it, determining what knowledge is valuable, is not a neutral, technical process. It needs to be recognised for what it is - a political process which has a good deal to do with power. If the NQF is to serve a civil society premised on the ideal of democratic participation, it certainly means that the NQF itself needs to be the fruit of democratic processes.

Working group 9 of the National Training Board (NTB) has come to recognise some very important things about time relative to this creation process. There is, on the one hand, a tremendous willingness and eagerness on the part of some stakeholders to have a go right away at transforming their existing practices and new initiatives in order to fit in to the NQF ideal. There is, on the other, a need to hasten slowly. In order to bring education and training together so that these groups recognise the essential similarity of their undertakings, time will be needed for talking to each other until the agreement is there that the common 'language' is *learning.* However, finding the common language does not mean that all we should do is talk. We should be talking, certainly, and seriously too. But it doesn't preclude experiment, trying out processes intended to establish what the common ground might be as long as the learning derived from these experiences are shared, disseminated and contribute to a common understanding of how best to make the framework grow.

Although the preliminary work in enunciating the NQF has been done by industry and driven by the need for professionalization in the workplace, the NQF will only be able to fulfil its obligation to all sectors of society if the

idea is taken up and worked through in other contexts as well. Perhaps the single most critical purpose which this paper will serve is, by proposing one possible way of linking and understanding of workplace learning with the NQF, to stimulate debate about its suitability in other situations, so that when its home within the state structures is determined, there are already substantial contributions to guide its developments as holistically as possible. It will be seen from the rest of the paper, that the proposals here are greatly indebted to work developed by USWE and included as Appendix F of the NTSI Report, whose Generic Competencies or Learning Abilities (the terminology has yet to be settled) have come to be seen as central to the process of determining both quality and level. It is hoped that the value of making *learning* the guiding principle in the process of standards creation will have appeal across the whole range of sectors, especially when it is seen that such a process leaves professional bodies and other institutions the right to decisions about content and the levels associated with that.

Exploring the implications of the present suggestions can happen at a number of levels, and it is to be hoped that it will happen on them all. The industry training boards, for example, could get to work using the process outlined here. Pilots would be extraordinarily useful for refining or even radically redefining the process if the need arises. On another level, this model may provide the stimulus, say to the providers in the post-GEC sector to talk among themselves and to others about the usefulness or otherwise of the processes outlined here. There is also ample scope for critical examination into some of the areas outlined in the paper: the relationship of the learning abilities to levels, for example, could prove to be a very fruitful area for research. All these, and many more possibilities exist even before the NQF begins a statutory life of its own.

To return to the issue of time, however, it might also be useful to bear in mind some of the insights offered by overseas visitors experienced in this field. Joan Knapp, a recent visitor from the *Council for Adult and Experiential Learning (CAEL),* spoke eloquently of the fact that all such initiatives world-wide are in a state of flux. She suggested that, far from being a source of anxiety, this very fluidity is something to strive to keep. It would mean that the NQF remained alive and responsive to changes in our environment, instead of becoming fossilised and a barrier to change. The point which she made is crucial to an understanding of how work towards creating the NQF would best be undertaken: it is a mistake to think of any particular work as definitive. Someone else may contribute an insight which requires the transformation of work already done. The work, in short, will never be done. It is extremely unlike that there will ever be one right formula which can be applied as a matter of routine in all contexts at all times.

So, the urgency to start is right - it will be an exciting challenge to work within the complex principles and constraints of making a user-friendly NQF; it will also be a challenge to be working co-operatively with stakeholders who come with different agendas to one's own. But the desire to start should not be driven by the pressure to get it over and done with, because that -certainly- is an illusion.

The urgency with which the creation of standards is addressed will certainly need to be equalled, even surpassed, by a commitment to make meaningful provision for learners. It may well be that groups who wish to work on the outcomes for particular learning pathways have also to commit themselves to ensuring a process of delivery, say, within a year of the standards being published, which could provide access to a substantial percentage, say 10-15% of the perceived target group. For, if the standards-development process and the process of creating learning opportunities do not go hand-in-hand, the promises of a more democratic education and training system will prove to be illusory after all.

2. THE NATIONAL QUALIFICATIONS FRAMEWORK

The state has recognized the value of having a national qualifications framework as a way of committing itself and South African society to a new and revitalized culture of learning. Furthermore, both the White Paper on Reconstruction and Development (South African Government, September 1994) and the Draft White Paper on Education and Training (South African Government, September 1994) see the National Qualifications Framework (NQF) as a fundamental means of ensuring that South African education and training is integrated and coordinated.

The Draft White Paper on Education and Training states that:

> *"The NQF is a priority programme of the Ministry of Education, and the South African Qualifications Authority, which will have the responsibility for developing the NQF, will be brought into existence through legislation in the shortest possible time consistent with thorough preparation".*

The White Paper on Reconstruction and Development makes numerous references to the NQF:

- *labour market programmes "will be established in the context of the National Qualifications framework" (Section 3.11);*
- *public sector training as offered by the Public Service Training Institute will be transformed and "accreditation of Institute training programmes will occur within the context of the National Qualifications Framework". (Sec. 5.7)*
- *a nationwide network of public, NGO and private providers of education and training envisaged. "This network will be challenged to provide the necessary training, in modular form and consistent with the National Qualifications Framework and National training Strategy (Section 7.6)*

While it is generally acknowledged that the NQF will become a 'scaffolding' or a matrix made up of nationally recognised levels of learning and agreed upon pathways of learning, the task of actually creating a common understanding of the processes needed to achieve a credible NQF will require debate and experimentation in a spirit of cooperation. Such a common understanding will emerge from experimental work, e.g. pilots, as well as from critical evaluation of the suggestions presented in this paper.

The development of a genuinely integrative NQF will require a broad-based exploration of what it will mean to set up learning outcomes which could be accredited for ultimate inclusion in a qualification. Questions such as the following are ones to which people are likely to come with quite strongly differing answers:

- How will levels be defined in ways which will suit a broad range of constituencies?
- How can agreement be reached on, say, the role of content within the NQF?
- How can clusters of learning outcomes be defined in ways that will facilitate the transfer of skills from one context to another?
- What meaningful strategies can be developed which would enable people in training and people in education alike to become involved in a process which they see as beneficial to their particular concerns?

But, if the NQF is to be able to recognise and accredit a very broad (and ever-growing) range of learners' capabilities, then each of the terms and processes used to set up the framework will need to be carefully examined and hotly debated. The NQF, however, will need to do more than provide a system of credits for learning outcomes achieved. Even though it will provide the enabling legislation to allow learners to have ready access to, and progression through, nationally recognised learning pathways, it will have to align its own growth very closely to the concurrent development of systems of delivery. The NQF alone cannot ensure that access becomes a living reality unless its creation goes hand-in-glove with the creation of provision.

The framework, as it is frequently represented, looks like this:

NATIONAL EDUCATION AND TRAINING
leading to:
Higher Certificates diplomas First degrees Higher degrees Research

FURTHER EDUCATION AND TRAINING
leading to:
Further Education Certificate/s
Senior secondary school RDP programmes labour market Industry training
Technical colleges Private providers

GENERAL EDUCATION AND TRAINING
leading to:
General Education Certificate

Compulsory schooling for Adult basic education training

the young		(ABET)
9/10 years compulsory schooling	ABET C	
for children	ABET B	
	ABET A	

The Draft Education White Paper identifies the following levels in the NQF

Level 8	Masters and Ph.D.
Level 7	Professional degree etc.
Level 6	Initial degree etc.
Level 5	Advanced certificates etc.
Level 4	FEC
Level 3	
Level 2	
Level 1	GEC
Sub-Levels	3 ABET levels - A, B and C leading to a GED at Level 1
	A number of schooling levels to be determined

In its present formulation, there are 8 levels in the NQF with 3 sub-levels to deal with the requirements of ABET. It is possible, for example, that even this particular formulation may be contested, perhaps when substantive work on the levels in the South African context is done. At present, the levels are only equated with levels within the formal educational framework, but if the NQF levels are to be useful, there will need to be a rich field of level descriptors which would help with the placement of learning credits at the different levels. It will be seen that in this document, an attempt has been made to provide a possible process, based on learning abilities, which would help working groups to establish levels of learning. The process is as yet untried, and is presented here chiefly to promote debate about some of the terms which will need to be examined if the NQF is to become a reality.

3. ELEMENTS OF THE NQF

Early agreements on the broad brushstrokes of the NQF were based on very general propositions. The NTB has set itself the challenge to further explore the early to assist Industry Training Boards who want to attempt implementation in a way which is likely to be consistent with longer term NQF developments. Human resource programmes within the RDP are similarly impatient and may therefore be interested in some interim suggestions.

The proposals work from the basis of what has been agreed thus far. The Draft Education White Paper identifies that the NQF is:

* made up of standards which are nationally recognized and carry credits and link to pathways of learning
* made up of levels of learning which lay the basis for progression. The draft white paper identifies the same eight levels (with subordinate levels) as the NTSI document.
* units of earning as defined levels on the NQF combine to form qualifications. Two key national qualifications are the General Education Certificate at the end of the general education and training phase (for children at the end of the compulsory schooling phase and at the end of the Adult Basic Education and Training phase, comprising three sub-levels), and the Further Education Certificate (equivalent to the present matric, but also to include learning in technical colleges and community colleges, private providers or NGO's or through industry training/regional training etc.)
* designed to meet the needs of learners in a wide range of contexts and for a equally wide range of purposes (from development to profit!)

The Draft Education White paper also has the following to say on the NQF (Part 2, page 11)

6. *It is widely recognized that education and training must become a vital element in national economic reconstruction and development. The RDP calls for human resource development on a massive scale, in order to provide the basis for employment growth, to raise workers' level of general education and skill, to support the introduction of more advanced technologies, to overcome the inheritance of racial and gender stratification in the workforce, and to achieve effective worker participation in decision-making and quality improvement.*

7. *Unless the types and levels of knowledge and skills available in our society are vastly extended and redirected, the low-skill, low wage, racially stratified labour market will persist. An integrated approach to education and training is essential to enable South Africans to broaden their range of knowledge, skills and competencies, and achieve greater mobility in the education and training system.*

8. *The Reconstruction and Development Programme therefore supports the establishment of a National Qualification Framework. The NQF is intended to be a mechanism for achieving a fundamental restructuring of the education and training system. It will encourage new and flexible curricula, the upgrading of learning standards, monitor and regulate the quality of qualifications, and permit a high level of articulation between qualifications based on the recognition and accumulation of accredits.*

9. *The NQF will therefore facilitate the movement of learners from one qualification level to another, and encourage flexible access by learners to different modes of learning, whether based in learning institutions, the work place, community learning centres, or through self-study. The NQF will enable learning to be assessed and certified, whether achieved in formal programmes, by personal study, or by experience in the work place.*

The NTB NTSI Report (April (1994) states the following:

13. ***Key characteristics of a Unit of Learning could include the following:***

13.1 *Statements of outcomes of learning to be achieved by the learner;*
13.2 *outcomes aligned with endorsed standards, and*
13.3 *outcomes presented in a statement of learner capability which reflects an appropriate integration of knowledge and skill which is able to be understood, applied and transferred to different contexts.*
13.4 *Units assigned a credit value at different levels based on agreed nominal learning time according to a common system, the suggested norm is 40 hours or multiples thereof;*
13.5 *Registered units having the same credit value regardless of which provider is used to access them.*
13.6 *A qualification consisting of a number of credits achieved through agreed clusters of units at specific levels. However units should be sufficiently self-contained so that learners can take a module and be assessed for a unit without necessarily completing all the units required for a qualification provided any specified prerequisites are met.*
13.7 *Every qualification having a total credit rating. These may differ from level to level.*
13.8 *A modular approach which does not mean that traditional programmes are simply divided up into small segments while all else remains the same. Units of learning are therefore clearly distinguished from modules for the delivery of learning. The development of modules could occur through national, regional, sectoral or local sponsorship in which curriculum development agencies (both state and private) at the local and regional/sectoral levels could support institutions and consortia of institutions (together with employers and community groups) in developing modular courses and the materials and resources to support them.*
13.9 *The agencies charged with responsibility for Curriculum Design, in terms of the National Qualification Framework, to emphasize the identification of learning needs and the specification of the criteria which will be used to assess the*

achievement of outcomes far more precisely than has been the case in more traditional curriculum design processes.

13.10 *This implies a necessary and useful distinction between Curriculum Design (i.e. the structure of the Unit/Module and the relationship with other units etc.) and Curriculum Development (i.e. the production of the full course processes/material/resources etc. used to deliver that unit)*

13.11 *All qualifications would have the following components:*

* *Core units required for any qualifications at a particular level (e.g. units in language and mathematical or social, economic and scientific understanding).*
* *Options units. This is likely to be a need for a variety of optional units. For example: (i) those linked to a range of pathways within a given occupational sector or areas of learning (e.g. engineering, finance, science, health care); (ii) those peculiar to specific pathways or learning (e.g. electrical installations, South African history, specialist skills such as welding); and (iii) those that provide opportunities for individual choice and personal growth (e.g. additional languages, performing arts, masonry, carpentry, horticulture).*

There would be Core Units which are generic which may be part of several curricula: there would also be clusters which are more specific to certain curricula at certain levels. The balance between Core and Optional would be negotiated and determined in the Curriculum Design process.

The questions that the NTB Working Group will raise in the remainder of this section are:

Question 1: What is really meant by a **standard?**
Question 2: What is meant by a **level** on the NQF?
Question 3: What is meant by a **qualification?**
Question 4: How can the NQF really induce quality in learning while at the same time remain flexibile and responsive to the **needs** of all stakeholders?
Question 5: How can the **NQF be held together?**

These questions relate directly to aspects of the NQF outlined above.

4.1 *WHAT IS REALLY MEANT BY A STANDARD?*

The NTSI makes the point that a standard is a statement of learning outcomes. This is a major departure from the past when learning inputs - such as the curriculum, the qualification of the educator, the supporting learning equipment, and so on - enjoyed centre stage.

However, Bellis (presentation slides, 1994) has identified that there is an inherent danger in the current conceptualisation of the NQF, namely that all that may be achieved is a static subdivision of existing programmes. There remains a possibility of excluding dynamic learning elements. This danger is illustrated below:

As this was clearly not the intention of the NTSI, the question needs to be re-posed. *Is there a way of defining standards so as to ensure that a dynamic learning component is included in all outcomes registered on the NQF?*

The dynamic nature, which would ideally be captured within the NQF could be represented as follows:

It is the view of the Working Group 9 that the Generic Competencies or Learning Abilities submitted in Appendix F : Adult Basic Education provides this dynamic dimension. (Please refer to the overhead).

In the original NTSI report, this table was only applied to the ABE chapter, and its full implications for ALL learning (CORE as well as OPTIONS) was not explored. However, it was generally understood that the "generic competencies" (whether this precise list or a similar list) would indeed play a vital part in the NQF in general and to portability and

progression in particular. But the mechanism for introducing such generic competencies into a national qualification framework was not explored.

The consensus however was that BOTH content (such as engineering or history) and learning abilities (generic competencies) would need to be combined in some way in order to define standards.

(Terminology - is Learning Abilities not better than Generic Competencies?)
In this report we have chosen the term "leaning abilities" rather than "generic competencies" because we feel that it more accurately reflects the nature of quality learning:

A second formulation of learning abilities that is considered by this report is that constructed by an informal working group who used the abilities model from Alverno College in the United States to develop a list of abilities and came up with the following list:

Mathematics	This means the calculating, estimating, organising and interpreting of arithmetic and/or mathematical information, patterns and relationships.
Analysis	Clear and critical thinking based on the appropriate fusion of experience, reason and training. This includes the locating, collating, organising, analysing, evaluating and generating of information.
Connective thinking	Taking multiple perspectives and articulating interconnections between and among diverse opinions, ideas, objects and beliefs on micro and/or macro issues. This includes thinking critically, creatively, reflectively and logically.
Problem solving	Using analysing and connective thinking in identifying, describing, defining and redefining a problem. Inquiring, exploring, developing, testing, deciding and implementing innovative and/or original ideas,
Managing resources and information	Planning, scheduling, organising resources and information within the context of setting, evaluating and achieving realistic goals.
Using technology	Identifying, using, maintaining, developing appropriate technology and related knowledge and skills
Communication	Being able to create shared understanding through listening, speaking, reading, writing and other appropriate forms of communication. This includes the seeking, questioning, receiving, clarifying and conveying of ideas, feelings, instructions and information.
Social interaction	Developing good relationships with

	others and working cooperatively to achieve common goals. Participating in a range of social and cultural settings
Values, ethics and aesthetic response	Being reflective and empathetic in approaching value, ethical and aesthetic issues. This includes cognitive, affective and physical dimensions. Understanding the moral dimensions of decisions and accepting personal accountability for the consequences of decisions and actions taken in all facets of life.
Effective citizenship	Understanding and being sensitive to a variety of perspectives and experiences in making decisions within micro and macro political, economic, environmental and social contexts.

A comparison of the two lists shows a high degree of correspondence. Both lists had headings and detail which overlapped.

The following can be compared directly:

	Working Group	NTSI Appendix F
1	Computation	9 Applying mathematical and scientific ideas and techniques
7	Communication	7 Communicating ideas and information
4	Problem solving	8 Solving problems and making decisions

All the following overlap to some extent:

2	Analysis	1 Thinking about using Learning Processes and Strategies
3	Connective Thinking	
5	Managing resources and information	5 Collecting, Analysing, Organising AND critically Evaluating Information

There were a few areas where the approach differed:

9	Values, ethics, and aesthetic response	
		10 Understanding and using the core concepts

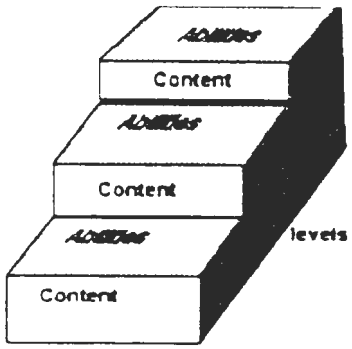
The approach of the two groups also differed in this respect: the NTSI document expressed the abilities in terms of capacities, ie. in terms of the potential to do something, which is not easily observable. In contrast, the informal working group described the abilities in terms of demonstrable outcomes, which in effect presumes that abilities can be fairly precisely fixed.

Inevitably a deeper understanding of learning abilities will require much work, consultation and piloting. In the meantime, the current lists provide working tools with which we can analyse activities in the workplace as well as in the classroom.

What has become apparent is that these learning abilities could form one of the essential dimensions of standards, and this is the main idea explored in this paper.

If the abilities are used to describe one aspect of the levels of the NQF, then standards can be set by determining where these abilities manifest themselves within the bodies of knowledge which are the domain of that standard setting body. This would result in standards having two dimensions, abilities and content.

In this model of NQF standards, learning and consequently assessment would take place in two dimensions; the first would be in terms of abilities and the second would be in terms of the content.



As an aside: It is possible that practitioners may require some assistance with using the abilities and one way that Working Group suggests is considered as the compilation of "indicative verbs" for each ability eg for communication these may include: tell, explain, listen, persuade, etc) (Such lists are already available for organisations such as the American Council for Testing - and could be developed and adapted through practice.)

Assessment and validation issues

To ensure that neither content nor abilities are neglected, both will need to be assessed in the NQF. International work suggests that it may be useful to use different terms when applying assessment procedures to content as opposed to the abilities. It is suggested that "assessment" is used in respect of CONTENT and the application thereof (theory as well as practice) and "validation" is used in respect of LEARNING ABILITIES

The **assessment and recognition of prior learning** is in essence no different from traditional classroom-based assessment practices in that it involves making valid and reliable judgements about hat people know and can do. The aim of assessment with respect to prior learning is to ensure that the learning assessed is comparable in content and standard with the course o qualification for which credit is sought.

There are a number of ways of recognising a learner's prior learning. They can be combined into four major sets of practices

1. the challenge process
2. standardised exams
3. portfolio development
4. programme and course evaluation and credit transfer

These four approaches to assessment and recognition of prior learning are addressed in greater detail in appendix 1, and are further explored in a separate discussion document of the NTB Working Group 9.

Validation is a new term, and should be interpreted to mean self, peer, educator or other conformation that the appropriate learning abilities have been developed through a particular learning context. This should NOT be

interpreted to mean that these abilities can be validated independently of content - they cannot - simply that a future system will formally recognise abilities as well as content.

It should be noted that this is a departure from the approach adopted by the ABE group in so far as it is assumed that these are indeed "observable" and therefore open to scrutiny. It is further assumed that they are, to some extent, also "fixed" - that it is possible to describe these abilities fairly precisely.

If this approach to standard is adopted then the following definition could apply:

> **A standard is a statement of a learning outcome which is specified at a level of learning on the NQF and includes both content and learning ability descriptors linked to appropriate assessment criteria for content and validation procedures for ability.**

QUESTION 2 : WHAT IS MEANT BY A "LEVEL" ON THE NQF?

- Initial understandings of level, including those of the Draft Education White Paper were based on EDUCATIONAL QUALIFICATIONS.

However, this does not explain the relationship between qualifications and learning levels.

In broad generic terms it was felt that the new New Zealand level descriptors based on the four categories of

- processes carried out
- employing skills,
- applied in specific range of contexts and
- qualification level

which have been previously circulated by the NTB Working Group 9, are a useful starting point for linking levels to qualifications. But given the approach adopted to standards in this report, it was felt that further work was needed. The National Literacy Co-operation has begun work in this area, and has adapted an approach adapted from the NCVQ (Britain) approach to level descriptors. The NLC has developed the following table:

Criteria underlying the grading of tasks

Language of learning	Language 1 ..... Language 2 plus
Predictability	Predictable .... Unpredictable
Familiarity	Familiar ..... Unfamiliar
Complexity	
- conceptual knowledge	Contextualised . Decontextualised
- linguistic demands	Low ..... High
- cognitive demands	Low ..... High
Nature of problem solving	
- problem definition	Defined ..... Undefined
- approach	Provided ..... To be selected
- evaluation of solution	Criteria provided .. Criteria devised by individual
- precision demanded (interpretation, outcome)	Low ..... High
Level of support	
- peer/co-workers	Help available .. No help / autonomous
- expert (teacher/ mentor/supervisor)	
-technology	
Transfer	Transfer ..... Significant transfer
- application and context	Single application .. Multiple applications
	Single context ..... Multiple contexts
- process	Learning ..... Teaching

(NLC, A Development Studies Framework for the ABET Curriculum, Oct, 1994 Page 36 adapted from NCVQ 1991 in UDACE, 1992 page 104; Australian Language Levels Guidelines, 1988, USWE/COSATU, 1993)

Working Group 9 considers this to be an extremely useful starting point - however in essence too complex to implement at a national qualification level.

As this paper argues that the abilities are likely to give the best indicators of progression on the NQF, it is therefore suggested that each of the abilities should be described at all identified levels of the NQF - in content free ways. Clearly this is an extremely complex task, but international examples suggest that it is in fact possible. A table of abilities expressed at different levels is provided below to illustrate the way in which this may be done. However, it is clear that a great deal of further work and experimentation, as well as debate is needed before this could be finalised. It is a central recommendation of Working Group 9 that a matrix of abilities described at NQF levels would be the MAJOR mechanism for inducing higher quality learning in South Africa.

If abilities are to be the NQF "anchor", through which levels are described, then there needs to be a mechanism or process through which levels of abilities inherent in particular learning contexts can be identified.

A Suggested Process To Identify Abilities And Levels Within Contexts

One process which appears to offer potential for linking content to ability levels is that of questioning, or some other form of structured enquiry. It is suggested that each ability could be translated into directed questions which could then be asked of a particular context - for example:

an occupation, a development project, an industry or a subject area. Through careful questioning an interviewer can elicit information relation to the nature of the context and the level of ability required to participate successfully/meaningfully within that context.

Of course, the process needs to consider both *which* questions need to be asked and also *how* they are to be asked. Questions must elicit meaningful information but still be user-friendly. Inevitably, the use of such a process has implications for the training of whose who would need to implement it.

Given the abilities and proposed outlines described within this paper, the working group attempted to formulate questions which might begin to demonstrate how we think the process could work. It is to be noted that this is not - in any way - an exhaustive or finalised list, but rather an illustration of a possible approach. Furthermore, different questions may need to be posed for each ability.

For example:

Ability : Problem Solving

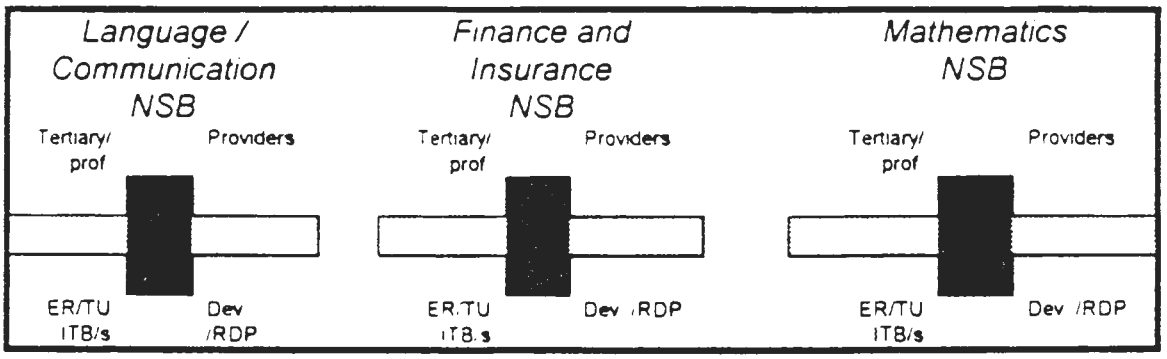
In your learning context/occupation/development project...

* What would be a typical problem that you would encounter?
* How would you solve this problem?
* Why would you solve it in this way?
* How could you improve on the way you solve this problem?
* What resources, including people, could you use to solve this problem?
* How would you use these resources, and in what order?
* Does the way in which you solve the problem affect other people, and in what way?
* Could you describe an example of someone solving the same problem, only better. And if so, how was their way better than yours?

Having identified abilities it will then be necessary to cross-map to content categories and - then on to National Standards bodies

Once these ability questions are answered, then a cross mapping will need to take place to the different content areas. For example, answers elicited from someone working in the insurance industry might well generate information regarding the number and register of language/s needed, mathematics and finance/insurance concepts and procedures required at specified ability levels. The information would then need to be interpreted in - variously - a language standard setting body, a mathematical standard setting body and one or more finance and insurance standard setting bodies. This is illustrated below:

Each "grassroots" standard should be submitted to the relevant NSB at which all relevant, interested stakeholders are represented.



Each of these bodies would be recording not only the level of the ability - but make deductions about the level of content based on the indicative use of this ability. It may be that the highest level ability or abilities could be used to set the level of the content - the inference being that the highest ability is the one being focused on and developed. Other abilities at a lower level would be being reinforced, but perhaps not specifically developed. The content would then be set at the level of this highest ability and linked to it on the proposed SAQA Ability Matrix. This possibility would need to be trialled, with others, in practice.

For example, it may be that an Insurance Sector Supervisor is most challenged when she applies communication skills to brokers and difficult branches. This would then be identified as say a level 4 communication ability. The standard would be settled in the relevant language NSBs.

Possible categories for the classification of content are given in Appendix II. These need further discussion and debate.

QUESTION 3 : WHAT IS MEANT BY A "QUALIFICATION"?

Qualifications are normally understood in terms of required courses at required levels. sometimes there is a range of optional courses within specified guidelines. This is usually combined with some prescription - that languages must be taken in matric for instance. A Bachelor of Arts degree at Natal University is defined as 12 credit courses at least two of which are at the third year level. there is a range of courses from which selections may be made and a limitation on the number of courses that can be taken across faculties.

This kind of formula may be understood as "**rules of combination**" i.e. what can be combined with what for which qualification. Certain qualifications require different combinations. the level of the qualification is broadly linked to the difficulty of the study.

In terms of the above discussion of content and abilities - a qualification is simply about how these should be combined in standards at given levels of the NQF.

Example 1 : "Vocational" qualifications:

NTB Working Group 9 has experimented with the notion that all qualifications should include some specification in at least four broad areas: **general** (language and mathematics at least), **common** (meaning unresolved but including subjects such as Industrial Relations and Health and Safety), **core** (being that which is generic to a particular field or study - and may include the underpinning theory normally addressed in traditional N courses at technical college)

and **specialisation** (being that which is specific to a particular type of occupation at a particular level). These specifications are "proxy" for the abilities in a general sense - for example, the requirement that language and maths are learnt is because it is widely held that these are necessary for the successful achievement of the communication and mathematical abilities, common courses are needed for the social interaction and industrial citizenship issues and so on.

Example 2 : General Education Certificate (Adult Basic Education and Training)

This has not yet been settled, but certain stakeholders are proposing that an adult GEC should include the following core subject areas (language, mathematics, social sciences and physical sciences) linked to additional (unspecified) optional choices. They also propose that certain core themes and core skills are prescribed.

In the end the way in which these "combination" and "prescription" issues are resolved are a matter for further debate and policy resolution. However, central to such discussions will be the needs of different stakeholders at any particular moment in time and in different contexts - one answer for everyone is unlikely to be implementable, even were it desirable.

The central questions is **WHO** will settle the issue. The answer is, broadly speaking, stakeholders working within guidelines set by the South African Qualification Authority and it sub-ordinate bodies - Education and Training Qualification Authorities. It is likely that SAQA will set broad parameters and these will be interpreted by different groups closer to the needs of specific stakeholder groups. SAQA will itself work within policy prescriptions set ultimately by government - but probably these will be at a broad framework level.

SAQA may specify, for example, that qualifications may only be registered if they specify not only combinations of content, but also explicitly identify and demonstrate validation of, the abilities at specified levels. SAQA may also, for example, specify that vocational or RDP linked qualifications must also identify at what levels they are addressing ALL of the abilities - although it may be more flexible in requiring the level of these abilities. The motivation for such a requirement could be that the learner needs to know the ability level of their qualification should they want to progress to further levels of learning or move across sectors in the labour market - the abilities will always be more portable than the content.

SAQA will probably also specify that for certain critical qualifications, such as the GEC and the FEC, ALL of the abilities have to be addressed at the identified level on the NQF (level 1 for the GEC and level 4 for the FEC). Provincial ETQAs would then be responsible for determining further details and requirements.

These will all be matters for SAQA to determine after wide consultation with relevant stakeholder groups.

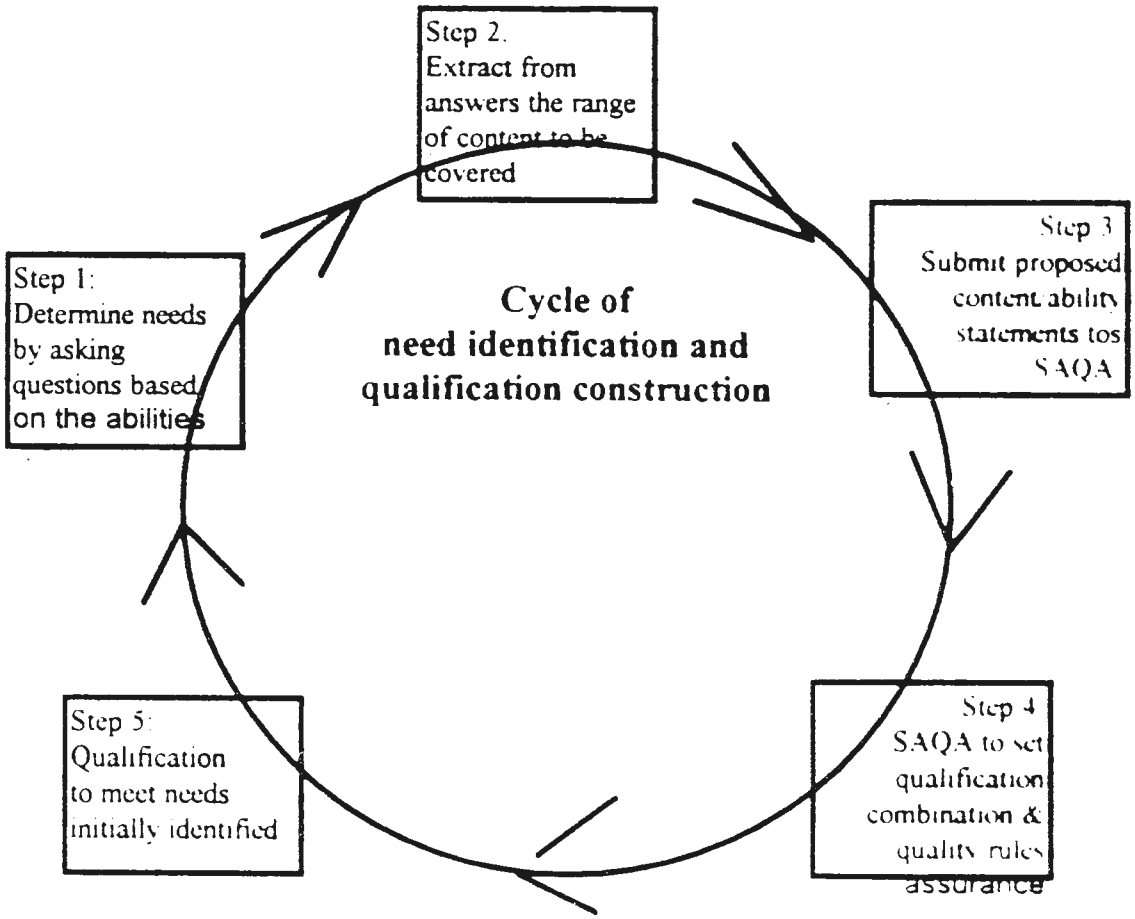
QUESTION 4 : HOW CAN THE NQF REALLY INDUCE QUALITY IN LEARNING WHILE AT THE SAME TIME REMAIN FLEXIBLE AND RESPONSIVE TO THE NEEDS OF ALL STAKEHOLDERS?

As the diagram on below illustrate, it is desirable that the learning needs of stakeholders should be identified *first* (step 1) and that the needs identified should be the basis on which the qualification is constructed (step 5). However, in order to ensure that the learning is credit-bearing and contributes to further learning - both for the individual and the institution/programme/enterprise in the future - the needs identified need to go through certain SAQA processes. There are of course numerous ways in which these SAQA processes could be designed - one of which is discussed in more detail in the section on standard setting later in this document.

The key to any processes that are introduced is that they should start and finish with the needs of the groups it is seeking to serve.

Such process will certainly need a great deal of careful negotiation with the stakeholders involved. The NQF will continually have to be scrutinised to ascertain that it is in fact meeting the needs of those it was established to serve.

However, as a contribution to this debate, the sequence of steps outlined in section 5 it is proposed that for the GEC and the FEC, ALL of the abilities may have to be addressed at the identified level on the NQF (Level 1 for the GEC and level 4 for the FEC). Provincial ETQAs would then be responsible for determining further details and requirements.



QUESTION 5 : HOW TO HOLD THE NQF TOGETHER?

The model that is being proposed in this document is that the standard setting process should essentially be held together by means of the abilities grid, and through processes which involve intensive participation by concerned stakeholders. This will essentially mean that both progression and portability are based on the abilities and that abilities should form the basis for transfer from context to context - although content will always also be specified and can be taken into account in ways that are relevant to the context.

There are a number of implications which have yet to be considered, but these include:

1. The possibility that the tertiary sector might nationally agree that only abilities relevant to their context need be addressed. Decisions about content could be completely or largely devolved to institution level - with the single condition that learners seeking to transfer across institutions and up into their institutions from non-traditional routes e.g. from work-based study or from other contexts are able to do so on the basis of agreed abilities at agreed levels. (This could be over-ridden by Professional Bodies where so decided).

2. Research be done to compile a series of standards registered for each ability at the defined levels; and that these could conceivably form the basis of SAQA's registration of standards

SAQA CLASSIFICATION OF STANDARDS

ABILITY 1 eg communication

Levels below:	Content Field 1	Content Field 2	Content Field 3
level 8			
level 7			
level 6			
level 5	X standard = level 5		
level 4	content/ability		
level 3			
level 2			
level 1			
ABET/schooling			
ABET/schooling			
ABET/schooling			

ABILITY 2

Levels below:	Content Field 1	Content Field 2	Content Field 3
eg 8.. down to	Y standard = content/ability/ level		

ABILITY 3

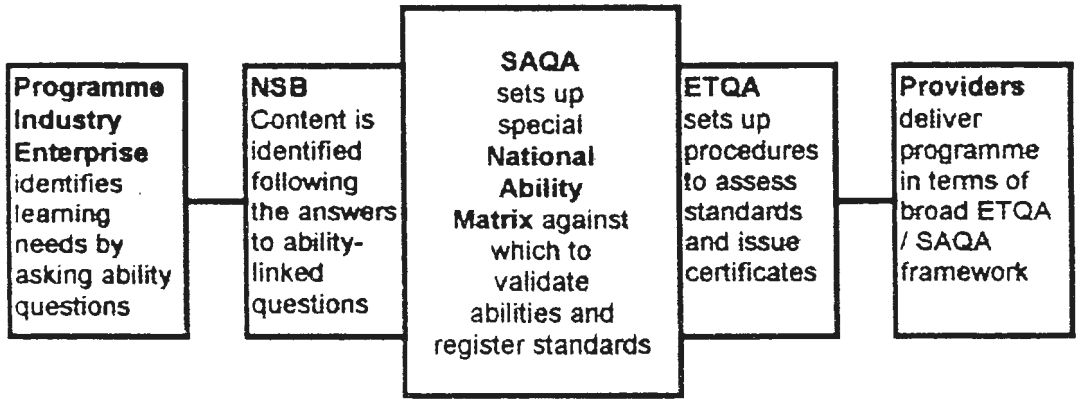
Levels below:	Content Field 1	Content Field 2	Content Field 3
			etc.
eg 8.. down to	Z standard = content/ability/ level		

and so on.

The formulation of these tables could be researched to provide the substance that increasingly gives greater definition to the National Ability Matrix that could become THE informing structure of the NQF.

The overall process that is being proposed for discussion is represented diagramatically below - the NSBs and ETQAs are discussed further, later in the report, in the section dealing with governance.

SAQA STANDARD SETTING
AND QUALITY ASSURANCE



5. GOVERNANCE STRUCTURES

5.1 South African Qualifications Authority (SAQA)

This body will essentially need to perform two functions:

- overseeing standard setting through the proposed National Standards Bodies
- ensuring that the standards set are delivered - through accreditation and examination procedures.

Reference to draft legislation to be appended.

Each of these are considered in more detail below:

There is wide agreement that a legislated body needs to be established to oversee the NQF and ensure that it is implemented effectively. It is assumed that this body will be called the South African Qualification Authority and will principally have two functions:

1. Overseeing the setting of standards.
2. Ensuring that these standards are actually delivered in practice - quality assurance in other words

These two functions are each considered together with some of the practical implementation questions. However, in addition to these functions other functions such as research and development, support services and publications will also have to be considered.

5.2 SETTING STANDARDS - NATIONAL - STANDARDS BODIES (NSBs)

The National Training Board proposed that the function of standard setting should be the responsibility of the South African Qualifications authority. It is recommended that SAQA should be legislatively empowered to convene National Standard Bodies which will:

- set standards which ensure portability and progression within the National Qualification Framework
- submit standards to SAQA for registration and publication
- present standards in a format to be agreed by SAQA which fit within the NQF "grid" of levels and fields.

the NTB has proposed that NSBs should:

1. be established within a single learning pathway or learning progression route (still to be decided whether this means a sub-field or a domain).

2. ensure the portability of the standards generated by ensuring that representatives both the wage and non-wage sectors be represented (employers/trade unions as well as representatives from the development sector).

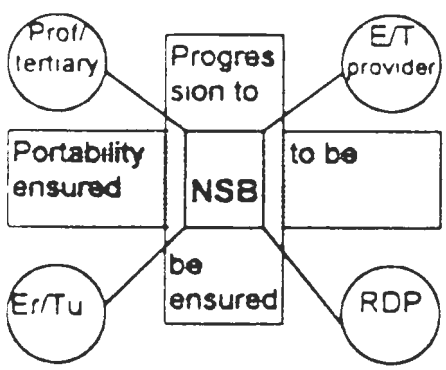
3. overcome the traditional divide between 'theory' and 'practice' (education and training) by ensuring that both the traditional education providers as well as the practitioners are represented (technical colleges as well as employers and trade unions on ITBs for example)

4. ensure progression by ensuring that the professional bodies as well as the tertiary sector providers are included. There should be a seamless progression from one level on the NQF to the next. One way of achieving this it to design down from the professions, not up from fragmented tasks.

5. ensure acceptability of the standards generated by allowing for a period in which draft standards are published for public comment and amendment.

It is conceivable that Interim National Standards bodies be established, even before the SAQA legislation is passed. The NTB is discussing guidelines and criteria for this at the present time. These guidelines will need to cover four areas:

- Employer/Trade Union (via ITBs if representative)
- In practice this will often mean more than one ITB where the relevant learning pathway is of interest to a number of ITBs
- Professional bodies/tertiary faculties to ensure progression



5.3 Accreditation/Quality Assurance : Education and Training Qualification Authorities (ETQA's)

How does the society at large ensure that the standards that have been set are actually being achieved in a wide range of different sites? The mechanism that is being proposed is that of accreditation under the authority of SAQA.

Becoming an ETQA - accreditation

Accreditation is a process which has a few different steps. The steps are likely to include inter alia:

* A body set up by an industry, province or such other body nationally meets the - or some other group of people - that wants to be an ETQA, must apply to SAQA.
* SAQA will have developed a set of criteria which must be met before it accredits any body. If the body that applies meets these criteria then SAQA will rule that it can be an ETQA
* The criteria that SAQA is likely to apply include:
* does it have representation from all the necessary stakeholders (eg employers and unions)
* does it have the skill and knowledge in learning pathway and for the levels for which it wants to be an ETQA? If it wants to accredit welding standards for example - do the people on the body have the required welding ability themselves?
* These criteria will have to be widely discussed and, when agreed, will have to be published in Government Gazette.

Functions of an ETQA

* Once a body is accredited by SAQA to be an ETQA, it will have certain powers, such as:
* to monitor and review the implementation of the agreed standards of the relevant National Standards Body
* to accredit providers such as technical colleges and private colleges and even NGOs to provide courses in the subject for which it is accredited - typing 1 and 11 for example.
* to withdraw accreditation if it thinks that an accredited provider is no longer working to the agreed standard.
* to run national qualifications (including examinations) and to issue national certificates and national credits towards qualifications (where the credits do not add up to a full qualification)
* Providers of education and training - secondary accreditation
* If a college, NGO, company training centre or anyone elsewant to run courses which lead to learners getting nationally recognised credits they will have to get accreditation from at least one of the ETQAs
* The way this will work will again be in terms of agreed rules and procedures agreed to by SAQA, and may be refined by the ETQA. It will probably include steps such as:
* the college or company will decide it wants to be accredited for giving courses in typing:
* it will study the rules published by SAQA and the ETQA and, checking to see if it qualifies for accreditation;
* if it thinks it may qualify, it will contact the ETQA and ask to be assessed.
* the ETQA will probably arrange for a team to visit the college or company training centre and ask questions about its facilities and the qualifications of its teachers, trainers or educators, as well as about the courses it runs. If the team thinks that learners are likely to be able to learn and pass the assessment - then the place will be accredited.
* the ETQA may refuse to accredit an organisation. They could tell organisation what it still has to do to attain the required standard for accreditation and then allow it some time to do this.
* in South Africa, given the apartheid history, an ETQA might even send a message to some other part of the system and tell them to give special assistance to an institution to help them to get to the standard in the time allowed - this could mean money, special staff training or whatever.

5.3.2 Providers accredited by ETQAs

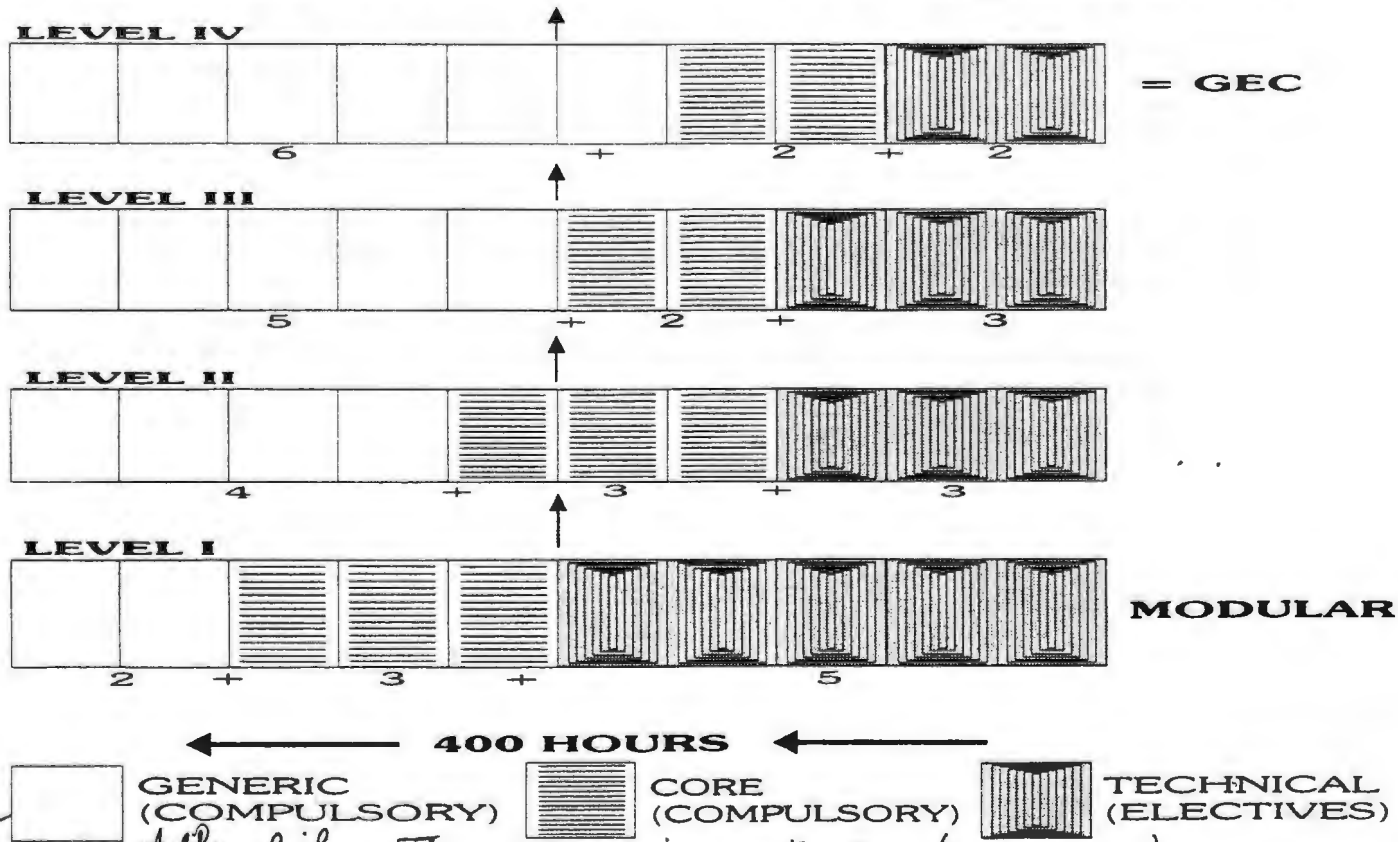
At the end of the day the whole system discussed above - setting of standards, quality assurance and even financing - is to ensure that the learning opportunities offered to learners is of a high quality and helps to deliver the National Training Boards vision, namely:

> **"a human resources development system in which there is an integrated approach to education and training which meets the economic and social needs of the country and the development needs of the individual".**

THE N.Q.F.

LEVEL		OLD	
8	POST-DEGREE		
7	DEGREE		
6	DIPLOMA		
5			
4	HIGHER ED. CERT (HEC)	STD 10	
3	TRADE	STD 9	N3
2		STD 8	N2
1	GENERAL ED. CERT (GEC)	STD 7	N1
C		STD 5	
B		STD 3	
A		STD 1	

STRUCTURED LEARNING PROGRAMMES FOR ADULT WORKERS : FRAMEWORK



ABE skills which are transferable over a wide range of jobs

e.g. in construction - (health + safety)
in banking - (customer relations)

Do do not separate or segregate but the balance between the three must be watched

The NQF

Structured Learning Programmes For Adult Workers: Framework

STRUCTURED LEARNING PROGRAMMES IN THE NQI

ARTISAN — EXAMPLE : CONSTRUCTION

CERTIFICATE LEVEL	GENERIC 3 modules	CORE (Industry specific) 3 modules	SPECIALISED 4 modules	NO. of modules 10
V	Science IV Maths V Language	Marketing I Computer Skills II Const. Ind Regulations	- - - -	1

CERTIFICATE LEVEL	GENERIC 6 modules	CORE (Industry specific) 3 modules	SPECIALISED 2 modules	NO. of modules 10
IV	Science IV Maths IV 2nd Lang III 1st Land IV Soc Studies II Dev Studies I	Interpret Drwgs I Computer Skills I OHS II / Estimating II	- - - -	(Equiv. to GEC) 400 Hours

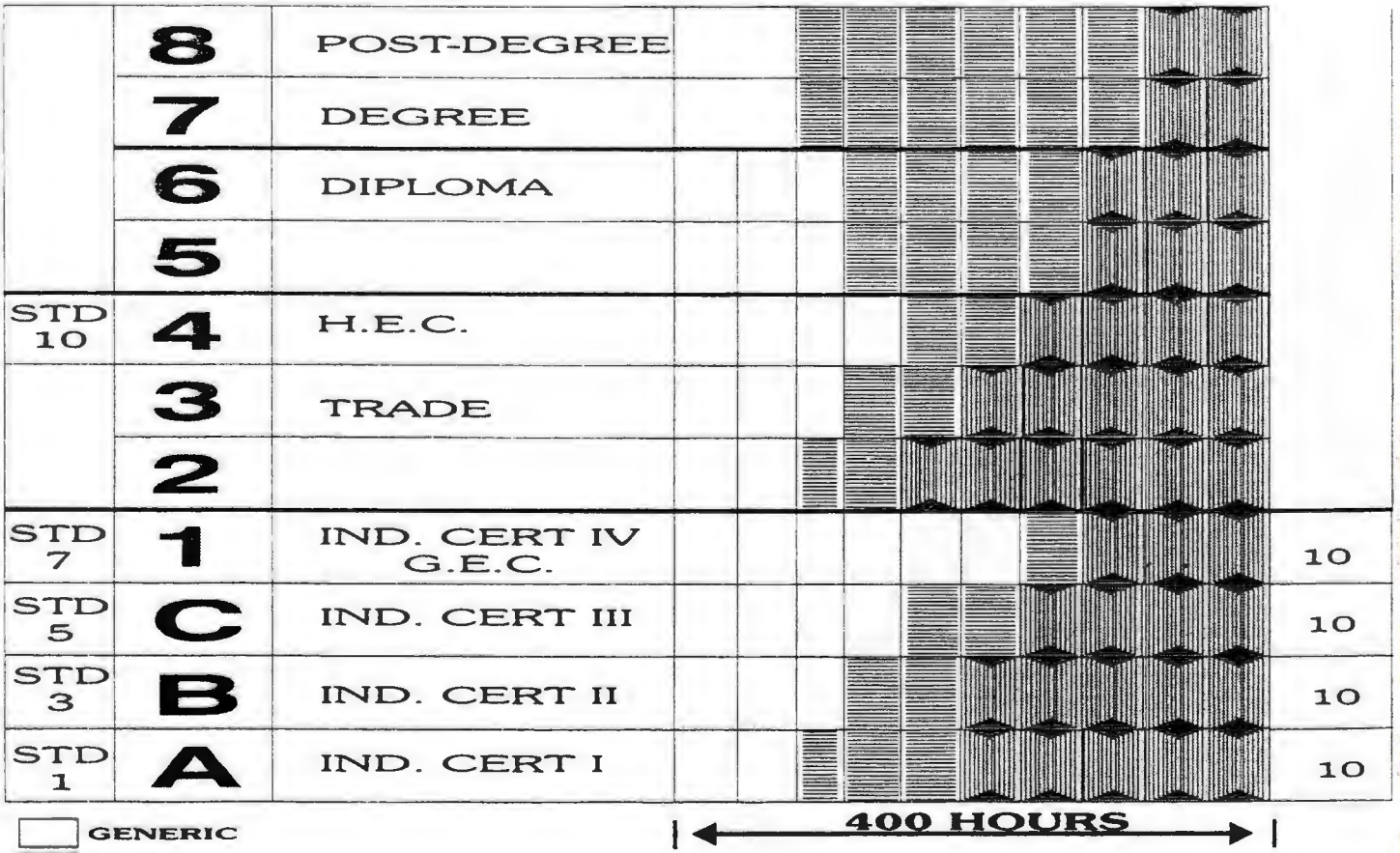
CERTIFICATE LEVEL	GENERIC 5 modules	CORE (Industry specific) 2 modules	SPECIALISED 3 modules	NO. of modules 10
III	Science II Maths III 2nd Lang II 1st Lang III Soc Studies I	Estimating I Communications III	- - -	400 Hours

CERTIFICATE LEVEL	GENERIC 4 modules	CORE (Industry specific) 3 modules	SPECIALISED 3 modules	NO. of modules 10
II	Science I Maths II 2nd Lang I 1st Lang II	Communications II Quality Control 1 JSE Small Plast	- -	400 Hours

CERTIFICATE LEVEL	GENERIC 2 modules	CORE (Industry specific) 3 modules	SPECIALISED 5 modules	NO. of modules 10
I	Maths I 1st Lang I	Communications I OHS I Basic Hand Tools	Pipelaying Excavation Drainage Formwork	400 Hours

DESIGNING TRAINING PROGRAMES IN THE NQF

LEVEL		QUALIFICATION	TRAINING
	8	POST-DEGREE	
	7	DEGREE	
	6	DIPLOMA	
	5		
STD 10	4	H.E.C.	
	3	TRADE	
	2		
STD 7	1	IND. CERT IV G.E.C.	10
STD 5	C	IND. CERT III	10
STD 3	B	IND. CERT II	10
STD 1	A	IND. CERT I	10



GENERIC
CORE
TECHNICAL

Structured Learning Programmes in the NQF - Example: Artisan

Designing Training Programmes in the NQF

A NATIONAL QUALIFICATION FRAMEWORK

LEVELS : 5 - 8	NON - COMPULSORY			
TERTIARY & RESEARCH				
RESEARCH	HIGHER DEGREES	INITIAL DEGREES	NATIONAL AND HIGHER NATIONAL DIPLOMAS	PROFESSIONAL EMPLOYMENT

LEVELS : 2 - 4	NON - COMPULSORY			
to HIGHER NATIONAL CERTIFICATE(S)				
CORE and APPLIED GENERIC and OPTIONS				
SENIOR SECONDARY SCHOOLS	TECHNICAL COLLEGES & COMMUNITY COLLEGES	PRIVATE PROVIDERS & NGOs	INDUSTRY TRAINING	LABOUR RTC's MARKET SCHEMES

LEVEL 1: COMPULSORY SCHOOLING	
GENERAL CERTIFICATE OF EDUCATION GCE	
• 9/10 yrs	Grade 9/10
• 7 yrs	Grade 7
• 5 yrs	Grade 5
• 3 yrs	Grade 3

ABE & TRAINING : LEVEL 1
GENERAL CERTIFICATE OF EDUCATION GCE
• Level 1
• Sub- level C
• Sub-level B
• Sub-level A

EDUCARE

GENERIC COMPETENCIES/OUTCOMES

COMPETENCY 1 :

Thinking about and using Learning Processes and Strategies

COMPETENCY 2 :

Solving Problems and Making Decisions

COMPETENCY 3 :

Planning, Organising and Evaluating Activities

COMPETENCY 4 :

Working with Others as a Member of a Team / Group / Organisation / Community organisations

COMPETENCY 5 :

Collecting, Analysing, Organising and Evaluating Information

COMPETENCY 6 :

Communicating Ideas and Information

COMPETENCY 7 :

Participating in Civil Society and Democratic Processes through understanding and engaging with a range of interlocking systems (legal, economic, political, social)

COMPETENCY 8 :

Using Science and Technology critically to enhance control over the environment in a range of fields and contexts

COMPETENCY 9 :

Applying Mathematical Ideas and Techniques

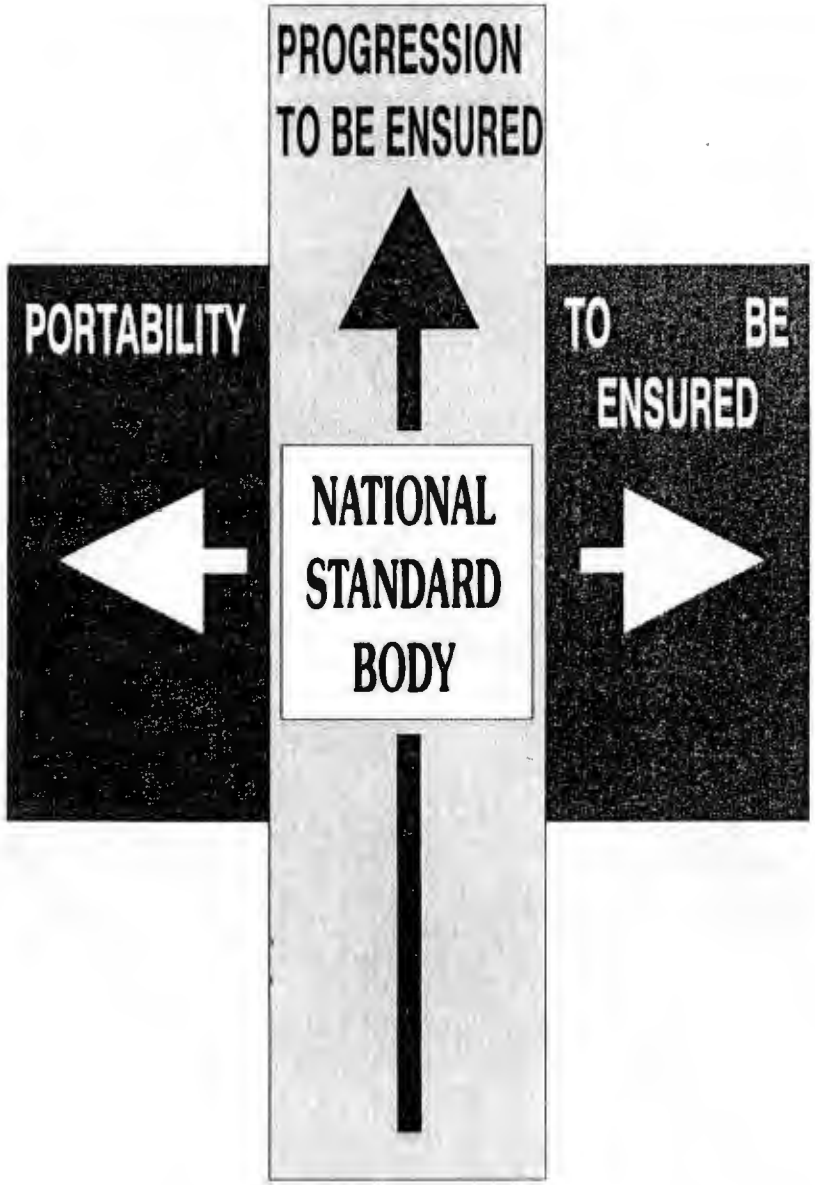
COMPETENCY 10 :

Understanding and Using the Core Skills, Concepts and Procedures that underlie the domains of Social and Human Sciences; Natural Sciences; Arts, Language and Literature

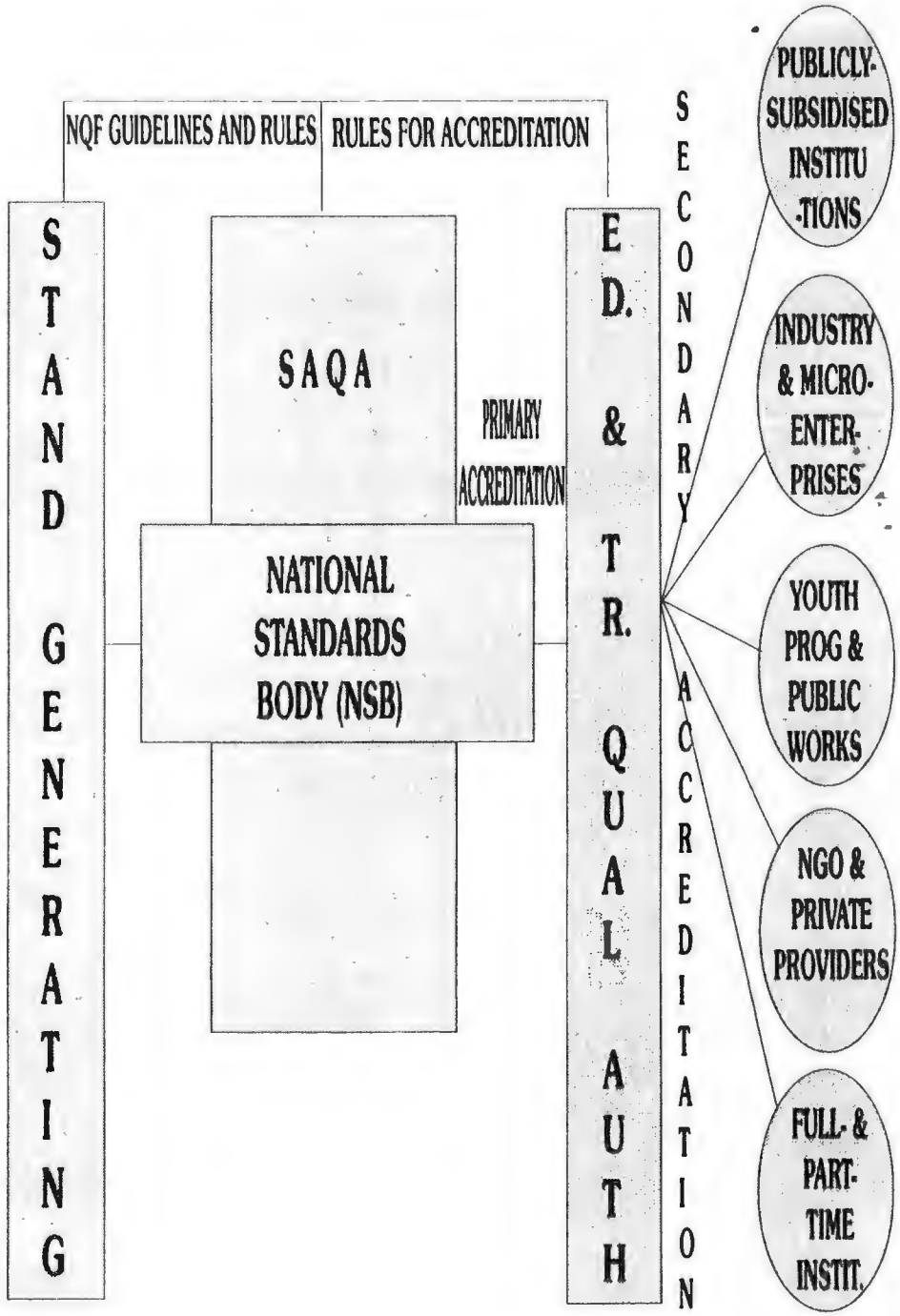
A National Qualification Framework

Generic Competencies / Outcomes

ESTABLISHMENT OF NATIONAL STANDARD BODY BY SAQAs



SAQA IN RELATION TO STANDARD SETTING AND DELIVERY



Establishment of National Standard Body By SAQAs

SAQA in Relation to Standard Setting & Delivery

But, hopefully, if all of the standards and quality assurance mechanisms are put in place, then it will be much easier for the providers to know what is wanted of them. Their task is then to plan how best to give people what they want. Issues that they will have to address include:

* writing curricula for courses that will help people reach the agreed standards.
* upgrading educators, trainers and teachers to be flexible and responsive to the specific needs of groups of learners while at the same time helping them to reach the national standard.
* developing materials for learners, including materials that are based on distance learning, and using different kinds of media, including the radio and TV.
* developing better and better ways of assessing the skills that learners bring with them - whether formally or informally acquired through experience. The way in which the standards have been set (with outcome statements and assessment criteria should help in this regard).
* linking their work to the needs of individuals for learning as well as the economic and social needs of the community.

They will of course also have to address other issues such as transport, accommodation and child care facilities as part of the service that they offer.

This will be closely linked to their own funding arrangements and the way in which the state chooses to fund them.

6. IMPLICATIONS FOR EXISTING BODIES

6.1 Industry Training Boards

Arising from the NTB/HSRC Investigation into the Training of Artisans and the subsequent amendment of the Manpower Training Act, 1981 with effect from 1 July 1990, some 24 industry training boards have been accredited by the Department of Labour. Within a matter of only a few years most of these industry training boards have distinguished themselves by making a remarkable contribution towards addressing industry's training and manpower needs as well as the development and setting of industry standards which had been lacking previously. Most of these industry training boards have accordingly become major assets to their respective industries and are increasingly being viewed by employers and employees alike to be a suitable vehicle to render an even greater contribution than has been the case until now.

Since the publication of the National Training Strategy Initiative during April 1994, the notion that industry training boards and other stakeholder forums indicate a distinct need for current ITBs to convert to Industry Education and Training Boards, which depending on the specific needs of the respective industries, could be required to perform a range of functions embracing their current functions as provided for in the Manpower Training Act, 1981, some of the functions that had been proposed for SETO's and the fulfilling of certain other roles envisaged by the national Training Strategy Initiative in as far as the National Qualifications Framework and South African Qualifications Authority are concerned. In addition it is believed that Industry Education and Training Boards should accept responsibility for effecting some form of rationalisation of the duplication which has occurred between ITBs

Future composition of Industry Education and Training Boards

Equal employer and trade union representation to be ensured whatever functions or roles are adopted.

Traditionally unrepresented groups - such as small and medium sized enterprises - should be guaranteed representation. Other interests groups such as providers and interested groups in civil society, as well as tertiary sector representatives, should be accommodated wherever possible

The future roles of Industry Education and Training Boards

Arising from the above mentioned, industries could select for their respective industry education and training boards to fulfill all or some of the following functions provided that the functions chosen are properly integrated, meet the requirements of the relevant legal authority and do not leave voids which might be critical or to be detriment of any of the stakeholders. The following diagram summarises the five possible future role for IETBs The roles are further explored in session 4 of the Workshop.

SESSION 4

Sam Morotoba: Restructuring the Industry Training Boards

POSSIBLE FUTURE ROLES FOR ITBS

A1 Standard Setting:

This function will include the conducting of surveys or occupational analyses to establish the needs of key stakeholders in a particular industry. This function will need to be carried out whether or not an IETB chooses to position itself to become the National Standards Body for a particular category on the NQF.

The standards generated will have to be submitted to relevant NSBs for each of the standard areas identified.

A2 National Standards Body
Under the legal authority of SAQA

IETBs may choose to position themselves to become the National Standards Body for a particular category on the NQF. (There will be only ONE NSB for each category). To position themselves in this way they will have to demonstrate:

1. that they are representative of the key interests for that category (and one measure will include participation by the four broad stakeholder groups, namely: (1) employers and trade union/s; (2) providers of education and training in that category; (3) professional groups or tertiary sector facility groups which will ensure progression possibilities; and (4) the development sector including relevant government departments as well as other well organised groupings in civil society with a legitimate interest. NOTE: one or other of these broad groupings may only be excluded if their exclusion can be justified on the grounds of non-interest.

2. that they are competent to perform the task, as measured against criteria prepared by SAQA, and in particular, are able to ensure that South African standards and qualifications are internationally worthy and credible.

3. that they are registered with SAQA for this purpose.

B Accreditation as an ETQA
Under the legal authority of SAQA

To be registered with SAQA as an ETQA, the IETB will have to meet the requirements of SAQA. These requirements will principally include competence to carry out the functions of an ETQA and - where there is to be more than one ETQA for a particular category on the NQF - then demonstration as to why the duplication is justified. This may well be the case - such as when provinces seek registration for schooling provision, but is unlikely always to be justified.

As ETQAs, IETBs may:

1. facilitate recognition of prior learning
2. become certificate-awarding bodies
3. accredit providers and assessors
4. assure quality

C Provider

Under the legal authority of the relevant government legislation (e.g Health under Ministry of Health, schools under Education, but accredited for specific NQF programmes in terms set out by SAQA.)

This may take a variety of forms:

1. act as convener of all stakeholders for the purpose of industry-related education and training curriculum and training schedule development;
2. arrange for the delivery and accessibility of education and training and subject to certain conditions provide education and/or training;
3. develop training course material, if necessary;
4. promote the development of ETD practitioners.

There is general concern that should IETBs both perform the function of an ETQA and that of a provider of education and training, then they will have a conflict of interest and may end up protecting their own facilities as against others. However, as many ITBs do currently perform both functions, it is suggested that at minimum there should be a legally defensible "arms length" between the accrediting arm and the provider arm of the board. There should also be a mechanism under SAQA in terms of which providers refused accreditation by an ETQA with its own provision capacity may appeal.

D Industry Human Resource Needs

Under the legal authority of the Department of Labour

1. develop an education and training pathway for the industry linked to career opportunities;
2. frame conditions of training which may include conditions of training in general including apprenticeships and the administration thereof;
3. identify the qualitative and quantitative human resource, education and training needs of the industry and take the necessary steps to address these by;

   - promoting career opportunities in the industry
   - providing advice and counseling to employers, employees, future employees and any other stakeholders;
   - promoting education and training within the industry

4. provide linkages to other industry education and training boards and other interested stakeholders;
5. facilitate and co-ordinate strategies to enhance the interests of the industry;
6. take such steps as may be necessary to ensure that the activities of the board are in support of, and in harmony with the RDP.

E Finance

Under the legal authority of the Department of Labour

Research is being commissioned by the NTB into the most effective and efficient mechanism in future - which will induce employers to invest more in human resources development and induce more and more South Africans to learn. Until the recommendations of such research are available for discussion, it s suggested that IETBs should continue to administer the education and training schemes/funds for their industries.

COSATU AFFILIATES PROFILE IN THE ITB'S

UNION	INDUSTRY TRAINING BOARD
NUM	Eskom, Not involved in the Mining ie Aritsan Board
NUMSA	Eskom, Automobile, Tyre & Rubber, Plastic, Engineering, Motor
SACTWU	Clothing, Textile, Leather / Footwear
SAMWU	Local Government, Apprentice Board of Local Government.
CWIU	Chemical, Petroleum, Plastic
PPWAWU	Printing & Paper, Not involved in Paper, Pulp & Board Manufacturing
SACCAWU	Hospitality, Not involved in Commercial & Banking
TGWU	Road Transport, Security Training
SARHWU	Transnet, Not Involved in Aerospace
SADWU	No board exists for the sector
FAWU	Carbonated Soft Drink, Dairy, Maritime, Hospitality, Sugar Milling & Refining
POTWA	Not involved in Information Technology, Public Sector not included
NEHAWU	Not involved in Nursing & Education
CAWU	Civil Engineering, Building Industries
SADTU	Not involved in structures dealing with Teacher Education

MANPOWER TRAINING AMENDMENT ACT OF 1990

Establishment of Industry Training Boards

Any

- Employers, if the Registrar so approves; or
- Employers' organisations; or
- Group of Employers' organisations; or
- Group of one employer & one or more employers' organisations; or
- One or more Industrial Council; or
- Trade Union; or
- Group of Trade Unions; or
- Group of Employees

COSATU Affiliates Profile in The ITBs

Manpower Training Amendment Act of 1990

MAIN PROBLEMS WITH PRIVATE SECTOR - FUNDED TRAINING

- Very little training being provided by Private Sector (+/- 0,45 % payroll)
- Inconsistency in quality & quantity
- Concentration at artisan level
- Non-artisan training mainly task & company specific
- Lack of incentives for workers
- Limited opportunities for promotion
- High turnover of labour
- Training regarded as a cost & not investment
- Policies not responsive to work organisation changes
- Poaching of skilled workers from minority of employers providing training
- Reliance on migrant labour to meet skills shortages
- Training programmes influenced by old concepts of Taylorism
- Education & Training system not geared towards empowerment

STRATEGIC IMPORTANCE OF ITB'S

* Acquistion of skills by workers to enable them to participate in shaping industrial, economic, social & political process

* Forum which ensures participation by unions in the development of policies around education & training issues

* Empowering workers to develop skills, knowledge & abilities to participate in the workplace, union structures & committees

* The Reconstruction & Development Programme

* Public Works Programmes

Main Problems With Private Sector-Funded Training

Strategic Importance of ITBs

PROBLEMS WITH THE CURRENT ACT AND ITB's

- Definition of "Industry" in the Act
  " 'Industry' includes any class of undertaking or activity, any division or part of an industry or any group of industries, as well as work in private households."
- Duplication & Overload of Boards in some sectors
- Powers vested in the Registrar of Labour Affairs
- Scope of the trainees covered by ITB's
- Representation of Unions / Employers & other stakeholders such as providers, communities & professionals
- Training focus and exclusion of education
- Current functions / Roles of ITB's
- ITB's relationship with NIB & other Education & Training Structures
- Others include;
  - Separate legislation governing
    Private Sector Training
    Public Sector Training Institutions
  - Education & Training under different ministries

CURRENT ROLE OF ITB's AS DEFINED IN THE ACT

- Powers to carry out training according to SA's needs
- Frame conditions of apprentices & formalised training schemes
- Administration of apprentice training
- Making recommendatons to the Registrar in terms of the Act
- Inquiry into disputes relating to apprenticeship contracts etc.
- Appointment of personnel to function on its behalf
- Evaluation of Training Qualifications
- Establishment of governing systems & controlling trade testing
- Training principles & evaluation techniques
- Upgrading through re-training of qualified artisans
- Counter any limiting factors on sufficient candidates for training
- Framing of selection guidelines for apprentices & career content
- Furnishing the Dept. with information regarding professions & career opportunities
- Promotion of closer co-operation between formal education & training in respect of design & content of curricula
- Promotion of training
- Initiation of monitoring of programmes
- Provision of financial incentives for apprentices & other employees
- Furnishing the Registrar with required statistics

1.2.INDUSTRY TRAINING BOARDS

The Manpower Training Amendments Act 39 of 1990 made extensive amendments to the Manpower Training Act 56 of 1981. The objectives in changing the Act were:

* Promoting acceptance by industries of their obligation to carry out training. The act also provides for establishment of training boards by industries with little intervention by the Department of Manpower.

* Establishment of modular competency based training system

* Effecting changes to registration procedures of training centres

* Establishment of a fund to allow for private sector contributions to financing of training for the unemployed.

1.3. COSATU AFFILIATES IN THE ITBs

COSATU affiliates maintained the following principles in participating in the Industry Training Boards.

* ITBs to cover Education as well as training and to be referred to as IETB.

* Union to be consulted in setting up the board

* Negotiation of the constitution of the IETB

* Unions and employers to have equal representation

* Unions to be represented on proportional basis to their paid up membership

* IETB to cover all workers not just Artisans

* IETB to cover the entire Industry

COSATU'S PERSPECTIVE ON THE "FUTURE OF ITBs"

STRUCTURE

- Rationalisation of ITBs & the restructuring of ITB's into broad industry sectors
  - Areas of overlap
  - Cost reduction where duplication occurs
  - Process to link to National Standards & NQF
- Democratic forums with proper representation between Employer & Union & where appropriate other stakeholders to negotiate policy changes within national standards & qualification framework.
- The structures to focus on Education & Training
  - An integrated approach to Education & Training
- Establishment of an inter-ministerial Task Team to work out the relationship of IETBs to Education & Labour Ministries

COSATU'S PERSPECTIVE ON THE ROLE OF IETBs (1)

- Undertake industry-wide skills and training assessment needs
- Promote education and training within the industry
- Determine the core competency outcomes which all workers in the industry must acquire. Some of these competencies will be common to all workers across all industries and should be referred to the NETB
- Determine skill competencies/outcomes for all occupations at all levels within the industry
- Accredit education and training and providers
- Administer and maintain trainee records and statistics eg. contracts, placements, applications etc.
- Set selection criteria, entry requirements, etc
- Develop career paths within the industry

COSATU's Perspective on the "Future of ITBs"

COSATU's Perspective on the Role of IETBs (1)

COSATU's PERSPECTIVE ON THE ROLE OF IETBs (2)

- Provide a forum for negotiation on medium and long term education and training strategies
- Determine and accredit specialisation competencies for the industry
- Ensure transferability of qualification across other sectors; review and update education and training competencies
- Develop assessment methodology
- Determine education and training levies
- Ensure that education and training providers (eg. Regional Training Centres) provide courses which conform to industry guidelines and standards
- Extend industry education and training access to the broader community and redress past imbalances and discrimination
- Integrate education and training provision with economic planning and other labour market strategies

NTB WORKING GROUP 9 DRAFT REPORT

POSSIBLE FUTURE ROLES OF ITBs : OPTIONS TO CONSIDER

POSSIBLE FUTURE ROLES FOR ITBs

A1	B	C	D	E
STANDARD SETTING *Need analysis *"job" analysis	**ACCREDITATION AND QUALITY ASSURANCE (ETQA)** *Assessment *Certification	**PROVIDER** *Courses *Open learning *ETD *Curriculum	**INDUSTRY HR NEEDS** *Work org. *Future	**FINANCE** ????????????

A2

NATIONAL STANDARD BOARD (NSB)

or/and participate in NSBs

COSATU's Perspective on the Role of IETBs (2)

NTB Working Group 9 Draft Report

POSSIBLE FUTURE ROLES OF ITBs

A1 STANDARD SETTING

A2 NATIONAL STANDARDS BODY

B ACCREDITATION AS AN ETQA

C PROVIDER

D INDUSTRY HUMAN RESOURCE NEEDS

E FINANCE

Possible Future Roles of ITBs

PROBLEMS WITH EXISTING (TASK BASED) GRADING SYSTMES

- Task specific
- No sectoral / national approach
- Multiple systems in the workplace
- No prior learning recognition
- Uneven wages / large wage gaps
- No career paths
- Unfair criteria for promotion / discrimination
- Narrow range of skills are recognised

★ **Tasks are what workers <u>do</u>**

★ **Skills are attributes which <u>enable</u> workers to do tasks**

★ **The performance of a task is usually the product of a <u>combination</u> of different skills (a competency)**

★ **Competency standards measure the skill performance.**

1.2. Linking wages/grading/skills

Amongst factors used to determine wages are issues such as cost of living / minimum wages, company job rating / productivity and skills. Factors such as inflation, working conditions (e.g. dangerous, stress etc.) , discrimination etc. resulted in additional increases in some sectors. Linking wages, grading and skills will have the following advantages:

1. All forms of discrimination and bias included in the current wage structures are removed.

2. Higher increases on the lower grades in order to close the current wage disparities

3. The establishment of single wage frame works to cover all workers in all work places.

4. The establishment of fair and even wage differentials within the different grades across sectors and regions.

5. Establishment of bargaining forums/ re-structuring of wage boards to ensure that workers doing jobs which require similar skill level across sectors and regions get paid the same wage rates.

Proposals for new wage strategy linking wages/ grading/ skills

a. Reduction of wage differentials between sub-grades

b. Steps to move towards even wage differentials between lower and higher skilled workers.

c. Establishment of wage framework for all workers with benchmarks outlining possible minimum and maximum wages.

d. Wage bargaining strategy based on percentages for all workers

PRP - EXECUTIVE SUMMARY

1. LINKING WAGES / GRADING / SKILLS

1.1. Grading

Most current Grading systems have lots of problems hence none of them is better or worse than the others. A skills grading system has the following advantages:

1. People are graded according to the skills they have and not job descriptions or tasks that they do
2. Career paths exist for every person to advance to higher grades
3. Fairness within the grading system is maintained
4. A broader spectre of workers within the industry is covered.
5. Current dissatisfaction is eliminated with regard to:
   - large number of sub-grades
   - all forms of discrimination and bias
6. The system is simplified and understandable to workers.
7. The grading system becomes skill based and is linked to training, wages and work organisation
8. The grading system reflects even and minimal wage differential incentives as people move "up the ladder" within grades
9. People graded on the same level are paid equal wages across industry sectors and different regions.
10. Grading system has provision for workers involved in areas where work is dangerous, stressful and heavy to get additional compensation.

PRP Proposals for the development of skills grading system - including guidelines for:

a. Elimination of narrow definition of job categories
b. Broad banding of existing grades - merging of sub-grades with similar skill level into a broad level classification.
c. Establishment of benchmarks linked to existing certificates - artisan or artisan level equivalent e.g. nurse
d. Definition of skill levels and wage relativities below and above the benchmark (this requires development of national standards/grading levels within industries and nationally to establish a common framework covering all workplaces to ensure a clear career path for all workers)
e. Re-assessment of adults in terms of (d), this includes assessment and recognition of prior learning with a view to re-grading and identifying further education and training required or desired.

manage the co-op. It also elects a Social Council which looks after shopfloor grievances, personnel and social welfare issues. There is also a "Watchdog" Council which checks that the wishes of the General Assembly are being carried out by the management bodies.

The third principle is that profits are distributed in a fixed way: 20% gets reinvested in the co-op and 10% is paid into the Social Fund and used for community projects like schools. The rest is divided up amongst the worker-members - some is paid out in cash and the rest goes into the workers' capital accounts which is paid out to them in full when they leave or retire from the co-op.

Worker-members also get monthly wages (which are really advance payment of their profit-share). The highest paid member may not earn more than three times the amount earned by the lowest paid members. This means that if the lowest paid earned R700 per month, then the highest paid could not earn more than (3 x R700) R2 100. Wage levels are worked out according to a job grading system which is based on the points system.

It uses the following factors to evaluate jobs:

- training and experience
- decision-making responsibility
- social relation skills
- physical and mental demands
- special hardships (eg danger, noise)

So the co-ops still have a job grading system which they use as a basis for deciding how to pay salaries and profit earnings.

But it is a system which looks at conditions which affect the jobs of manual workers and it is also linked to the 3:1 ratio so that the wage gap between high and low paid members is very narrow.

What do you think? Do you think the Cuban people can succeed in their aims?

What are your opinions of the Mondragon co-operatives?

After apartheid has ended in South Africa, what do you think the wage policy of the People's Government should be? Do you agree with the ideas of Elliot Sixhoso at the beginning of this book? Or do you think he is wrong?

FURTHER INFORMATION:

IF YOU WISH TO KNOW MORE ABOUT JOB GRADING SPEAK TO YOUR TRADE UNION.

These service organisations assist trade unions with job grading:

WIG (Workplace Information Group),

6th floor, Merchandise Centre, 350 Bree St, Johannesburg, P O Box 5244, JHB, 2000

Tel: 402-5363/4/5/6

LERC (Labour and Economic Research Centre)

Pasteur Chambers, 191 Jeppe St, Johannesburg, P O Box 157, JHB, 2000

Tel: 23-0437, 23-2308

A trade union leader, Francisco Travieso, explained it like this:
"*Before 1970 there was very little difference in the wage scales between workers. Often a worker with very little skill or training would earn the same as someone with 3 years training. Also, a lazy worker, or a worker who only came to work for some days, could earn nearly the same as one who came every day and worked hard. This was upsetting. The one who worked hard would ask himself, Why do I work so hard, when other workers are so lazy? People became demoralised. So we decided to introduce differences in wages.*"

Now the people with more training or more responsibility are paid more. Someone who works harder also earns more. Although there are now differences in wages, they are still not such big differences as you find in many other countries.

Also, the Cuban people do not have to pay for everything. They pay low rent, they get free health care, free education, 6 months maternity leave with full pay, proper pensions, and so on. Every Cuban has a right to these things, no matter what his or her wage.

But as another Cuban said,
"*We made a mistake at the beginning, because we thought all Cubans would be prepared toserve the nation. Now we have corrected themistake. But there is a danger of making the opposite mistake. There is a danger that some officials and leaders could use this policy to increase their privileges. Then we could lose sight of our aims. But the top leadership is aware of the danger, and so are the people. At all times we try to place commitment and discipline at the forefront. Our heroes and our important people are not those who earn more. Our heroes and important people are those who do more and sacrifice more, who gototeach and help people in other countries, people who are committed to the struggle.*"

The Cuban still believes that one day everyone will earn the same as everyone else. But they say that first they must develop the country so it is rich enough for all to satisfy their needs.

And secondly, they say that each child must be educated to work for the people, rather than to improve his or her own position. They say that the foundations for future equality have to be laid now.

THE MONDRAGON CO-OPERATIVES

The Mondragon co-operatives are situated in the Basque territory of Spain. They are probably the best known and most successful producers co-ops in the world.

The first co-op started in 1952, and was called ULGOR. It manufactured electrical goods and today is one of the biggest exporters of home appliances in Spain. The number of co-ops grew rapidly until in 1959 the co-op bank (Caja Labore Popular) was set up to provide credit to the new co-ops as well as training in how to manage a co-op. By 1986 there were 111 co-ops with 20 000 worker members.

There are a number of basic principles which apply to all the Mondragon co-operatives. Firstly, all workers have to be members. This means that all the workers collectively own the co-op in which they work and have a say in running it. Workers have to make a joining contribution of about R4000 which they can pay off in installments over two years.

Secondly, the co-ops have to be democratic organisations which means that the managers are elected and are accountable to all the members. The General Assembly of all workers elects a board to

WAGES IN CUBA AFTER LIBERATION.

The people of Cuba were oppressed by a dictator called Batista. But there were organisations struggling for the freedom of the people, and in 1960 the people won their liberation.

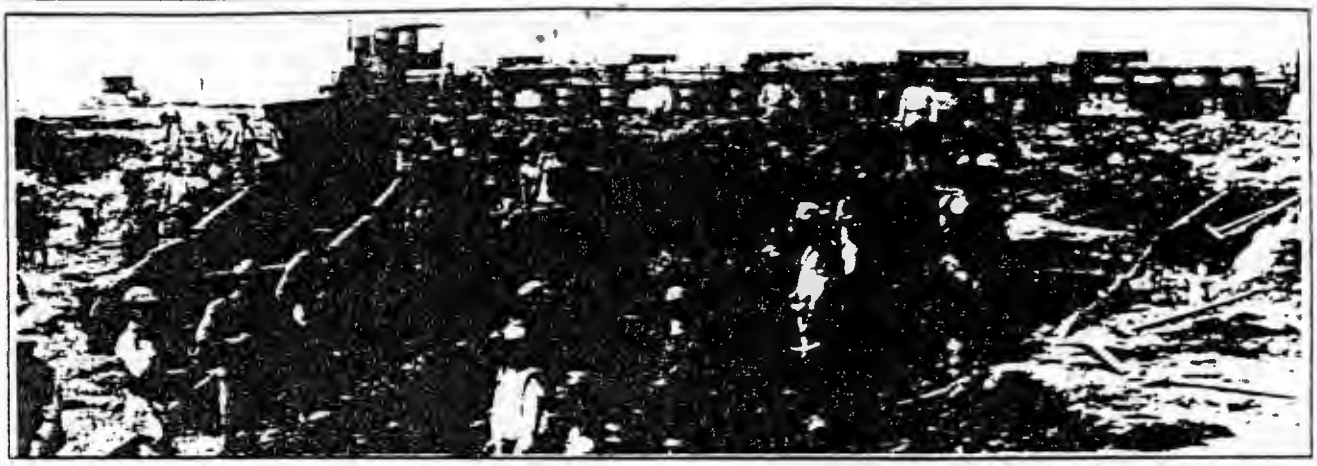
Before liberation there were many poor people, and a few rich people. The new government, led by Fidel Castro, wanted everyone to be equal. They had the same beliefs as Mr. Sixhoso at the beginning of this book.

So the new government took control of most of the factories and farms in Cuba. Now the factories and farms belonged to the government. The government introduced a new policy on wages. Most wages would be the same. There would be very little difference between wages.

In 1969 an American visitor was speaking to a Cuban factory manager. The American asked how much money the Cuban manager earned. The manager said,
"*That is not an important question. I do not do the job for money. I am proud to be chosen for the job of manager, I am proud to serve my people. But if you want to know, I earn 142 pesos a month. That comrade who sweeps the factory, he earns 138 pesos.*"

But in 1970 the government changed its wage policy. There are now bigger differences between the wages of different workers, and between the wages of workers and managers. Why did they change the policy?

Cuban workers: everyone gets a month's paid holiday every year



The beginnings of capitalism in South Africa: building railways

At the same time, the capitalists need to control the company and the worker. So they prevent the workers from participating in any decisions. If workers claim the right to make decisions, management says that decisions are the right of management. If trade unions demand more participation in decision-making, and more training for the workers so that they can challenge management, management refuses. But more recently, capitalists are trying to involve workers in participation schemes.

So management has created the situation where the mass of workers have no responsibility, no decision-making, few skills and little knowledge. They have created the situation where managers and engineers have all the responsibility, control, skills and knowledge. Then they introduce job grading which says that it is right that people with little knowledge and skills and decision-making must get less money. History shows that job grading supports the present system, it does not challenge it.

Otherwise capitalist companies would not accept it. So Paterson tested various factors to find which one would grade jobs roughly the same as all the other job grading systems. In the end, he found that **decision-making** graded jobs in roughly the same way as the other job grading systems with many factors.

If Paterson wanted to be scientific he should have been independent from the other job grading systems. But it is clear that he relied on the other grading systems to check if his system was right.

The next step for Paterson was to study the structure of a number of companies. He found that most companies in a capitalist economy have **different levels.** The different levels are:

- top management
- senior management
- middle management
- skilled workers
- semi-skilled workers
- unskilled workers

Professor Paterson then gave a name to the kind of decision made at each level:

Top management -**policy-making decisions**

Senior management -**programming decisions**

Middle management - **interpretive decisions**

Skilled workers -**routine decisions**

Semi-skilled workers -**automatic decisions**

Unskilled workers -**defined decisions**

It is very clear that Paterson took the structure of the normal company as his starting point. His system is a **reflection of the normal company in a capitalist economy.**

Management cannot argue that the Paterson system is scientific proof that the structure of a normal company is the best one.

The development of the capitalist system

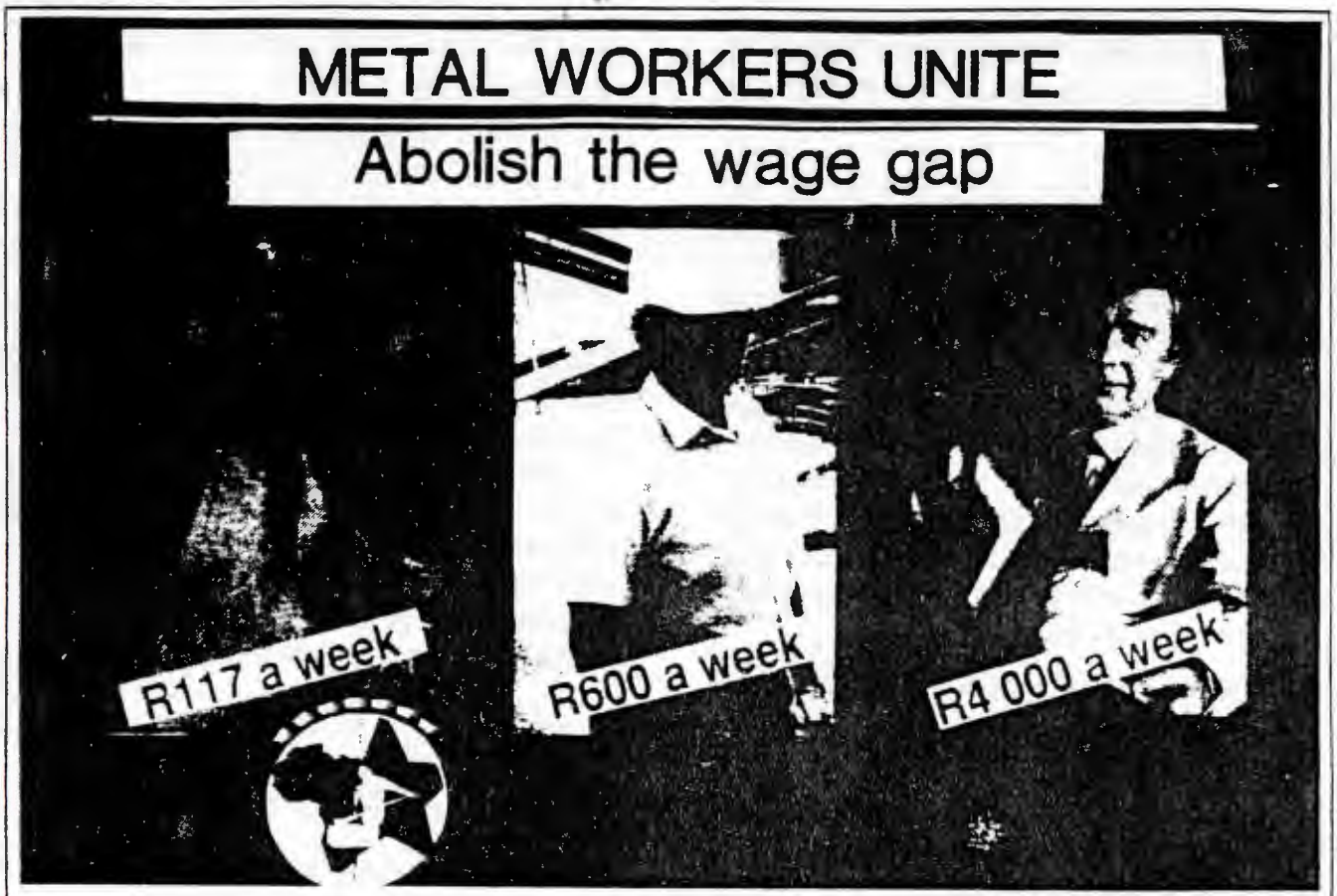
We have seen that all job grading systems grade the people who make decisions, the people with power, the people with education, in the top grades. They grade the workers who make small decisions, who have very little education and skills, in the bottom grades.

But if you look at history, you see that it was the capitalists who took people's skills away. Before capitalism developed in Europe, craftsmen had many skills and a lot of knowledge. For example, a carpenter knew how to use many different kinds of wood. He could make different kinds of furniture, and so on.

But when capitalists started to take over control of production, they changed the way people worked. They made each worker concentrate on one small job. All the small jobs together made one big job. Now the carpenter only knew how to cut the wood. He did not know any of the other jobs, because other workers did those jobs.

Later, as capitalists introduced more and more machines, so the workers lost more and more of their knowledge and skills. Now they only knew how to operate the machines. All through history capitalism has made sure that workers need less and less skills and knowledge. Capitalists have concentrated skills and knowledge in the hands of management and engineers and accountants.

For example, in South Africa the people used to do many things before capitalism started. People used to hunt, build houses, make clothes and pots and tools and weapons, and grow food and look after cattle. Now each person only knows one thing at work, how to operate a machine or drive a truck. So capitalism took away people's skills.



Abolish the wage gap: Numsa bargaining poster showing the differences in wages

Management and workers will have different views on how to measure the factors, so this should be open to negotiation.

4. All capitalist companies have more or less the same structure.

Management is at the top, controlling the company. In the middle are employees with a lot of training, such as accountants and engineers. Below these are the skilled workers, like artisans. Operators and drivers are below the artisans, and labourers are at the very bottom. Supervisors and foremen get more money than other workers.

All job grading systems grade jobs in more or less the same way. They all put management in the top grades and workers in the bottom grades. Management claims that job grading proves that jobs must be graded like this, because job grading is scientific. So job grading proves that the structure of the capitalist company is the scientific structure.

But this is not true. Job grading does not show that the capitalist company is scientific. Rather, job grading is **based on the structure of the capitalist company**. In other words, job grading assumes that the structure of the capitalist company is the best. It assumes that the ideas of Elliot Sixhoso we read at the beginning are wrong.

If we look at the way the Paterson method was developed we can see this very clearly.

Professor Paterson developed his method 30 years ago. He wanted to develop a job grading system that was easy and quick to use. The problem with systems like Peromnes that used many factors was that they were difficult and slow to use.

So Professor Paterson thought that if he could find one factor that would be better. But the one factor had to produce the **same results as the job grading systems with many factors.**

1. Job grading rewards the employees who are most important to the "profit" of the firm.

As one job grading consultant put it: "*The main purpose of job grading is to measure and compare the different jobs in the company so that their contribution to profit and growth can be fairly rewarded.*"

It is not scientific to reward the contribution to profit. Workers might argue that their lives and health and needs are more important than profit, and that they should be rewarded for heavy work, boring work, work that causes stress, or that they should be rewarded according to their needs.

2. There is no scientific way of deciding what factors to use.

The Paterson system says it is scientific to measure decision- making. But there is no reason why decision-making should be more scientific than training, skills, responsibility, heavy work, or stress. Different people will have different ideas about what factors are important. Workers and management will have different views on this. This can be something to **negotiate**.

3. There is no scientific way of measuring the factors.

For example, in Paterson there are no rules or points for measuring the sub-factors. The grading committee has to decide which subfactors are more important, and which grade to put the job in.

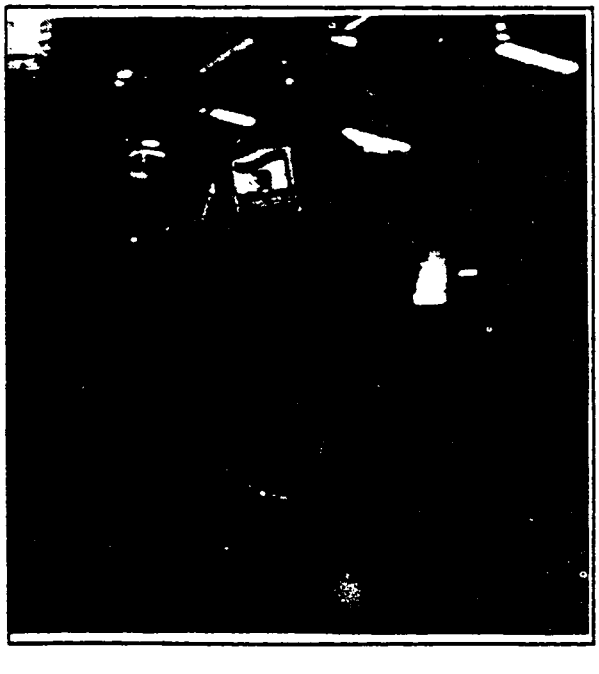
The Peromnes system allows each factor to score 36 points. It has rules for how to score the job in each factor. For example, it gives 24 points for a university degree, and 16 points for a matric, and 12 points for a standard eight. But these rules are not scientific. Another person might argue that a university degree should only get 20 points. There is nothing that can prove he is wrong.

Another example is the AECI job grading system. The AECI system does give points for hard work and bad working conditions.

But these factors get very few points compared with factors like mental requirements, and education and training.

There is no scientific reason for giving hard work and bad conditions so few points.

All capitalist companies have more or less the same structure. So job grading systems all put management in the top grades and workers in the bottom grades

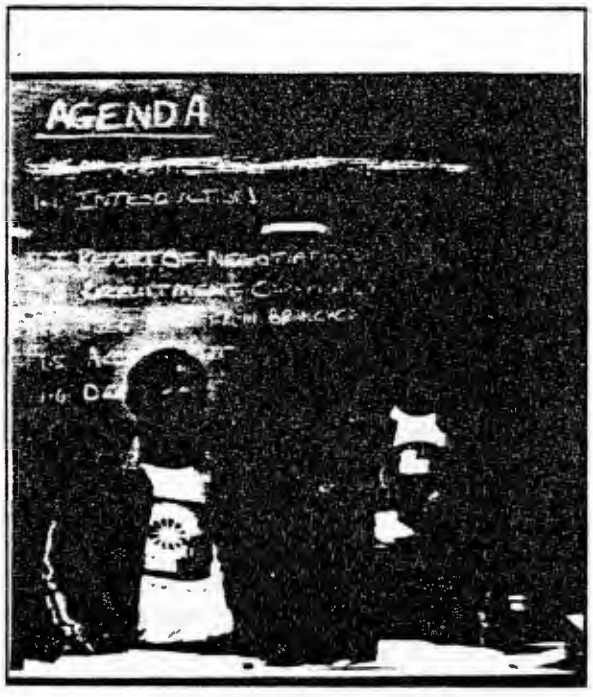


All foundries are registered under schedule D6. The management is supposed to display the schedule somewhere in the factory, usually at reception.

Workers can look up their jobs under the particular schedule of the Main Agreement, and see what grade they are in. So they can check whether management has put them in the right grade.

Every year the employers and the trade unions bargain about minimum wages at the Industrial Council. Once an agreement is reached, these wages become the minimum wages for each grade for the next year. No company is allowed to pay less than the minimum wages.

Lots of companies in the metal industry use job grading systems like Peromnes and Paterson. If they do this, they have to give the worker two grades. They have to give the worker an Industrial Council grade as well as the Paterson or Peromnes grade. They are not allowed to pay the worker below the minimum wage for the Industrial Council grade, no matter what grade he or she is under the Paterson or Peromnes system.



Every year the employers and trade unions bargain about minimum wages at the Industrial Council - it is very important that workers discuss progress of the negotiations

If the workers think management is grading jobs wrongly, they have the right to call an inspector from the Industrial Council.

5. IS JOB GRADING SCIENTIFIC?

Management often says that workers cannot argue about job grading because job grading is **scientific**. They say that job grading measures the importance of a job in the same way that litres measures the amount of petrol. 5 litres of petrol is 5 litres of petrol, no-one can argue about that. A labourer is in the bottom grade, and no-one can argue about that. That is what management sometimes says.

By saying that the job grading is scientific, management wishes everyone to accept the system. They also want workers to believe that the system is neutral, that it does not favour anyone. They want to prevent workers from challenging the system

They want all workers to accept that management is the most important and gets the most pay, and that the workers on the shopfloor are less important and get less pay. They want workers to accept that on the shopfloor skilled workers and supervisors are more important and get more money than operators and labourers.

Job grading is not scientific

Job grading is not scientific. There are many arguments that you can put forward to show

Good points and bad points about the Peromnes system

A good thing about the Peromnes system is that it has more factors than Paterson. So if a worker gets no points for one factor, he or she may get points on another factor.

The problem is that all of the factors favour management rather than workers. There are no points for heavy work, dangerous work, bad conditions, or stress. Factors like **problem solving, knowledge, understanding of reading and writing, educational qualifications,** and **training and experience** all clearly give management lots of points. Factors like cost of mistakes, pressure of work, and job impact also clearly give the jobs of management much more points.

Another problem with Peromnes is that the worker does not usually get a chance to read the job description. So the worker does not get a chance to challenge or question the job description. Also the rules that tell the grading committee how many points to give the job for each factor are difficult to understand. The rules are written in very difficult English, and they are not very clear. This makes it difficult for workers to challenge the grading.

What do you think? Do you think job grading systems like Peromnes and Paterson favour management instead of the majority of workers in the factory? Could you describe to someone else how the Paterson system works? Could you describe how the Peromnes system works? What are the differences between Peromnes and Paterson? Why do managements not make any attempts to explain the systems in simple ways to workers? Could you apply the examples to the situation in your own factory?

Industrial Council job grading systems.

Industrial Councils, such as the metal industries Industrial Council, often have their own job grading systems. Industrial Council job grading is very different from systems like Paterson and Peromnes. There are no factors or points.

The Industrial Council itself decides which jobs go in which grades. How does the Industrial Council decide?

Generally, the Industrial Council grades the jobs according to skills, training and experience. But the grades are also negotiated with the trade unions in the Industrial Council. In the past there were no black trade unions in the Industrial Council until MAWU joined in 1983.

So only the white unions were bargaining with the employers. The white unions pushed for the jobs of their members to be graded higher. So the black workers in the metal industries stayed on low grades, while the white workers were pushed into higher grades.

That is why you might find a black welder and a white welder doing slightly different jobs. There may be no difference in skill and training for the job, but you find the job of the white welder graded higher than the job of the black welder.

The jobs and grades for the metal industry are in the Industrial Council Main Agreement. By law there has to be a copy of the Main Agreement available to the workers at every workplace.

The Main Agreement is divided into a number of **schedules**. Each factory is registered under a certain schedule, or more than one schedule, at the Industrial Council. For example, all factories that make pipes fall under schedule D20.

Peromnes table: No. of points per grade

GRADE	POINTS	WHO FITS IN THIS GRADE
1 + +	271 - 288	Most senior executives and specialists
1 +	259 - 270	
1	249 - 258	
2	231 - 248	Other top management and senior specialists
3	216 - 230	
4	201 - 215	Senior management and high-level specialists
5	187 - 200	
6	173 - 186	
7	158 - 172	Middle management, low-level specialists, superintendents
8	143 - 157	
9	128 - 142	
10	113 - 127	Supervisors, very skilled workers, and high-level clerical staff
11	99 - 112	
12	85 - 98	
13	73 - 84	Skilled and semi-skilled workers, and clerical staff
14	61 - 72	
15	49 - 60	
16	37 - 48	
17	27 - 36	Low-skilled and unskilled workers
18	17 - 26	
19	0 - 16	

This table shows the grades and the number of points.

Remember that Mr Gumede scored 30 points. You can see that 30 points is very low down on the Peromnes system. 30 points puts Mr Gumede in Grade 17 with other low-skilled workers.

Let us look at how the Peromnes system grades Mr Gumede's job.

The job analyst gives points to Mr Gumede's job. See the example below:

Then the grading committee adds up all the points that Mr Gumede scored and gets the total number of points. He scores 1 + 9 + 0 + 2 + 2 + 4 + 6 + 6 = 30 points.

There are 19 grades in the Peromnes system. Jobs are graded according to the number of points they score. The more points a job scores, the higher the grade.

MR GUMEDE'S SCORE

1 + 9 + 0 + 2 + 2 + 4 + 6 + 6 = 30 points.

Example of how Peromnes job grading system grades Mr Gumedes job

FACTOR	MR GUMEDE'S JOB	POINTS
1. Problem solving	Gumede does not have any problems to solve	1
2. Cost of mistakes	If Gumede makes a mistake, a whole shift of production could be lost. This is quite serious	9
3. Pressure of work	Gumede is under no pressure	0
4. Knowledge	Gumede needs very little knowledge	2
5. Job impact	Gumede has no impact on anyone inside or outside the company	2
6. Reading and writing	Gumede needs to know a little English, and how to write the amount of chemicals used	4
7. Educational qualifications	Gumede needs a Std 4 to do the job	6
8. Training and. experience	Gumede needs 2 weeks on the job training	6

Peromnes job grading system.

We said that the Paterson system uses one factor to measure how important a job is. The Paterson system uses the factor of decision making. Peromnes is different. The Peromnes system uses **8 factors** to grade jobs. This means that the job grading committee measures each job according to 8 factors.

Each factor can get 36 points. The job grading committee decides how many points the job will get for each factor. The committee then adds up all the points for the job. Then the job is placed in its grade according to the points it gets.

1. Problem solving

This factor claims to measure how big the problems are in the work, and how difficult it is to solve them. It is similar to the factor of decision making in the Paterson system. (0 - 36 points)

2. Cost of mistakes

This factor claims to measure the cost to the company if the worker makes a mistake. If the cost of the mistake is big, Peromnes says the job is important and gives it more points. (0 - 36 points)

3. Pressure of work

This factor claims to measure how much stress a job causes, but it does not give points for pressure from the supervisor, for fast work, or overtime.(0 - 36 points)

4. Knowledge

that is necessary to do the job. (0 - 36 points)

5. Job impact

This factor claims to measure how much influence or effect the job has inside or outside the company. For example, a manager has more influence on a comapny than a cleaner.(0 - 36 points)

6. Level of understanding of reading and writing

This factor measures how good your reading and writing must be, and if you need to know special or difficult language or words. For example, a doctor needs to understand special words.(0 - 36 points)

7. Educational qualifications

This factor measures what educational qualifications a worker needs for the job.(0 - 36 points)

8. Training and experience

This factor measures how much training and experience you need to do the job, beside the educational qualifications in point 7.(0 - 36 points)

Because the main factor in the Paterson job grading system - decision-making - favours management the majority of workers stay at the bottom

The grading committee says that Mr Gumede does not have to do many different things in his job. The committee says that he only needs two weeks training to do the job. The committee also says that Gumede's job does not have detailed work and that he is not under much pressure.

But Mr Gumede must know how to read and write in his job. He also needs training. So the committee puts him into the highest subgrade in the A band. The committee puts him into A3. But because he does not make decisions in his job, he is still graded in the lowest **band** of the Paterson system.

Good points and bad points about the Paterson system

The main factor in Paterson is decision-making. This factor favours management. The majority of workers will always be at the bottom because they do not make such big decisions. The factor of decision-making puts the worker in a particular band. The other sub-factors like pressure of work, experience and training can make a worker higher or lower **inside** the band, but they cannot put a worker in a higher **band**

For example, Mr Gumede was put in Band A because he makes no decisions. But he does need some education and training, so he was put in the highest grade in A Band, grade A3. But his education and training can never take him out of A band and into B Band, because he makes no decisions. Lots of people think it is wrong to use just one factor to grade jobs.

Paterson is quite a simple and clear system. This makes it easier for workers to understand, and it is more difficult for management to trick or confuse workers.

But the problem is that it is very difficult to say how much decision-making there is in the job. It is also impossible to measure the other sub-factors. So it is easy for there to be disagreements or arguments between management and workers.

Paterson job grading system

BAND	KIND OF DECISION	WHO MAKES DECISION
Band F	**Policy decision on how to run the company**	**Top management**
Band E	**Decisions about how to plan and carry out the policy decisions made by top management**	**Senior management**
Band D	**Decisions about planning and organising work in a particular section of the company**	**Middle management**
Band C	**Decisions about how to do a number of different jobs**	**Skilled workers**
Band B	**Decisions about how to carry out one job**	**Semi-skilled workers**
Band A	**Does not make any decisions, carries out decisions of supervisor**	**Unskilled workers, labourers**

So in the Paterson system these bands are at the bottom.

The Paterson system then divides the grades into parts called subgrades. Band A has 3 subgrades: A1, A2, A3. A3 is the highest subgrade in Band A.

Band B has 5 subgrades: B1, B2, B3, B4, B5. B5 is the highest subgrade in Band B. All the other Bands also have 5 subgrades.

The Paterson system uses other factors besides decision-making to grade jobs into these subgrades. Paterson usually uses 5 of these factors:

1. Does the worker supervise other workers?
2. How many different tasks does the worker do in his/her job?
3. How detailed is the work?
4. How much pressure is there to do the job?
5. How much training and experience does the worker need to do the job?

The grading committee now looks at the four factors to see which part of Band A Mr Gumede's job will fit into.

4. SOME DIFFERENT KINDS OF JOB GRADING SYSTEMS

In the early 1980s 56% of the companies that were using job grading, were using the Paterson job grading system. 27% were using the Peromnes job grading system, and 20% were using their own company grading systems. In this section of the book we will explain the **Paterson** system and the **Peromnes** system. We will also explain the way **Industrial Councils** use job grading.

Paterson job grading system

Paterson uses one main factor to measure the importance of different jobs. This factor is **decision-making.**

This means that the grading committee tries to decide whether the person doing the job has to make a lot of decisions or a few decisions, or whether he/she has to make big or small decisions. The jobs with a lot of big decisions go to the highest grades, while the jobs with a few small decisions go into the bottom grade.

The Paterson system has 6 grades. The grades are called bands. The table on the next page shows you the 6 bands. It also shows you the kind of decisions people make in each band.

Remember the job description of Mr. Gumede which we described earlier. How does the Paterson system grade Joe Gumede's job? The Paterson system only looks at the decisions Mr. Gumede makes. This is because the Paterson system uses the factor of decision- making to measure how important a job is. It does not look at Mr. Gumede's experience, the bad working conditions, or the heavy physical work he has to do.

The Paterson system says that Mr Gumede does not have to make any decisions in his job. He does what the supervisor tells him and he has to fit in with the time of the machine. So the grading committee puts Mr Gumede in Band A. This is the bottom band of the Paterson system. Most workers are in Band A or Band B. Paterson says that workers in Band A do not make any decisions. It says workers in Band B only make small decisions.

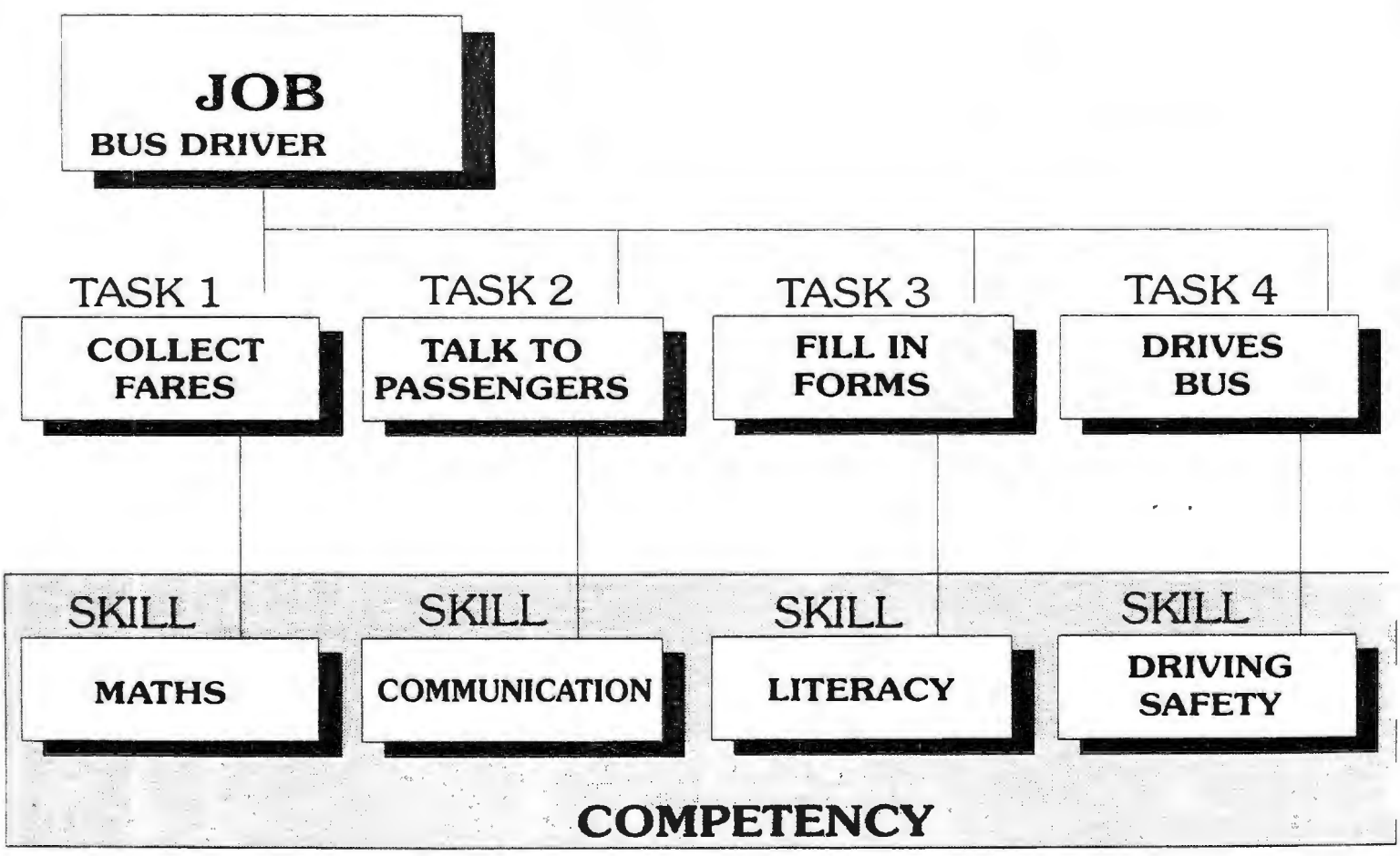
TASKS VS SKILLS

EXAMPLE : BUS DRIVER

TASKS	SKILLS
Drives a bus	Ability to drive. Knowledge of : - road rules, safety - geography
Collects fares	Arithmetic/Maths
Talks to customers	Communication Language
Fills in forms	Written communication

WHAT IS A COMPETENCY?

EXAMPLE



SESSION 5

- **Alistair Machin**: Developing New Skills-Based Grading Systems

Problems with Existing (Task Based) Grading Systems

Tasks

Tasks v Skills

What is a Competency?

GENERIC COMPETENCIES/OUTCOMES

COMPETENCY 1 :

Thinking about and using Learning Processes and Strategies

COMPETENCY 2 :

Solving Problems and Making Decisions

COMPETENCY 3 :

Planning, Organising and Evaluating Activities

COMPETENCY 4 :

Working with Others as a Member of a Team / Group / Organisation / Community organisations

COMPETENCY 5 :

Collecting, Analysing, Organising and Evaluating Information

COMPETENCY 6 :

Communicating Ideas and Information

COMPETENCY 7 :

Participating in Civil Society and Democratic Processes through understanding and engaging with a range of interlocking systems (legal, economic, political, social)

COMPETENCY 8 :

Using Science and Technology critically to enhance control over the environment in a range of fields and contexts

COMPETENCY 9 :

Applying Mathematical Ideas and Techniques

COMPETENCY 10 :

Understanding and Using the Core Skills, Concepts and Procedures that underlie the domains of Social and Human Sciences; Natural Sciences; Arts, Language and Literature

DEVELOPING A SKILLS STANDARDS SYSTEM

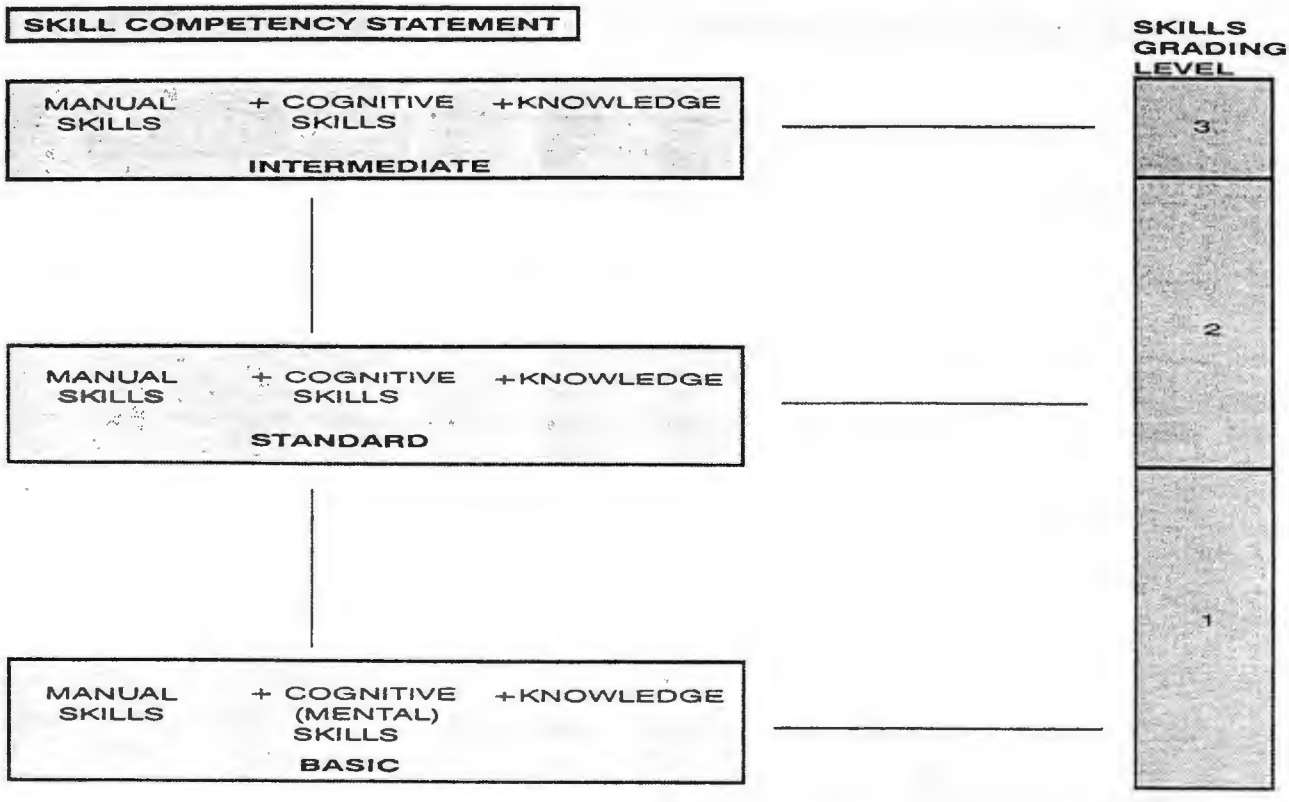
SKILL: WRITTEN COMMUNICATION

LEVEL	COMPETENCY DESCRIPTION	EXAMPLE
6	Presents information and ideas in clear and coherent form. Presents clearly argued point of view. Synthesises information from various sources.	Can write reports (simple policy or maintenance / quality inspections)
5	Presents information and ideas using basic reference techniques from more than one source.	Can write procedures for operational manual, safety and quality contro manuals
4	Interpret, analyse, categorise different forms of information	Can write minutes of a meeting regarding the main agreements / actual
3	Write a simple practical text that informs, gives instructions, initiates an action, describes how to do a task	Can write procedures for filing / record keeping / machine operation / diar appointments etc.
2	Can write short sentences in English	Can fill in simple forms (invoice, telephone message, register)
1	Can write words in mother tongue, can identify symbols (communication only in mother tongue)	Understands safety sign writes name and address

Generic Competencies / Outcomes

Developing Skills Standards System

LINKING STANDARDS AND GRADING LEVELS



LINKING SKILLS AND TRAINING TO GRADING AND REMUNERATION

QUALIFICATION/SKILL

"X" SKILL CREDITS AT NQF LEVEL 5

↑

"X" SKILL CREDITS AT NQF LEVEL 4

↑

"X" SKILL CREDITS AT NQF LEVEL 3

↑

"X" SKILL CREDITS AT NQF LEVEL 2

↑

"X" SKILL CREDITS CERT LEVEL IV NQF LEVEL 1

↑

"X" SKILL CREDITS CERT LEVEL III

↑

"X" SKILL CREDITS CERT LEVEL II

↑

"X" SKILL CREDITS CERT LEVEL I

(*PLEASE NOTE THIS IS AN EXAMPLE)

GRADE	WAGE RELATIVITY
8	180 %
7	150 %
6	120 %
5	100 %
4	90 %
3	80 %
2	70 %
1	60 %

Linking Standards & Grading Levels

Linking Skills & Training to Grading & Remuneration

LINKING SKILL GRADING LEVELS TO 'HE NATIONAL QUALIFICATIONS FRAMEWORK (NQF)

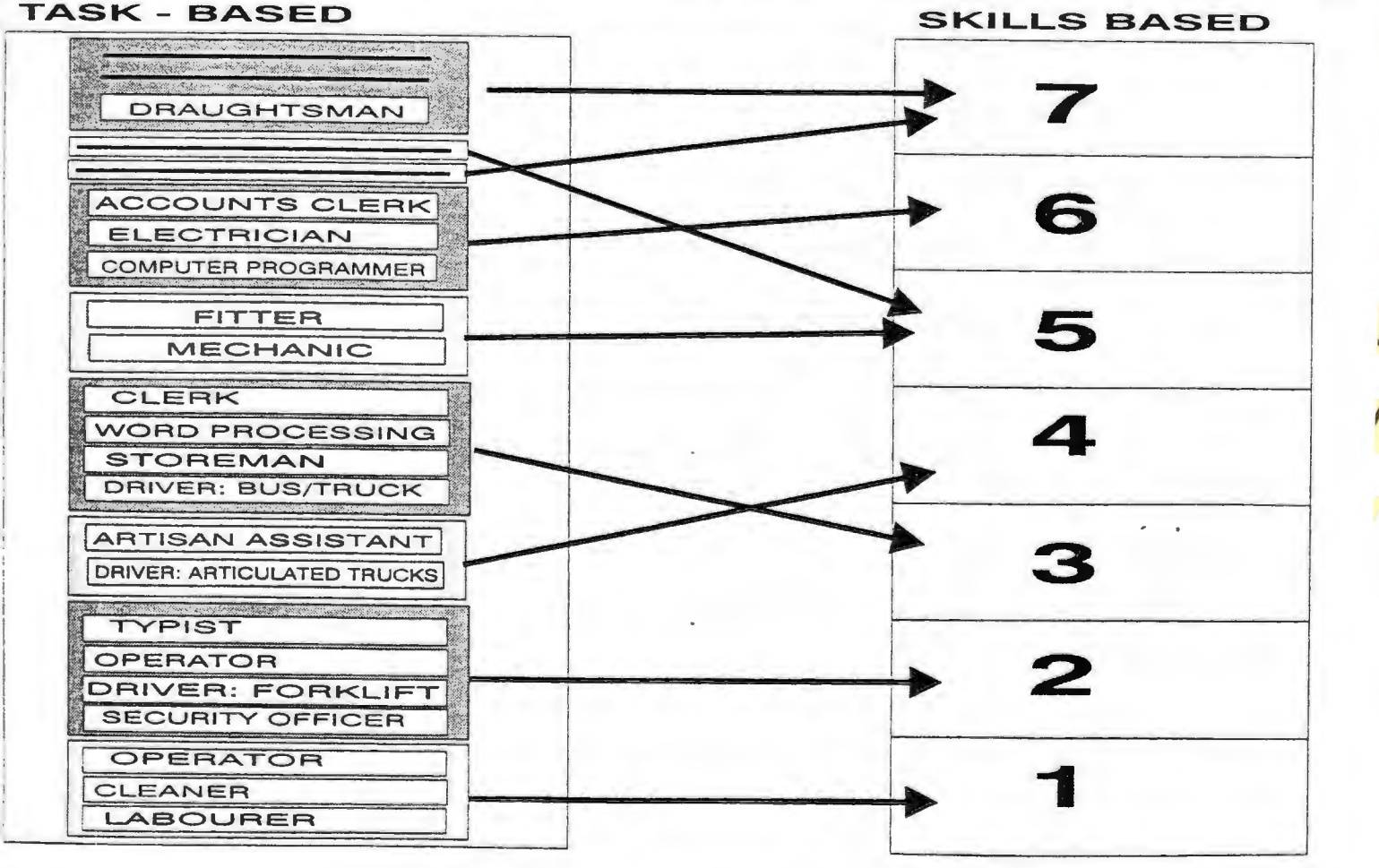
NQF LEVELS		OLD	GRADING				TRAINING
			NAT	NUM			
8			11	——			
7	DEGREE		10	——			
6	DIPLOMA	+ T3 + T2 + T1	9	——			
5			8	——			
4	HIGHER ED. CERT (HEC)	STD 10	7	——			
3	TRADE CERT.	N3 9	6	——	ARTISAN	C1	
2		N2 8	5	——			
1	GENERAL ED. CERT IND. CERT. IV (GEC)	N1 STD 7	4	——			
C	IND. CERT. III	STD 5	3	——			
B	IND. CERT. II	STD 3	2	——			
A	IND. CERT. I	STD 1	1	——			

EC = 40 UNITS = 1600 HRS
RADE = 60 UNITS = 2400 HRS
IEC = 70 UNITS = 2800 HRS

1 MODULE = 40 HRS
1 COURSE = 10 MODULES
(X 40 HRS = 400 HRS)
NQF (LEVEL 1) = 4 IND. CERT
= 40 MODULES
= 1600 HRS

TECHNICAL
CORE
ABE

GRADING : BROADBANDING AND TRANSFER



Linking Skill Grading Levels to the NQF

Grading: Broad Banding & Transfer

GRADE 4 RELATIVITY TO G5 .....%

An employee at this level is formally competent in "X x 3" modules and carries out work within the area and scope of this training OR;

has the knowledge and skill to perform autonomous, non-routine tasks of some complexity and is required to work to fine tolerances and exercise judgement acquired after considerable formal training and experience. He/she

1. Works from complex instructions and procedures.
2. May assist in the provision of on the job training.
3. Works under general supervision or functions as a member of a work team.

Indicative of the tasks which an employee at this level may perform are the following;

- Machinist's work - setting, operating and maintaining a limited number of machines.
- Inventory and store control
- Using tools and equipment within the scope of their training.
- Can use a keyboard to enter and retrieve data.
- Marking or setting out.
- Engineering and fault finding skills including lubrication and service.
- Performing quality checks on the work of others.

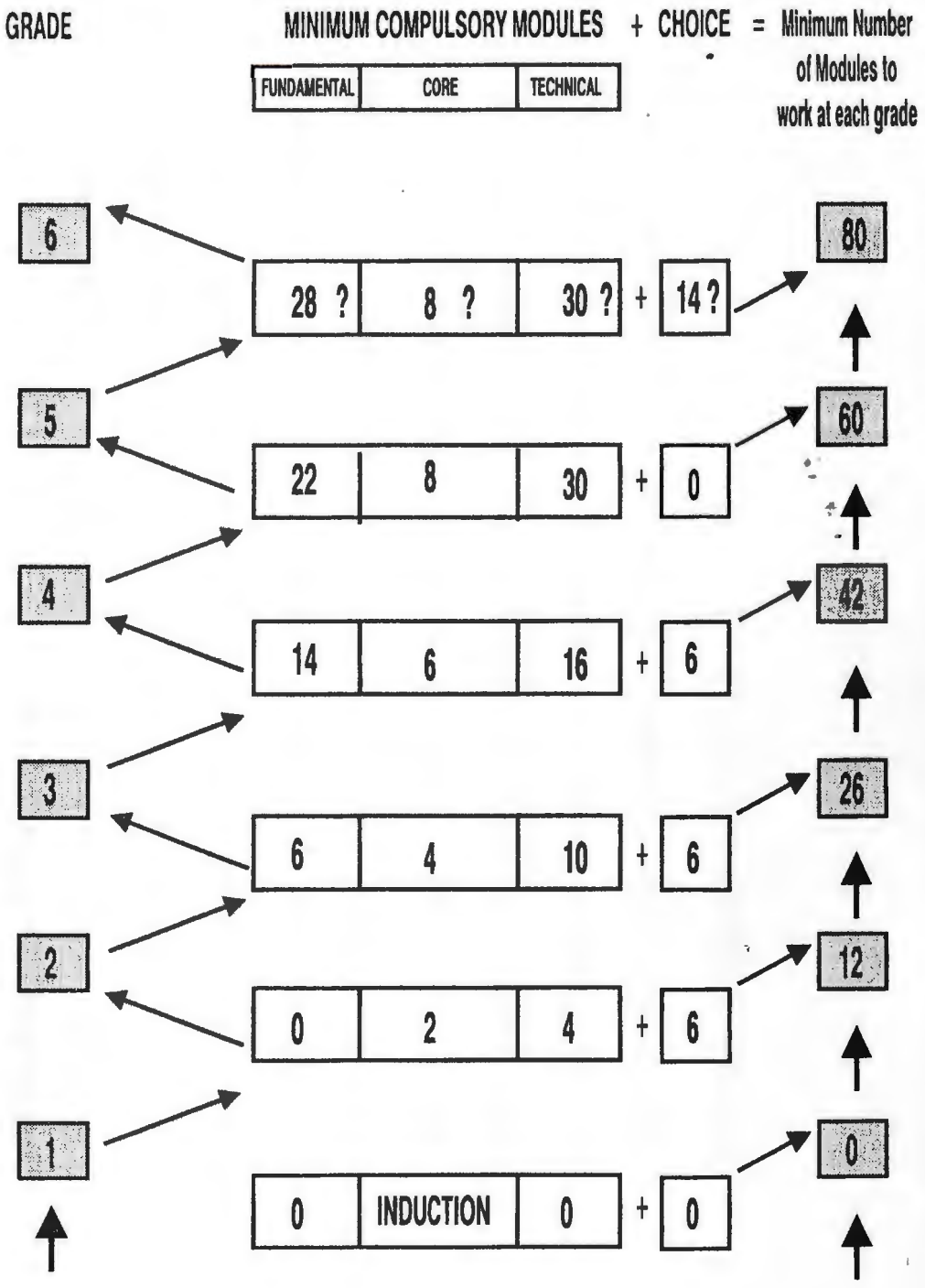
GRADE 5 RELATIVITY TO G5 .....%

An employee at this level is formally competent in "X x 4" modules and carries out work within the area and scope of this training OR;

Is normally a qualified artisan (or the equivalent thereof) who is able to exercise the skills and knowledge of a trade. He/She

1. Understands and applies quality control techniques
2. Exercise good interpersonal and communication skills.
3. Exercise discretion within the scope of this grade.
4. Performs work under limited supervision of functions as a member of a work team.
5. Perfoms work which, while primarily involving the skills of the employee's trade, is incidental of peripheral to the primary task and facilitates the completion of the whole task. Such incidental or peripheral work would not require additional formal technical training.
6. Performs non-artisan tasks incidental and peripheral to his/her work including the operation of materials handling equipment and the cleaning of work areas.

PROPOSED MEIETB CAREER PATH FRAMEWORK



Proposed MEIETB Career Path Framework

Grades 4 & 5

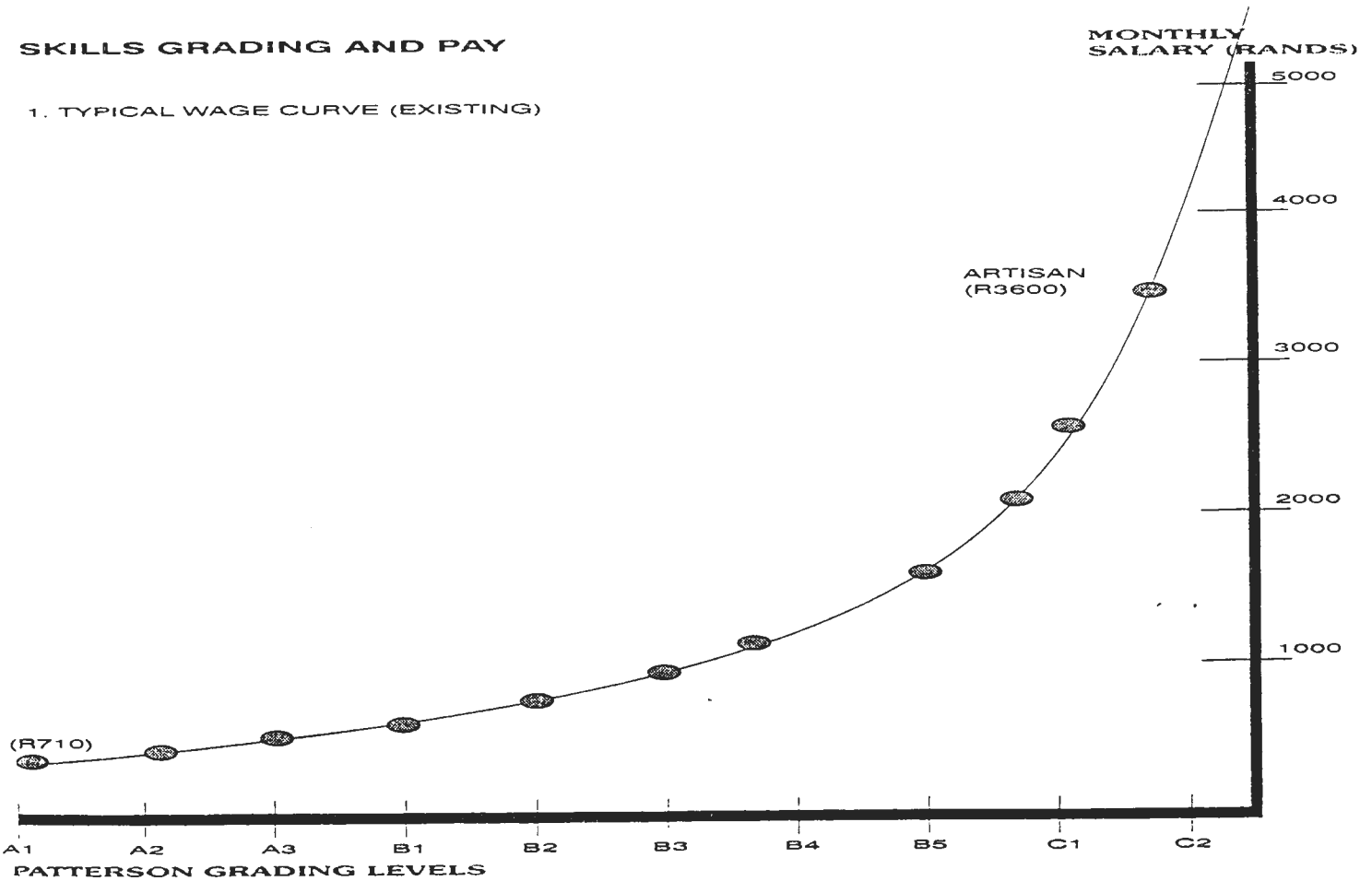
LINKING GRADES TO SKILL LEVELS

(*NOTE: THIS IS AN EXAMPLE ONLY)

NQF	LEVEL	QUALIFICATION	JOB (EXAMPLE)	SKILL GRADE		WAGE RELATIVITY
8		POST DEGREE		11	A B	
7		DEGREE	ENGINEER	10	A B	350 %
6		DIPLOMA	TECHNICIAN	9	A B	200 %
5				8	A B	150 %
4	N3	HIGHER EDUCATION CERT (MATRIC/STD10)		7	A B	125 %
3	N2	TRADE CERT	ARTISAN	6	A B	100 %
2	N1			5	A B	90 %
1	ABE 4	GENERAL EDUCATION CERT (STD 7)	STOREMAN CLERK	4	A B	80 %
C	ABE 3	STANDARD 5	ASST CLERK	3	A B	70 %
B	ABE 2	STANDARD 3	MACHINE OPERATOR DRIVER	2	A B	60 %
A	ABE 1	STANDARD 1	LABOURER CLEANER	1	A B	50 %

SKILLS GRADING AND PAY

1. TYPICAL WAGE CURVE (EXISTING)

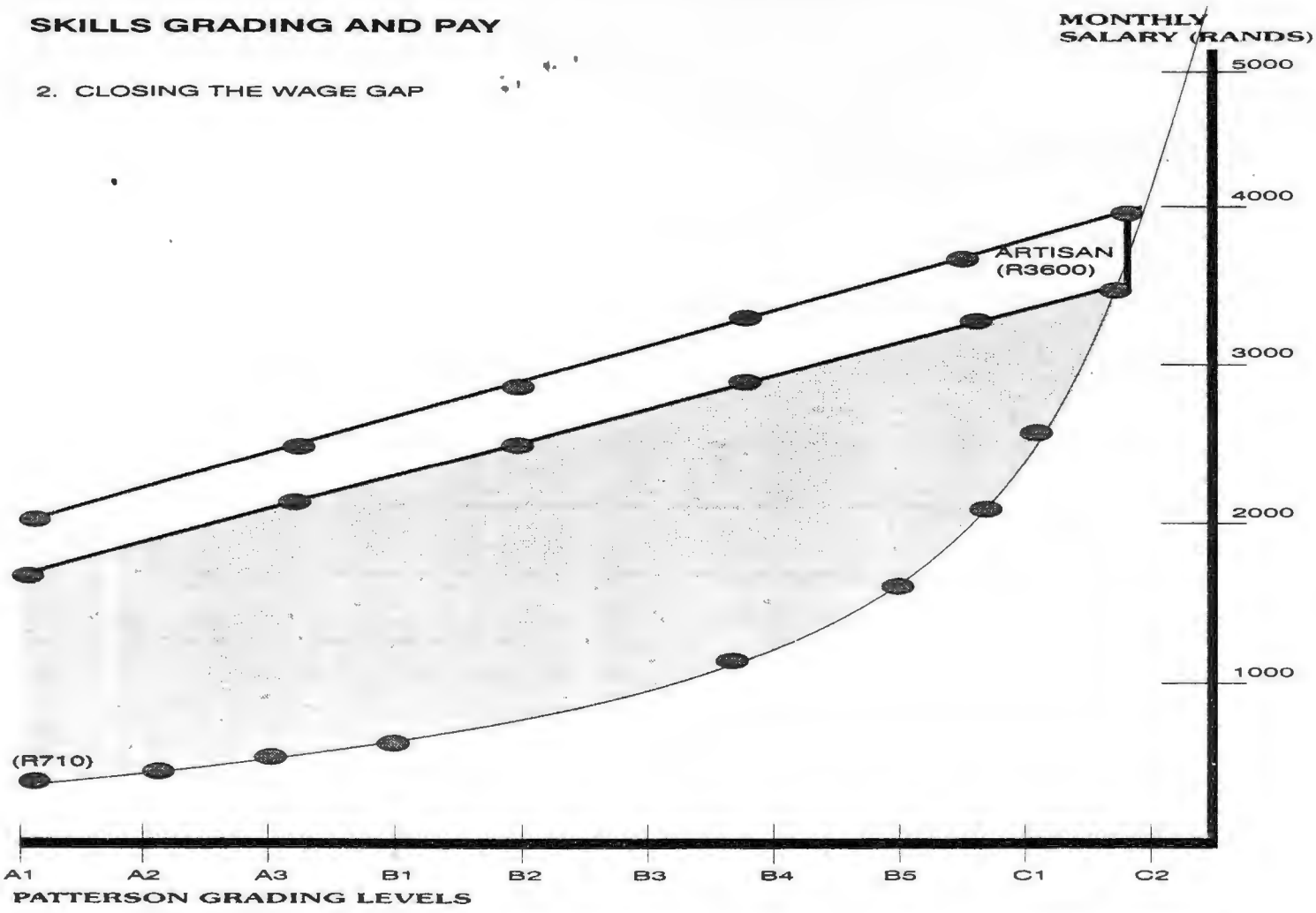


Linking Grades to Skill Levels

Skills Grading & Pay (1)

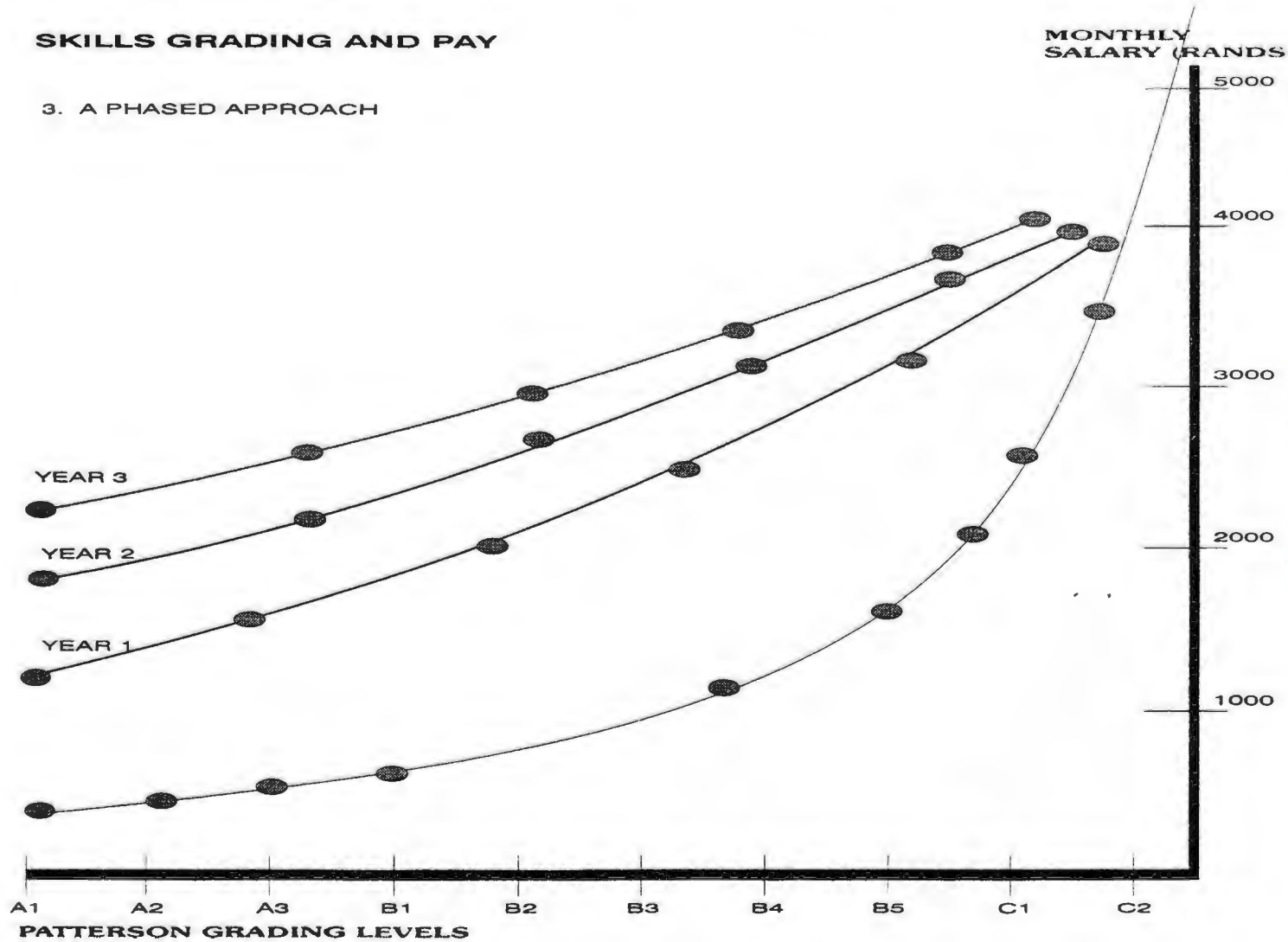
SKILLS GRADING AND PAY

2. CLOSING THE WAGE GAP



SKILLS GRADING AND PAY

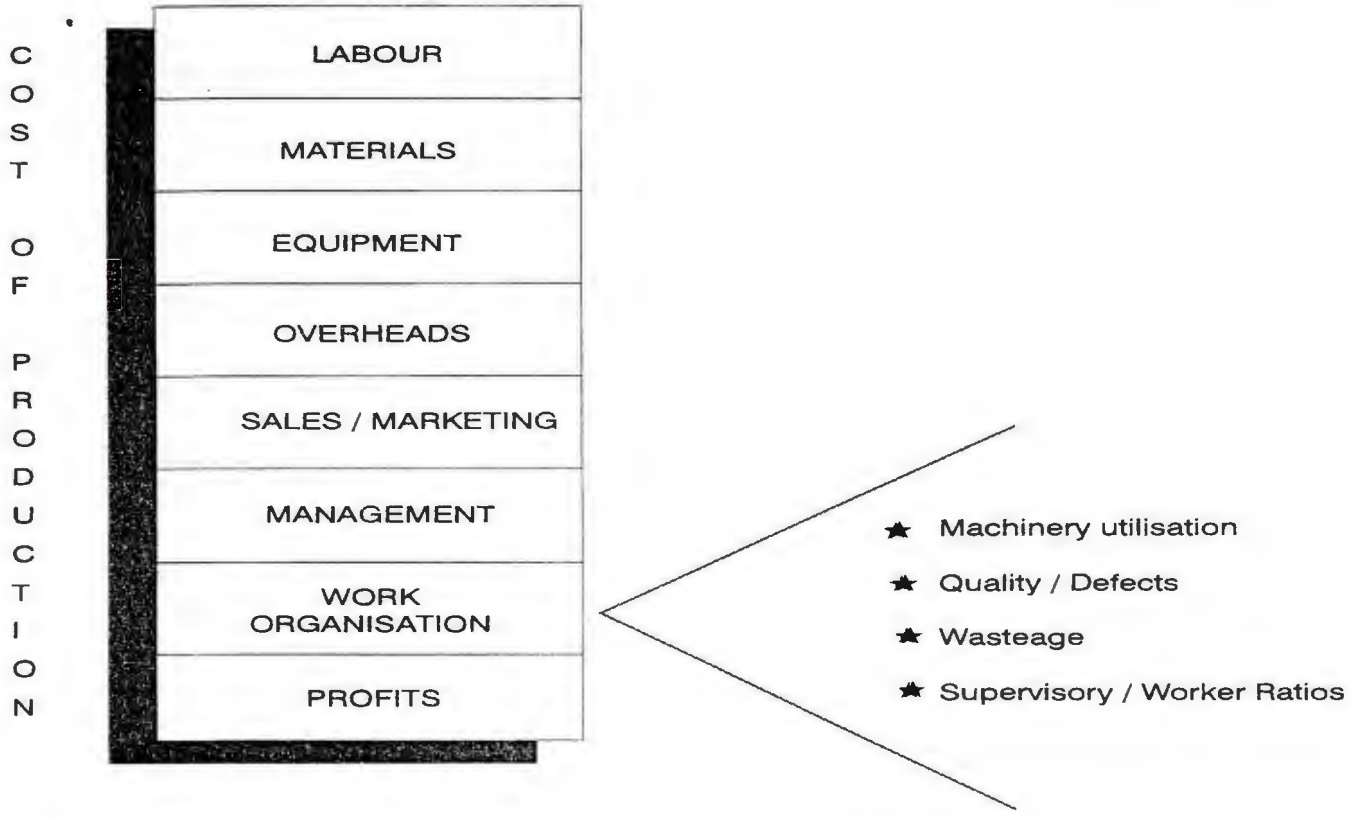
3. A PHASED APPROACH



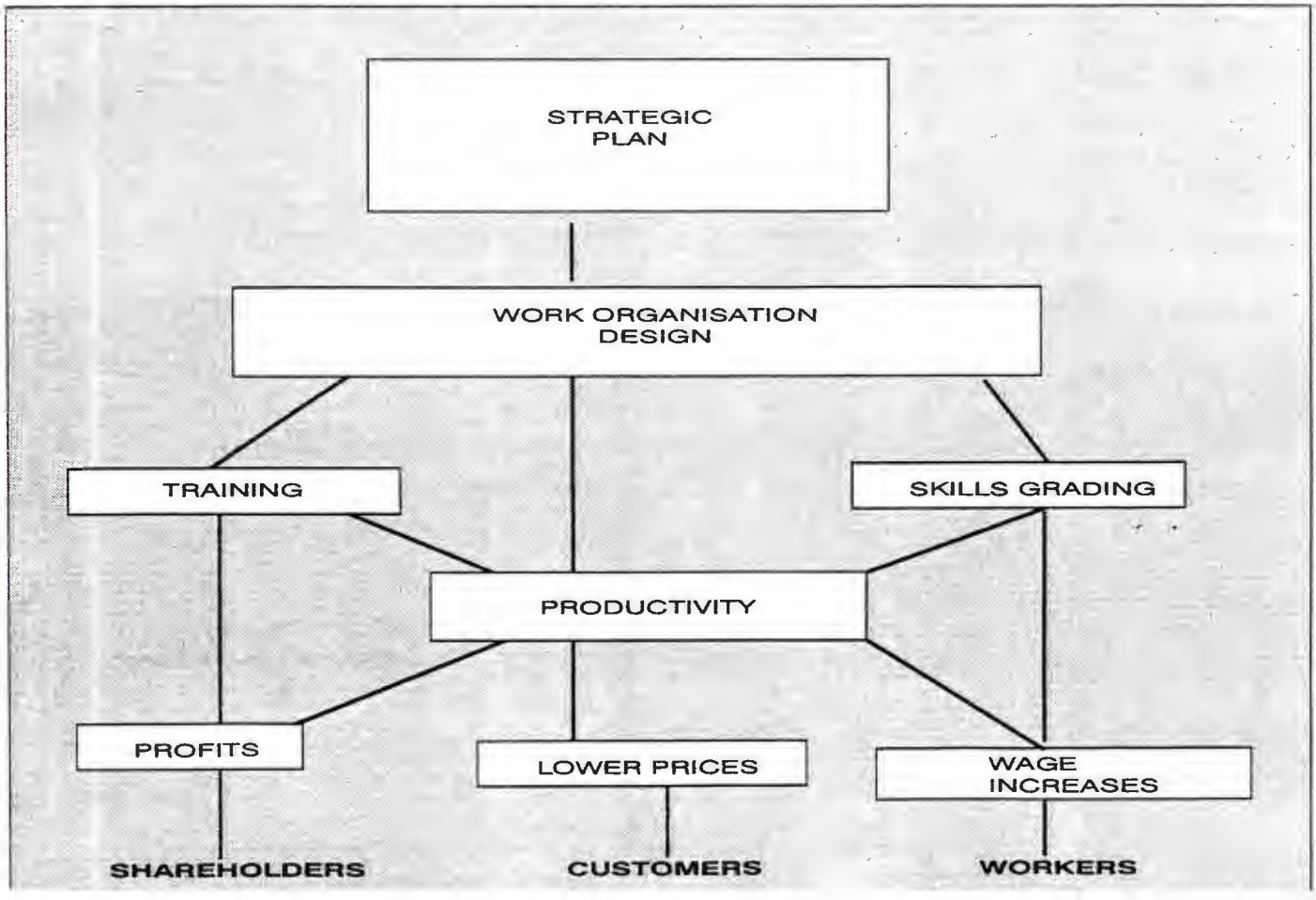
Skills Grading & Pay (2)

Skills Grading & Pay (3)

IDENTIFYING WORK ORGANISATION FOR EFFICIENCY PRODUCTIVITY IMPROVEMENTS



PLANNING THE WORKPLACE CHANGE PROCESS



Identifying Work Organisation For Efficiency Productivity Improvements

Planning the Workplace Change Process

SKILLS GRADING

- **recognise the skills workers exercise** for which they are not presently paid. Regrading of workers to a new appropriate skill level will lead to an immediate wage increase.

- **establish formal career paths based on skills** measured by nationally agreed competencies, thereby removing other discriminatory criteria for promotions and advancement. Technically this would enable a worker to move from sweeper to engineer over the period of a working lifetime.

- **establish fairer criteria for grading** by which employers reward their workforce and reduce industrial tension which arises from perceived unfairness in existing grading systems.

- **provide financial incentives to workers to participate in learning** by linking higher skills to higher wages.

- **link the unions' wage bargaining strategy to training and human resources policy.** A worker's wage will in future be determined by their skill level providing them with "two bites at the wage cherry" - one linked to across-the-board wage campaigns, the other arising from a (higher skills) grading increase.

- **narrow the wage gap created by apartheid wage policies** by linking each level in the skills grading system to a fixed (and sectorally-determined) wage relativity of a "skilled (read artisan or its equivalent) worker".

- **complement the necessary changes in (post Fordist) work organisation environments.** Existing grading systems (based on tasks) underline and entrench Fordist work organisation structures and are too inflexible for the new post Fordist structures which demand higher & wider skill profiles.

Skills Grading

SESSION 6
Avril Joffe: Democratising the Workplace

SECTION 1

GOALS FOR FUTURE POLICY

The Reconstruction and Development Programme sets out the goals for future policy in this area. The relevant section is 4.11 Worker Rights and Labour market Policies:

Over the years, workers have won many struggles and made many gains in the work place. The fundamental principle of the RDP is to safeguard these rights and extend them. Organised labour needs to be empowered to act as a strong force in the reconstruction and development of our country.

The RDP sets out those worker rights which should be in the constitution. These include:

* the right to organise and join trade unions
* the right to strike and picket on all economic and social matters
* the right to information from companies and the government

The third is central to policy on workplace empowerment.

Collective bargaining rights are necessary if workers are to participate successfully in workplace decision making. The RDP outlines that these need to exist at national, industrial and workplace level to give "workers a key say in industry decision making and ensuring that unions are fully involved in designing and overseeing changes at workplace and industry levels."

The specific clause on workplace empowerment sets out what legislation is required:

Legislation must facilitate worker participation and the decision making in the world of work. Such legislation must include an obligation on employers to negotiate substantial changes about production matters or work place organisation within a nationally negotiated framework, facilities for organisation and communication with workers on such matters and the right of shop stewards to attend union meetings and training without loss of pay and to address workers.

These clauses should guide us in formulating specific policy on workplace empowerment.

SECTION 2: BRIEF REPORT ON THE STATUS QUO : WHAT WORKER PARTICIPATION SCHEMES EXIST

* Quality circles/Japanisation
* Quality of work life
* total quality and productivity (TPQ)
* team concept
* green areas
* just-in-time (JIT)
* participative management
* suggestion schemes

There are many more schemes although some are variations of the same thing. Some schemes are known by other names. The crucial question is whether these are just more new management strategies or real work reorganisation exercises. The emphasis of this input will not be to explain what each scheme entails: These are all broadly a variation of quality circles.

The basic idea of a quality circle is to encourage workers who have a much closer knowledge of the actual workings of a production process than management, to come up with creative suggestions for bringing about improvements. A quality circle typically consists of between five and ten management on the basis of their cooperativeness. They are usually given training by consultants or senior management. The groups meet regularly in work time together with the group leader - who is usually the supervisor. They begin with a brainstorming

session to identify problems and propose solutions - at this stage every idea, no matter how silly - is examined seriously. The solutions which seem most workable are then examined and research done around them. Proposals are then made. The different groups are coordinated through a "trusted" member of management. He/she acts as a link to senior management and has to see to it that groups get all the assistance they need. Any group that comes up with a very good idea is encouraged to give a presentation to senior management. Groups are often encouraged to give themselves names to encourage a feeling of group loyalty and to encourage competition with each other. Sometimes a small reward is given.

A number of questions can be asked:

* are there any aspects of democratisation of the workplace?
* is there any access to information?
* is there any commitment/obligation by the employer to negotiate substantial issues with workers?
* are any mechanisms of communication established?
* is training provided?
* is the bureaucratic and hierarchical structure of management maintained?

These questions are necessary if we are to evaluate what is wrong with these schemes, and to decide what options we have.

SECTION 3: PROBLEMS WITH CURRENT WORKER PARTICIPATION SCHEMES

* developed in isolation from a broad strategic direction for the company
* attempt to by-pass the union
* offers few rewards, if any
* provides no training and provision for skill upgrading
* could undermine collective bargaining arrangements
* proceeds with no consultation with workers and their union in the conception or design of the scheme
* asks for worker suggestions but does not credit or reward workers with these new ideas
* offers only a limited form of participation
* there is often no agreement on information disclosure, influencing decisions beyond the specific department, on access to skills and training, on investment and the like
* offers participation in discussion rather than participation in decision-making. Workers do not want to simply endorse decisions made elsewhere
* the bureaucratic structures of management stay in place
* workers/shop stewards end up being co-opted instead of being given real power

SECTION 4: STRATEGIC INVOLVEMENT IN WORKPLACE RESTRUCTURING THROUGH TRADE UNION PROGRAMMES

There is a link between a strategy to achieve industrial efficiency and workplace empowerment. The Reconstruction and Development Programme stresses economic growth. In the RDP we are talking about a break from the low wage/low skill growth path of the past, to a new one which relies on producing different products in a different way. This new growth path emphasises the importance of the skills of the workforce, training, workplace reorganisation and worker/union empowerment to influence these and other issues of importance to production.

Worker and trade union involvement in workplace decisions and reorganisation requires a framework which draws together human resource development, work organisation, skill formation, worker participation in decision making and collective bargaining.

Four inter-linked ideas constituted this framework

* constant skill acquisition (through the establishment of a career path based on a skill-wage nexus)
* work organisation premised on non-hierarchical forms which emphasise worker contribution and facilitate flexibility - such as teams
* broadening of the notion of productivity to include multi-factor productivity measurements (labour, capital, materials, services) as well as the social determinants of productivity
* co-determinist practices which prioritise worker participation in decision making at all levels of the firm and trade union involvement

The comprehensiveness of this framework distinguishes it from that of Japanese 'lean production', or any of the other initiatives advanced by management mentioned above (such as quality circles, green areas, suggestion schemes, participative management etc). Merely implementing one of the three factors is insufficient to achieve industrial efficiency or indeed to secure the commitment required from workers and the support of the trade union. For example, if workers and their unions are unable to influence the strategy of skill enhancement of the workforce (ie the co-determination idea) then the training programme could potentially by-pass semi-skilled operatives, be divisive or used to co-opt workers for lower management positions.

The details of each of the four elements are presented below:

- constant skill acquisition: this is the heart of any human resource development proposal and follows the guidelines as suggested by COSATU'S PRP project. It is achieved through the establishment of a nexus between skills, grading, training and wages. This nexus will provide a mechanism to allow workers to be promoted up a career-path based on skills through the provision of training modules which are accredited by tri-partite bodies. The incentive is provided by the new appropriate wage rate and career paths. It fundamentally challenges current grading arrangements to emphasise skill rather than narrow tasks and to unlock management's prerogative to allocate jobs or provide access to training.

- reorganisation of work along the lines of team-work: team-work is premised on the removal of conventional supervision processes and replaced with rotation, mentoring and leadership. The organisation of the firm will require flatter organisational structures through the removal of levels of hierarchy. Factory lay-out and the use of technology would need to be investigated to complement these teams.

This reorganisation is suggested since it has the potential to deliver two different outcomes: efficiency of production as well as more interesting and rewarding jobs.

- Efficiency of production is achieved through the higher productivity that results from increased flexibility, better management and use of facilities, increased skills of the workforce, greater attention to quality and cost reduction. These are the essential ingredients of what is now known as the new competition. Most companies report that greater flexibility is a requirement of their production.

- More interesting and rewarding jobs are achieved through more self-determination for the workforce, better work content (increased involvement in more aspects of the job), higher qualifications (through access to training and a career path), regulated working conditions and improved social relations (less hierarchy, less supervision, empowerment of workers etc). A priority would be to abandon restrictive work practices which are based on narrow skills and strict job demarcations. This should lead to working conditions that deliver these more interesting and rewarding jobs as well as enhanced productivity. This enhanced productivity needs to be rewarded in pay to provide an incentive to workers.

We need to broaden our understanding of the notion of productivity. Productivity is not simply an economic ratio of outputs to inputs nor is labour productivity the only component of an enterprise's productivity index. The International Labour Office (Introduction to Work Study, 1979), for instance, emphasises "the importance of studying the productivity of all the enterprise and of not confining the application of work study to the productivity of labour alone". This may include the areas of purchasing, stock-keeping, distribution, customer service, marketing and research. Labour productivity contributes a proportion to the total productivity of an enterprise.

- Multi-factor productivity measurements would need to include the areas of capital, management efficiency and work organisation. Management's ability to make available on time, the necessary materials and tools of sufficient high quality and to systematise the work flow in a rational manner to avoid unnecessary movement of work in progress and any bottlenecks are relevant to the measurement of productivity.

- A number of social determinants also affect this measurement. These include low job satisfaction among workers, limited participation, racial animosity, lack of promotion or increase in earnings resulting from training, multi-tasking to avoid enhancing skills, racist and incompetent supervision, attempts to undermine the union and broader social problems such as poor transportation and inadequate housing.

Co-determinist practices at the workplace are necessary to provide for a co-operative and skilled approach to the design of products and processes. For workers to participate fully in decision-making about work organisation and all other matters which affect working life and the viability of the company it is essential that there is acknowledgement and respect of worker rights to representation and the treatment of unions as joint-partners in

designing and monitoring innovations and changes in work organisation and human resource practices. In this way, productivity wage bargaining would view productivity-related wage increases as arising out of changes to work organisation and not as a result of reducing labour costs (through retrenchments, wage restraint, loss of benefits, longer hours, contract labour, factory closure and relocation to cheaper wage areas or as a redefinition of overtime as ordinary working time). This proposal for productivity-based wage bargaining needs to be understood in the context of an overall wage policy framework in which wages are negotiated at three levels around minimum wage rates (national); across-the-board increases and skill/grading rates (sectoral) and productivity-based increases (enterprise or company level).

The agenda of this framework at the workplace or company level then includes

* firstly a demand that companies put human resource considerations high on their agenda in corporate decision making and governance processes, and to do so in such a way that workers and their organisations are regarded as legitimate stakeholders in the corporation;

* secondly, a demand that any investment in new technology is combined with investments in human resources and changes in organisational practices;

* thirdly that union's involvement in the restructuring of work and employment is critical if productivity levels are to improve; and, finally that economic reward for workers is attached to the resulting enhanced productivity.

The agenda also has a bearing on sectoral and national level collective bargaining: the present institutions of collective bargaining are not sufficient to support the demands of an integrated industrial strategy or those of work restrictions more specifically. A new system of collective bargaining is required which is premised on the need for strong centralised bargaining forums at industry level. The scope of these forums should include wages, working conditions and benefits, education and training and industry policy. Legislative and institutional measures should facilitate the expansion and strengthening of such a system. The industrial relations system needs to facilitate structured relationships between the key actors to ensure favourable outcomes for all in relation to wages, social services, employment and productivity. In summary, it is proposed that collective bargaining should operate at three levels:

* at the national level a range of provisions and policies concerning labour, employment, education and training, improvements to the social wage and macroeconomics could be negotiated. The national level should provide a floor of basic rights and minimum standards as well as an enabling framework for bargaining at other levels.

* at a sectoral or industry level, industrial council type negotiations should continue but should also include bargaining over the precise wage paid to each level of skill in each industry and for across-the-board increases. Negotiations at an industry level should set the framework for enterprise bargaining for that industry.

* at a workplace or enterprise level (or company), bargaining over the organisation of work, job design, access to skills and training, and productivity should occur. The establishment of workplace forums will facilitate this restructuring.

This is a strategic framework for union-led participation in productivity-enhancing strategies in companies. It allows workers to participate and engage with issues of substance in the company with independence. This independence is achieved because the participation occurs within parameters of agreed procedures, in a manner which does not undermine the different world views or interests of both workers and management.

DEMOCRATISING THE WORKPLACE

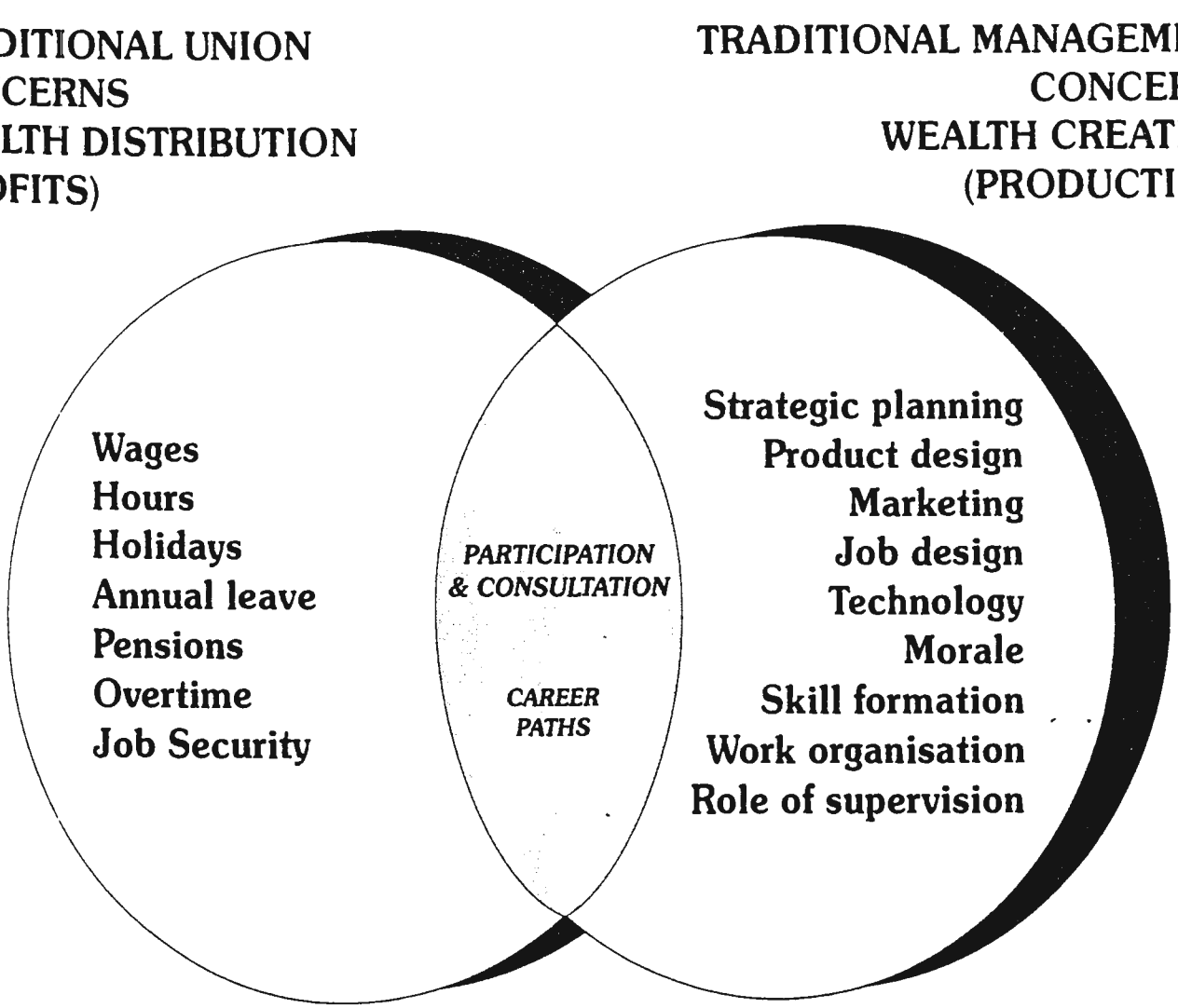
1. TRADITIONAL UNION CONCERNS VS TRADITIONAL MANAGEMENT CONCERNS

- distributive issues vs production issues
- initiatives to get workers involved
- problems with current worker participation schemes

see supplementary slides

1. industrial relations
2. status quo: existing participation schemes
3. problems with current worker participation schemes (1)
4. problems with current worker participation schemes (2)

INDUSTRIAL RELATIONS



Traditional Union Concerns v Traditional Management Concerns

Industrial Relations

STATUS QUO : EXISTING PARTICIPATION SCHEMES

- quality circles
- quality of work life
- TPQ
- team concept
- green areas
- JIT
- participative management
- suggestion schemes
- Japanisation

PROBLEMS WITH CURRENT WORKER PARTICIPATION SCHEMES (1)

- isolation from broad strategic direction of company
- offers few rewards
- little training or skill upgrading
- undermines collective bargaining arrangements
- little consultation with workers and union in conception
- worker suggestions not credited
- limited form of participation

Status Quo: Existing Participation Schemes

Problems with Current Worker Participation Schemes (1)

PROBLEMS WITH CURRENT WORKER PARTICIPATION SCHEMES (2)

- no agreement on information disclosure
- management hierarchies unchanged
- by-pass unions
- multi-tasking
- cost cutting, cuts in conditions, contracting out
- little investment in design, research and development
- little innovation

DEMOCRATISING THE WORKPLACE

2. NEW FORMS OF COMPETITION AND NEW WORK PRACTICES

- what are the parties participating in
- empowerment and productivity
- framework for participation
- threat of job loss

see supplementary slides

1. unions and the supply-side
2. overhead from re-engineering the corporation
3. a productivity enhancement approach to the incentive system

Problems with Current Worker Participation Schemes (2)

New Forms of Competition & New Work Practices

Unions and the supply-side : empowerment and productivity

individual enterprises and competitive market pressure

cooperate in improving quality, increasing productivity and rebuilding competitiveness

EMPOWERED ORGANISATIONS

Extracts from an article by James Champy
(Published in Business Day 8 February 1994)

"The role of managers becomes one of empowerment - providing workers with the information, training, authority and accountability to excel in a re-engineered business process."

"Work may be self-managed but it is not unmanaged."

"As workers take on more management tasks, managers must take on more leadership tasks."

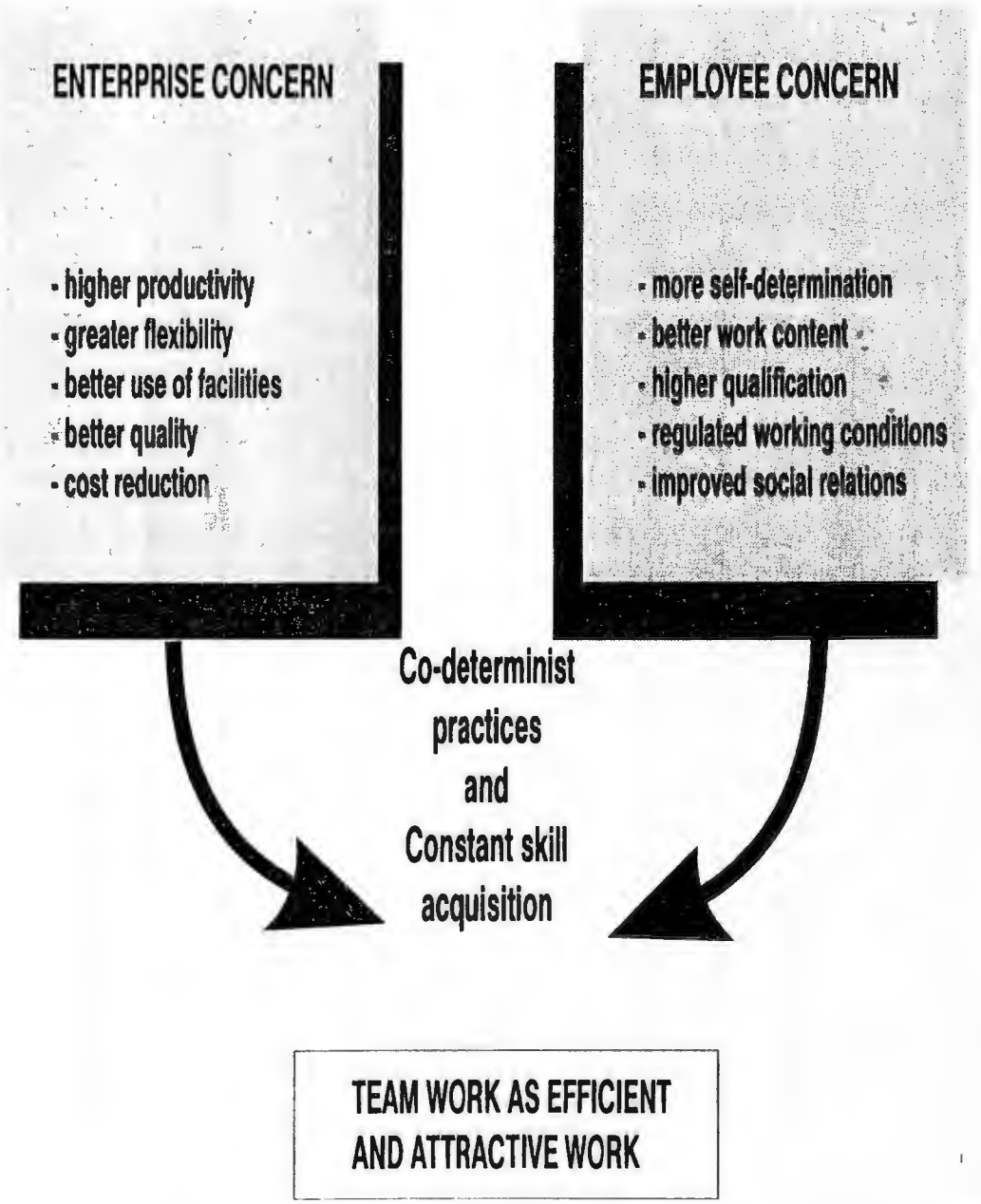
Unions & the Supply Side

Empowered Organisations

CO-OPERATIVE STRATEGY : A FRAMEWORK FOR PARTICIPATION

- constant skill acquisition
- reorganisation of work along lines of team-work
- broaden notion of productivity
- co-determinist practices

A FRAMEWORK FOR PARTICIPATION



Co-Operative Strategy: A Framework For Participation

A Framework For Participation

DEMOCRATISING THE WORKPLACE

3. PARTICIPATION VS CONSULTATION

- management initiatives
- organisational atmosphere
- information disclosure
- trade union capacity
- once committed its a catholic marriage

see supplementary slides

1. democratic participation is a dynamic process
2. Eskom agreement on information disclosure
3. organisational atmosphere

DEMOCRATIC PARTICIPATION IS A DYNAMIC PROCESS

Democratic participation is a learning process for workers, worker representatives, trade union representatives, managers, directors, owners and governments. It is also a struggle. Once a certain level of power is attained, the desire for higher levels, other areas of power and more effective and meaningful forms of participation will grow. What is at stake in this struggle are the fundamental values inherent in the human right to participation - humanity, dignity, democracy, equity, social and economic efficiency and solidarity. Democratic participation is a dynamic process which has been constantly proposed, learned and defended - sometimes through struggle and it must be constantly widened and adapted to new situations.

Participation V Consultation

Democratic Particiation is a Dynamic Process

ORGANISATIONAL ATMOSPHERE

- **create a new culture, attitudes**
- **create a vision for the future**
- **changes in jobs/demarcation**
- **union structures at work**
- **supervisors feel threatened**
- **fear of change, the unknown**
- **need for training in the process, communications and other aspects (trade union training)**
- **building trust**

FROM ESKOM AGREEMENT

2.3 Shop Stewards

2.3.1 The parties have agreed to a system of full-time and part-time shop stewards

2.3.2 Part-time shop stewards will be handled in terms of the present Recognition Agreements.

2.3.3 Full-Time Shop Stewards will be handled in accordance with the Full-Time Shop Steward Agreement attached as Annexure 1.

2.3.4 Eskom and the trade unions are committed to the training of shop stewards in business principles and operations.

2.4 Information Sharing

Eskom and the trade unions have agreed that, in order to facilitate meaningful influence over decision-making and to facilitate the collective bargaining process and thereby foster sound industrial relations, it is imperative that information should be shared among them. Which information is to be disclosed and the extent of such disclosure will be determined within the various participative structures. As a guideline the matrix on the suggested minimum type of information for sharing within the various participative structures is attached as Annexure 2. The following principles have been agreed to by the parties in respect of the sharing of information:

2.4.1 The parties will be open and honest with each other when disclosing information.

2.4.2 Information will be made available pro-actively rather that reactively.

2.4.3 Disclosure of information should be a matter of routine in the process of interaction.

Organisational Atmosphere

From Eskom Agreement

DEMOCRATISING THE WORKPLACE

4. WHO IS INCLUDED AND WHO IS LEFT OUT

- non-union members and shop stewards
- multi-unions
- white-collar and line management

DEMOCRATISING THE WORKPLACE

5. INITIATING WORKPLACE CHANGE AGREEMENTS

- understanding change
- restructuring forums
- the trade-offs

see supplementary slides

1. change
2. workplace change

Who Is Included & Who Is Left Out

Initiating Workplace Change Agreements

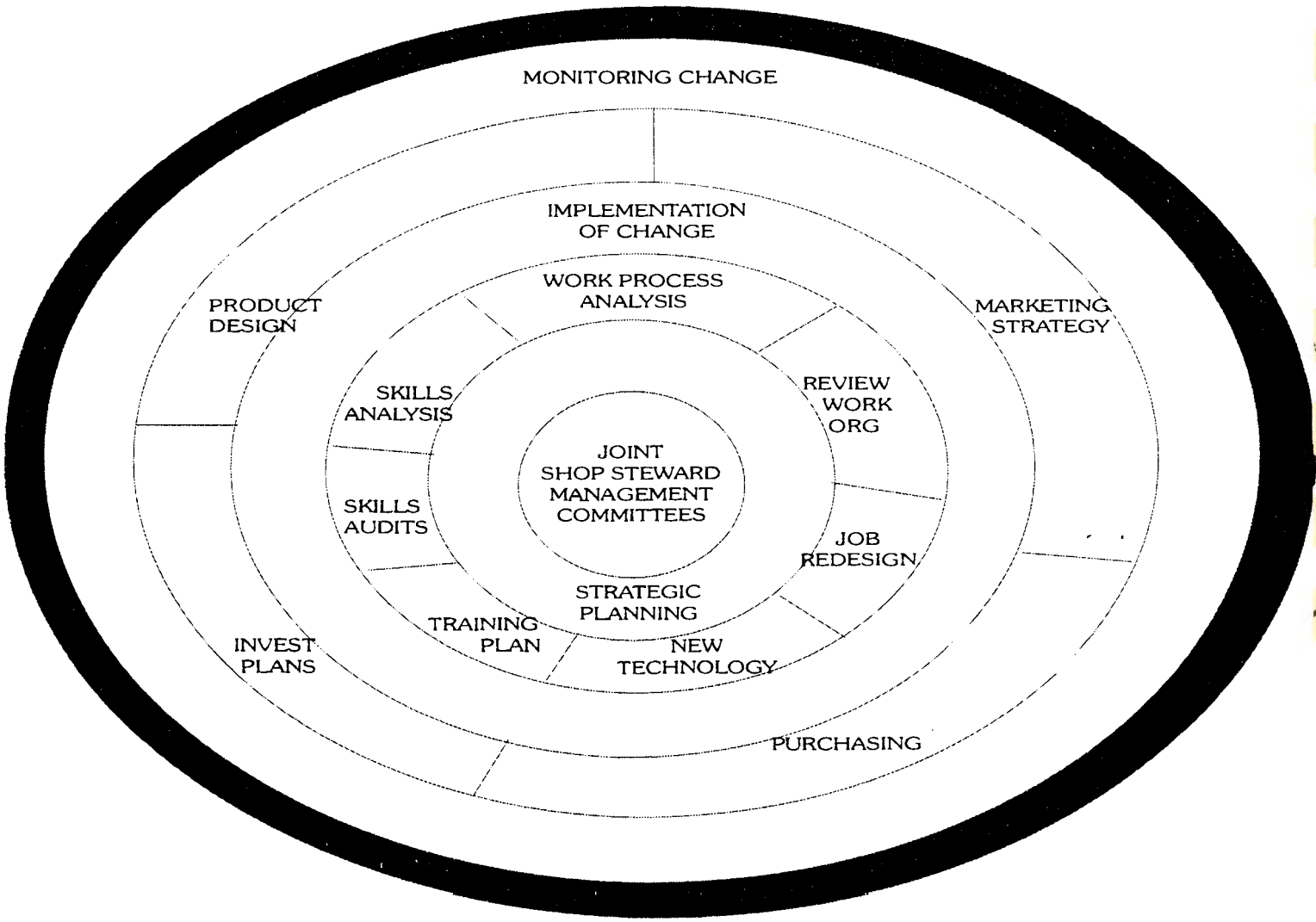
DEMOCRATISING THE WORKPLACE INVOLVES CHANGE

* **Change is inevitable**
* **Change can be positive and negative**
* **Change is a process which can be managed**
* **Change will be resisted**
* **Change requires the involvement and commitment of all parties affected**

Elements of change process

- **Joint vision - mutual objectives**
- **Establishment of an agreed framework**
- **Participation in process**
- **Monitoring of effects**
- **Evaluation of impact of change**

INITIATING WORKPLACE CHANGE



Democratising the Workplace Involves Change

Initiating Workplace Change

DEMOCRATISING THE WORKPLACE

6. INSTITUTIONAL IMPLICATIONS OF PARTICIPATION, CONSULTATION AND NEGOTIATION

- at the work place
- at the sectoral / industry level
- at the national level

BALANCE BETWEEN

productive cooperation

and

distributive conflict

OR

cooperative policy

and

adversarial politics

Institutional Implications of Participation, Consultation & Negotiation

Balance

INSTITUTIONAL IMPLICATIONS FOR DEMOCRATISISING THE WORKPLACE

- workplace level
- sectoral / industry level
- national level

WORKPLACE LEVEL

- PARTICIPATION IN
  - organisation of work
  - job design
  - access to skills and training
  - productivity measurement
- HUMAN RESOURCE CONSIDERATIONS HIGH ON CORPORATE AGENDA SO THAT INVESTMENT IN NEW TECHNOLOGY IS COMBINED WITH
  - investments in human resources
  - changes in organisational practices
- UNIONS' INVOLVEMENT IN RESTRUCTURING OF WORK AND EMPLOYMENT: BARGAINING OVER PRODUCTIVITY
- WORKPLACE FORUMS VS COLLECTIVE BARGAINING STRUCTURE

SECTORAL LEVEL

- CENTRALISED BARGAINING FORUMS
  - Scope to include
    - : Wages & Grading systems (Skill-Wage Nexus)
    - : Working conditions and benefits
    - : Education & training
    - : Industry Policy

NATIONAL LEVEL

- Co-ordination of Issues & Institutions (Nedlac)
- Enabling Framework for all levels

Draft Negotiating position for Workplace Change Agreements

The (Union) seeks commitment by the (Company) to agree to the following proposals as the basis for a process in implementing workplace change at (the workplace)

1. The establishment of a workplace consultative committee comprised of equal numbers of union and management representatives.

   The management group to include at least one representative of management who has the authority to make decisions affecting the workplace change process.

   Agreement on roles, functions and powers of the consultative committee in terms of the attached draft

2. Appointment of (number) full time shop stewards to represent the employees in the workplace change process. These shop stewards to be given the right to:

   attend consultative committee meetings
   report back to the workplace membership
   report/refer to union on status of workplace negotiations
   attend trade union training courses (in company time)

3. Commitment to genuine participatory dialogue and open and free exchange of information concerning company proposals (for change) and company/production conditions.

4. Commitment to involvement of the workforce (or its elected representatives) in the investigation, design, development and implementation of workplace change measures.

5. Commitment to the development of the following reports:

   - new (skills based) grading system
   - work organisation/process audit
   - skills audit
   - skills needs assessment/analysis
   - training plan
   - company strategic plan
   - performance measurement indicators

6. Commitment to develop structured learning programmes for employees that are consistent with the new National Training Board guidelines and the new national integrated qualifications framework.

7. Commitment to allocating an agreed (identify percentage amount) proportion of total productivity improvement benefits to labour/employees, in terms of higher wages

8. A moratorium on retrenchments for a 3-year period during the period of negotiation and implementation of workplace change.

9. Commitment to providing a package of assistance for retrenched workers (where retrenchments are identified in the corporate business strategic plan) to include consideration of:

   - early retirement and natural wastage schemes
   - training and re-training
   - relocation to other jobs and/or other workplaces within the company with relocation assistance
   - redundancy packages

10. Commitment to participate in centralised wage bargaining structures.

SESSION 7

Alastair Machin: Labour Market Adjustment

Extracts from FRAMEWORK AGREEMENT FOR LABOUR INTENSIVE CONSTRUCTION
GUIDELINES FOR A TRAINING SYSTEM

PRINCIPLES

Training provided with labour-intensive construction shall become part of an integrated national human resource development strategy.

Skills acquired or demonstrated shall be recognised through nationally portable qualifications.

Skills acquired as part of labour-intensive construction shall become an integral part of an active labour market programme where mechanisms and institutions are developed to link people to employment.

In labour-intensive construction, priority in selection shall be given to local people in order that the skills acquired can be utilised to develop the local community.

All participants in labour-intensive construction shall have the right to receive an agreed level of training. Where financial or other constraints prevent the full achievement of this principle immediately, acceptable steps towards achieving this objective must be negotiated between all interested parties.

NATURE AND CONTENT OF EDUCATION AND TRAINING TO BE PROVIDED

Training of two types will be provided

Industry-Recognised Training

2.1.1 All industry training provided within labour-intensive construction shall be accredited by industry training boards. (Only such training boards as have developed a modularised career path structure may qualify to accredit training in labour intensive construction.)

2.1.2 Where other forms of training are provided which do not fall within the jurisdiction of a qualifying industry training board, every effort shall be taken to ensure that the training provided leads to national certification.

2.1.3 Any interested party shall be entitled to submit to the relevant industry training board (or National Training Board) proposed amendments to existing modules or outlines for new modules (within the industry framework) with the objective of making training in labour-intensive construction more effective. Such changes shall be consistent with industry approved career paths.

2.1.4 The standard of training shall be consistent with the standards approved at industry level and shall be subject to industry-recognised assessment methods.

Generic Education

2.2.1 Courses such as numeracy and literacy and such others as may be agreed from time to time shall be provided.

2.2.2 National accreditation for general education courses for adults is not yet in place. NCLIC and COSATU shall determine guidelines in this regard for interim use. A mechanism shall also be agreed as to the way in which the guidelines are to be applied and policed.

Delivery of Education and Training

Any provider of training - private or public - who has been accredited by an industry training board may provide such training as is described under 2.1 above.

Any provider of generic education - private or public - which complies with the guidelines drawn up between NCLIC and COSATU (see 2.2.2) may provide generic education as is described under 2.2 above.

Funding of Education and Training

Funding shall be sought from a variety of sources including:

4.1.1 As part of the contract (ie. client pays);

4.1.2 From the state budget, or Department of Manpower or Department of Transport;

4.1.3 From international sources.

Agreement needs to be reached with the Department of Manpower to use monies allocated to training, for unemployed in labour-intensive construction.

The NCLIC and COSATU shall lobby government and other funders (eg. large companies) to ensure that universities and technikons receive financial incentives to do research and train students in aspects of appropriate technology, including the principle of labour intensive construction methods.

Entitlements

An entitlement to undergo training shall be stipulated in the project contract of workers.

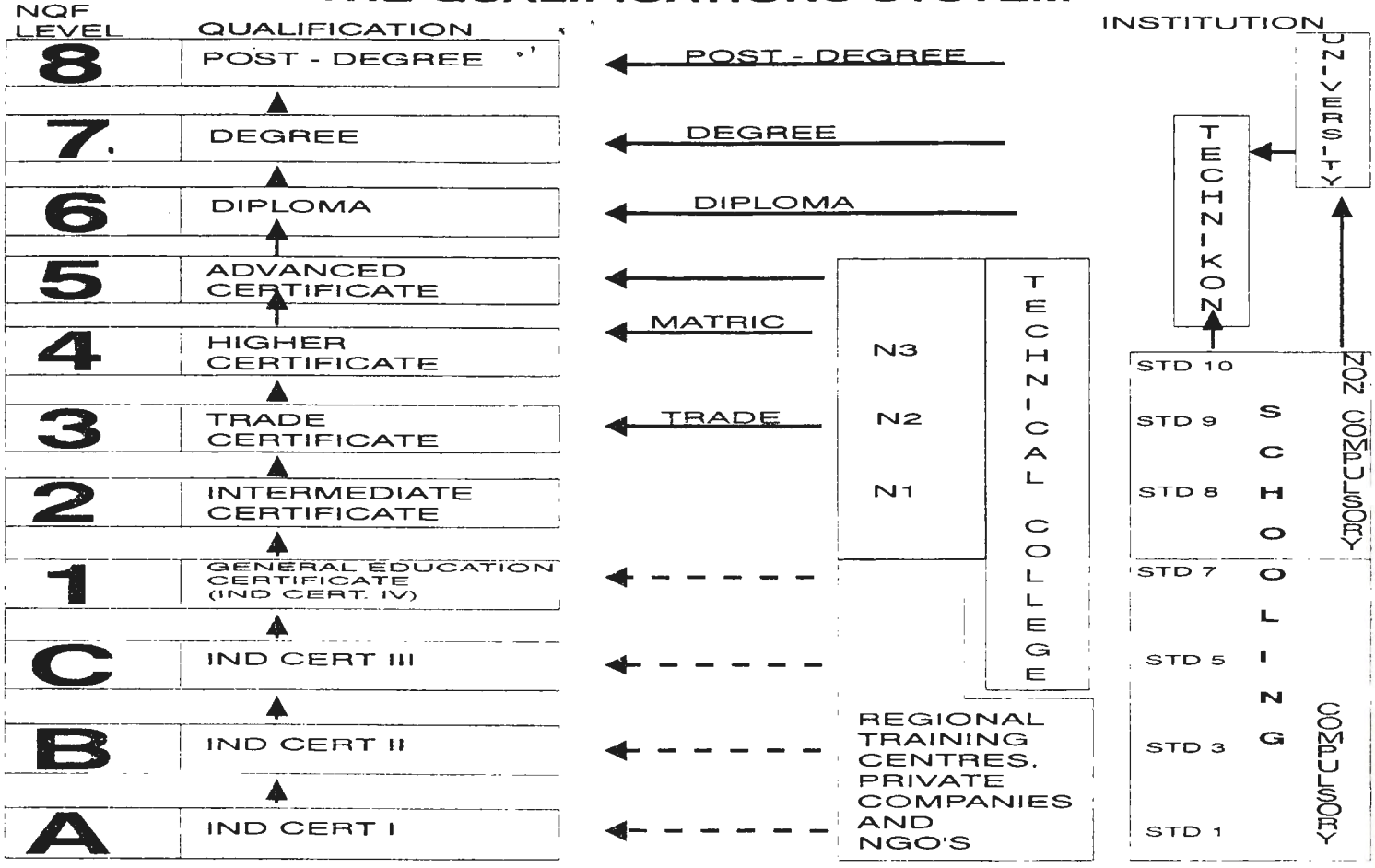
The entitlement shall be applicable for industry-recognised and generic education.

An adequate and appropriate percentage of the contract amount shall be made available for education and training.

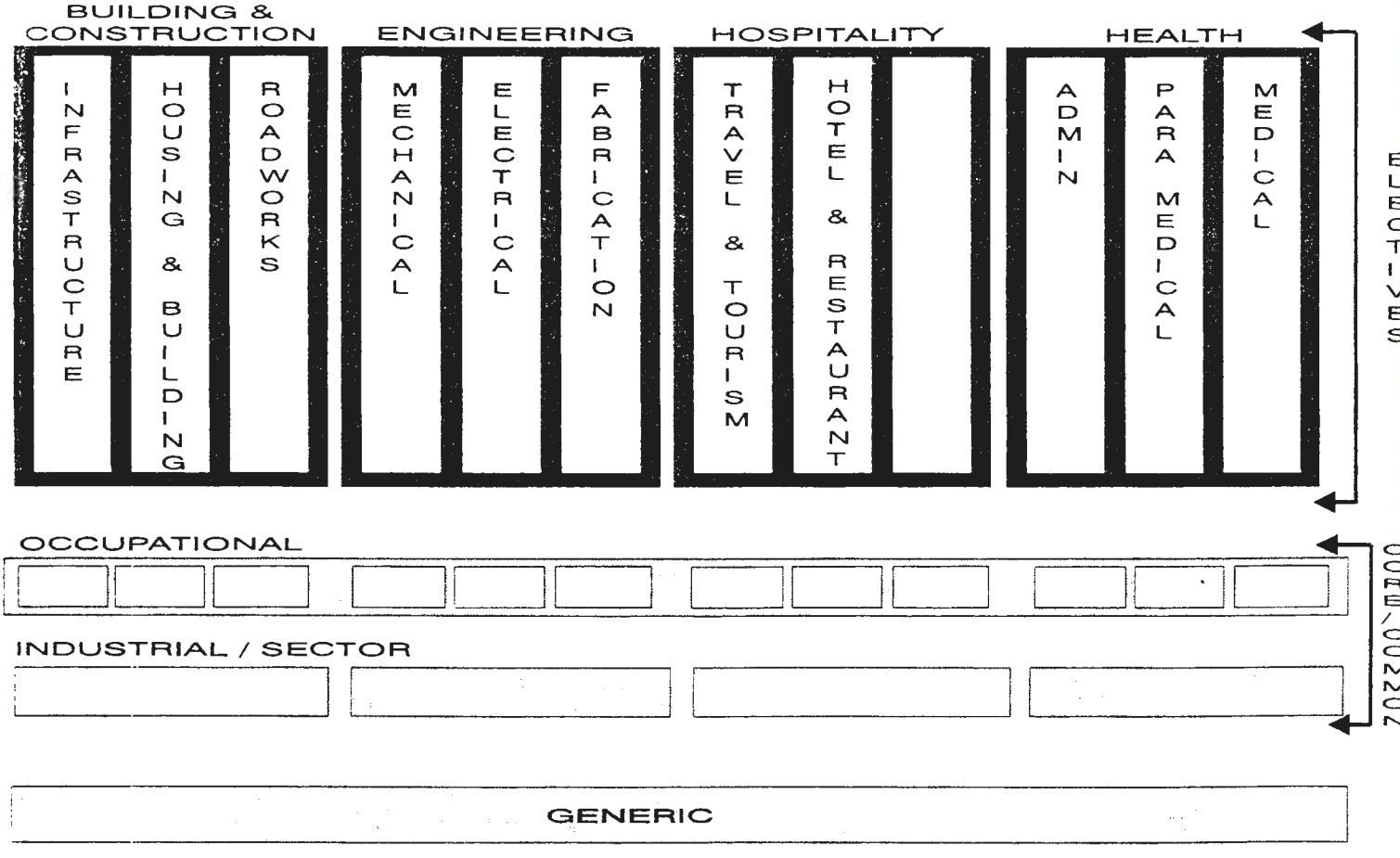
Which workers attend which courses at what time will be an issue to be resolved through negotiation within the labour-intensive construction project between the relevant participants.

A number of national negotiations are taking place which are seeking to put in place one nationally-integrated education and training system - such a system is not yet in place. In the document above, reference is made to such a system on the assumption that it will be put into place in the near future. Elements of such a system are already in place, such as industry training boards, but they have not yet been integrated into a coherent national system. It is anticipated that such integration will be driven by changes taking place through the negotiations taking place at the National Training Board Task Team. In order to make the proposal immediately practical however, it is assumed that the Civil Engineering and Building Industry training boards must play a key role in the provision of training within labour-intensive construction. Only such other industry training boards which have developed industry-wide career path training systems may qualify to provide training in terms of the principles outlined below.

COSATU PROPOSALS FOR RESTRUCTURING THE QUALIFICATIONS SYSTEM



STRUCTURED LEARNING PROGRAMMES FOR ADULT WORKERS: FLEXIBLE SKILLS PROFILE (INDICATIVE)



CONFIGURATION: (1) 3 GENERIC + 2 CORE + 5 ELECTIVES
EXAMPLES : (2) 3 GENERIC + 3 CORE + 4 ELECTIVES
(3) 2 GENERIC + 2 CORE + 6 ELECTIVES

COSATU Proposals For Restructuring the Qualifications System

Structured Learning Programmes for Adult Workers, Flexible Skills Profile

LABOUR MARKET TRAINING PROPOSALS

- a contract of employment on a public works project will provide entitlements to a period of learning and skills development.

- the learning programme will be accredited and will either result in or lead towards a nationally recognised certificate.

- the learning programme will be consistent with the National Qualifications Framework guidelines and standards.

- the learning programmes will be broad based in that only a component of the training will be specific to the skills required for the job. Where possible other skills will be taught that can provide a foundation for learning in other sectors/occupations.

- all project developers are required to submit a skills development plan for employees on public works projects as a pre-condition of securing funding from the state for the project.

- post training on-the-job supervision to ensure the application of skills.

- post-project career guidance and placement to assist workers employed and trained on public works projects obtain jobs in forma sector employment.

Labour Market Training Proposals

EDUCATION AND TRAINING

- structured learning programmes (SLPs) for all employees on housing construction projects and in construction material supplier companies.

- training in all SLPs to result in or lead towards a nationally recognised certificate which in the future should be developed in accordance with the proposed new national qualifications framework (NQF).

- adult basic education to be an integral part of SLPs.

- the training provider of SLPs must be accredited by a recognised industry accreditation body.

- paid training leave for employees to participate in SLPs (length to be negotiated).

- unskilled workers to be trained for a minimum of 9 weeks off-site (including public works/ housing projects).

- the development of a skills training plan for all employees (including those of sub-contractors) by the project developer required as a key criterion in approvals for publically-funded housing projects.

- training to be competency-based & linked to industry standards.

- recognition of prior learning (formal and informal) based on competency standards.

- establishment of new career paths for all workers based on skills and competency.

- new (skills-based) grading systems to be negotiated.

- supervisory training and trainer training to be offered as optional parts of SLPs and recognised within career path systems.

- increased private and public expenditure on training (supplemented by RDP and foreign donor funding).

Education & Training

An Integrated Education and Training System: Role and Implications for Vocational Guidance

A. Machin: COSATU (Human Resources Policy Unit)

We live in a rapidly changing world. Debate in this country has, until now, been dominated by the changes in our political /constitutional system, which while immensely important, has over- shadowed equally fundamental and important changes in the economy, particularly the labour market. As we rapidly approach a new century we are approaching a vastly different labour market from the one we know and have worked in. Major changes are already taking place both here and overseas. The nature of work, as we know it, will become quite different within our working lifetimes and for many, in the near future.

There are four principal factors which are conditioning these changes in the labour market:

1. New technology, particularly those built around electronics and micro processors (computers, fax machines, fibre optics, telecommunications, flexible manufacturing systems, CAD/CAM, etc) which are revolutionising production and service systems in our factories and offices. While some workers are displaced by these technologies under capitalist production systems which are driven by competitive pressures to improve efficiency, other workers are obliged to learn a range of new skills compatible with the new technological requirements.

2. New work organisation systems (Total Quality Control, Value Added Management, Just in Time), which are displacing the old Fordist mass production systems that have characterised our workplaces (and still do in this country) for the past 80 years.

The design of Fordist production systems is based on the production of vast quantities of standardised products on long production runs for mass markets. This arrangement requires limitless supplies of low skilled (and cheap) labour performing routine simple tasks on a continuous, repetitive (and monotonous) basis.

This is slowly giving way to the new (post-fordist) production systems designed on the production of high value specialised products on shorter production runs for more specialised (niche) markets. These arrangements demand that the frontline workforce have a wider and higher skills base.

3. Restructuring of Industry, partially influenced by the technological and work organisation systems, in which there has been a net decline in the

labour intensity of mining and manufacturing industries and a net increase in service sector based employment Tourism, financial. information). This inter-sectoral shift in employment patterns requires that training programmes need to increasingly emphasise cognitive skills development in their curricula and that public policy planners need to ensure greater flexibility in the educational credentialling arrangements to accommodate these labour market pressures.

4. **The profile of labour market** is changing reflected by the increasing participation rates of women and an increasing tendency towards part time employment. This is less evident in South Africa than other countries at the moment but can be anticipated as affirmative action programmes for women and the changing social character about gender roles emerges.

In summary, these changes indicate that the number of new and different jobs is growing even though the total number of unemployed people is still very high and increasing .

Similarly, there is an increasing rate of change so that as old industries decline (in employment terms) and new ones emerge or as old technologies become obsolete and are replaced by new ones (usually every couple of years) workers will need to be more flexible in moving between occupations and even between industries. In our working life time, workers should expect to change change jobs five or six times and will need to be more flexible in terms of being open to training and retraining. Job mobility will be critical to employment (and income) security. Skills development achieved through broad based education and training programmes is the vehicle to provide that security.

Skill levels will also be higher. There will be a premium on higher levels of reading, computation, communication, problem solving and reasoning skills. Such skills will be vital to our domestic economic growth as well as our ability to compete abroad. Workers with poor education and skills will be ill equipped to participate in the labour market of the future.

Moreover, because of prevailing South African demographics, we know that 75 per cent of the South African labour market in 10 years time, is already in it. It is not feasible (or even desirable) to wait for the new government's 10 years of compulsory education to bear its "higher skills fruit". The people who will make a difference to the South African economy in the next ten years are black adult workers who, presently, are primarily under-skilled and under-resourced. Employers and the state will increasingly need to fund human resource investments in those categories of the population which have been historically skills defecient - blacks, women , operator-level (pre-artisan or its equivalent in non manufacturing sector) employees.

On this assessment COSATU has developed its human resources strategy which is built around four areas of intervention and directed towards

removing institutional, social and attitudinal barriers for achieving a more highly skilled and flexible labour force.

The first (and key) strategic intervention is to campaign for a radical and comprehensive restructuring of the education and training system.

The existing system is inefficient, inaccessible to many, inflexible and discriminatory. Structured learning programmes for workers below the artisan level do not generally exist and even in the minority of cases where they do, the training is usually task-specific, quick fix, non-certificated, non accredited and designed to meet narrow short term company goals.

Accordingly, COSATU policy is to seek the establishment of a national integrated qualification framework. The term "integration" is given a broad definition. It means:

- **racial integration,** thereby ensuring that peoples of all races have access to the same quality and unitary system of education and training.This addresses issues of equity and redress from old aparheid education and training policies.

- **systems integration,** in which educational components will be built into traditional "vocational" course programmes and some vocational subjects will be offered as options for students in post compulsory school education curricula. This establishes a single unitary system of national qualifications rather than the traditional "dual system" which characterises most Western economies.

- **national integration,** to ensure that the arrangements for standard setting, accreditation, certfication and credit transfers are nationally consistent across all the provincial governments. This will ensure that workers will get recognition for their skills, by both employers and training providers in all parts of the country. Further down the track we intend to extend this recognition to other Southern African regions..

- **labour market integration** to ensure that all groups within the SA labour market have access to the same education and training programmes. This is intended to ensure that disadvantaged groups such as unemployed workers, the youth or women, will have access to the same quality and system of learning to that available to workers in the formal sector. It is also intended to facilitate (and co-ordinate) labour market adjustment assistance by developing leaning programmes for workers who are being retrenched by assisting them to get skills appropriate for new jobs and new careers in other sectors.

Implicit in our understanding of an integrated education and training system are the assumptions that in future:

- **strucutured learning programmes will be available for all categories of workers** across all occupations across all sectors of the economy, and not confined to a privileged elite of artisans, supervisors and managers. This is because it is the frontline workers (the process operators, secretaries, sales assistants, bank tellers, etc) who will make the critical difference in productivity performance improvement through monitoring and improving quality, customer relations, servicing and scheduling.

- **skills development is seen as a lifelong process** and not restricted to short period of learning acquired in school or the years immediately afterwards. This is because workers will need to continually adapt to changes in technology and work processes conditioned by the changes in the structure of industry, products and markets.

- **employers will need to substantially increase their spending on human resource development of their whole workforce,** viewing training as an investment, not merely a cost to be minimised or cut when the going gets tough. Current levels of private sector spending on training is about 0.5 - 1 per cent of payroll compared to 4-5 per cent in most advanced economies.

- **course programmes will need to be modularised** to facilitate and encourgage learning by creating more flexible entry and exit points to the learning system. The present structure of 2-3 year course programmes discourages many adult workers with family or work committments from participating in or completing course programmes. COSATU proposes that new certificated course programmes should be made up of 10-12 modules enabling workers to complete the course at their own pace.

- workers should be abe to acquire educational and training credits for skills they have acquired in informal training programmes or through work experience. This is referred to as the **recognition of prior learning** or RPL for short. This arises from the recognition that skills are acquired in a wide range of learning environments many of which may not classroom-based. To this end, a method of **assessment of competency** will need to be instituted to recognise these skills and credit or evaluate them against the same skills acquired through formal learning programmmes.

- to ensure national recognition for the skills acquired in structured learning programmes or through the recognition of prior learning it will be necessary to establish a **system of accreditation** for all training providers and/or assessors, regardless of whether these are public education institutions, companies or NGOs. Failure to meet

accreditation will mean the courses will be boycotted by the unions and unavailable to attract state subsidies.

- there will also be a need for greater flexibility in a learner's ability to enter learning programmes at higher levels. To some extent this will be overcome by ensuring that educational skills are built into vocational courses to satisfy minimal educational entry requirements to secondary and tertiary isntitutions. However, these institutions must increasingly offer **skill credit transfers** for skills/course programmes offered by institutions at the lower levels.

Essentially, then these are the reasons why COSATU has chosen to engage in the public policy debates and negotiations around education and training and not to stand on the sidelines while "educationalists" thrash out the framework for a new education system in South Africa. We have arrived at a point of agreement with the ANC on its policy of an integrated education system but we have done so through the backdoor - from our understanding of the labour market.

COSATU's second strategic intervention is to ensure that workers in the formal sector receive better rewards for their higher skills through the development of new skills grading systems.

These skills-based grading systems are a radical departure from existing task-based grading systems which define a worker by the job (or task) he/she performs rather than the skills they possess to do those tasks. This approach is intended to:-

- **recognise the skills workers exercise** for which they are not presently paid. Regrading of workers to a new appropriate skill level will lead to an immediate wage increase.

- **establish formal career paths based on skills** measured by nationally agreed competencies, thereby removing other discriminatory critieria for promotions and advancement. Technicallly this would enable a worker to move from sweeper to engineer over the period of their working lifetime.

- provide **financial incentives to workers to participate in learning** by linking higher skills to higher wages.

- **link the unions wage bargaining strategy to training and human resources policy.** A workers wage will in future be determined by their skill level providing them with "two bites at the wage cherry" - one linked to across the board wage campaigns, the other arising from a (higher skills) grading increase.

- **narrow the wage gap created by apartheid wage policies** by linking each level in the skills grading system to a fixed (and sectorally determined) wage relativity of a "skilled (read artisan or its equivalent) worker.

- **complement the necessary changes in (post Fordist) work organisation environments.** Existing grading systems (based on tasks) underline and entrench Fordist work organisation strucutres and are too inflexible for the new post Fordist structures which demand higher and wider skill profiles.

- **establish fairer criteria for grading** by which employers reward their workforce and reduce industrial tension which arises from perceived unfairness in existing grading systems.

COSATU's third area of intervention is to secure better planning and performance of industry as the basis for economic growth and employment security.

This is to be achieved at two levels:

1. At the workplace level , by engaging in negotiations for work organisation changes that require higher skills performance; a greater decision making role for workers in the production process particularly in terms of quality control, scheduling, customer relations, preventative maintenance; flatter management structures to complement these arrangements; and participative and consultative fora to manage and implement these changes.

2. At the national/sectoral level, by developing industry plans concerned with investment strategies, tariff rate changes, export incentives assistance, technology transfer agreements, research and development, and labour market adjustment assistance. In this regard, there is a recognition that all industries will restructure in some way and that investment patterns will shift either within (or between different parts of) a sector, or in relative proportions between different sectors of the economy with a corresponding result that some industries will reduce its labour force and others will increase it.

It is no longer appropriate to talk about ***job security*** in such an environment of change, where we define job security as the same job in the same factory/office at the same company. What is required is ***employment security*** in which a worker has a greater capacity, built upon a higher skills base, to find work in new occupations and possibly in new industries.

To this end labour market adjustment programmes - the mechanism by which retrenched workers are given assistance in terms of income support,

retraining and relocation to move from one job to another - will become increasingly important.

COSATU's fourth area of intervention is to ensure that labour market programmes for informal sector or unemployed workers are designed to provide access to structured learning programmes that will give these people the ability to acquire skills in formal sector employment.

This will be achieved by ensuring that

- a contract of employment on a public works project will provide **entitlements to a period of learning and skills development.**

- the learning programmme will be **accredited** and will either result in or lead towards a nationally recognised certificate.

- the learning programme will be **consisitent with the National Qualifiications Framework** guidelines and standards.

- **the learning programmes will be broad based** in that only a component of the training will be specific to the skills required for the job. Where possible other skills will be taught that can provide a foundation for learning in other sectors/occupations.

- all project developers are required to submit **a skills development plan** for employees on public works projects as a pre-condition of securing funding from the state for the project.

- **post training on-the-job supervision** to ensure the application of skills.

- **post-project career guidance and placement** to assist workers employed and trained on public works projects obtain jobs in formal sector employment.

It needs to be stressed that vocational guidance and placement is affected by all four points of intervention. **In many ways vocational guidance is pivotal to the efficient and smooth operation of the whole labour market system.** The labour market of the future will be highly mobile, it will be seeking a constant renewal and upgrading of its skills base as workers enter the labour market from the schooling system and as they move from one occupation to another, from one company to another, from one industry to another.

Vocational guidance centres will be at the crossroads (or the junctions) of this mobility and vocational guidance officers will be the "labour traffic

offficers" directing and guiding workers to new jobs, new training programmmes, new careers.

To this end, vocational guidance officers will need to be familiar with information and understanding about the the new nation qualifications framework: systems of accreditation,certification and standards setting bodies: training programmmes offered by a range of private and public training providers' govt sponsored programmes for income support, retraining and relocation assistance; redundancy packages negotiated between companies and unions arising from industry plans; technological change and labour market trends: industrial restructuring and regional development: job placements and career path planning.

Guidance Centres need to be located in communities and linked to industry fora, regional training centres, regional structures of the unions and regional planning bodies. COSATU envisages as many as 100 -150 centres across the country. Quite clearly NGOs do not have the resources to provide this capcaity of delivery with its present resources. The State must play an increasingly important role in terms of delivery but this should not exclude the involvement of NGOs either as direct providers or services to state provision (such as training for guidance officers, evaluation and assessment of programmes, publications and information marketing).

Quite clearly also NGOs need to recognise that career guidance and placement involves a target group far wider than school leavers.

How this will all be funded is still not clear but clearly there has to be political muscle applied to expand the resources and budget of the Department of Labour to both fund labour market programmmes and the vocational guidance centres to service the various constituencies of the labour market.

I will end on a sobering note. These proposals are not, as yet, government policy. They represent thinking within COSATU that has followed a period of intense and vigorous debate over the past 18 months. Some of the detail of implementation still needs to be developed and fine tuned. Moreover, we need to convince the new government of the merit of these ideas and win their support for funding the institutions and implementation plans. We are not there yet. There are many constituencies within South Africa who do not support these proposals and are actively campaigning to stop them or at least to amend them to such an extent that they will be rendered ineffective. Some of these are constitiuencies are within the ANC, but mostly they are outside it. COSATU is aware of them and we intend to take them on. We hope you will too.

Thankyou

SESSION 2

Chris Lloyd: Skills Formation, Work Organisation and Industry Development (Please refer to your complimentary copy of *Work Organisation and World Class Management* for fuller details of this session).

1. CHANGING WORK ORGANISATION TO INCREASE PRODUCTIVITY

THE PROBLEMS OF INTRODUCING BEST PRACTICE STRATEGIES IN SOUTH AFRICA

*THE CULTURE OF SOUTH AFRICAN MANAGEMENT;

- * PHYSICALLY REMOTE
  - * LOCATION
  - * INCOME/LIFESTYLE
- * CULTURALLY REMOTE * LANGUAGE
- * OBSESSED WITH SIMPLE QUICK FIX SOLUTIONS
- * THE NARCOTIC OF CHEAP LABOUR AND TARIFF PROTECTION

* THE CULTURE OF SOUTH AFRICAN UNIONS;

- * THE INDUSTRIAL ARM OF A POLITICAL STRUGGLE
  - * DESTROY CAPITALISM TO DESTROY APARTHEID
- * ILL EQUIPPED FOR THE TASK OF ECONOMIC RECONSTRUCTION
  - * RESOURCES FOR EDUCATION
  - * INDUSTRIAL SKILLS
- * LOSS OF LEADERSHIP
- * SIMPLISTIC SHORT TERM DEMANDS UNRELATED TO PRODUCTIVITY

* THE INDUSTRIAL RELATIONS FRAMEWORK

- * LEGALISTIC/BUREAUCRATIC/SLOW TO RESOLVE CONFLICT
- * INFLEXIBLE TO THE NEEDS OF DIVERSE PLANTS/ ENTERPRISES

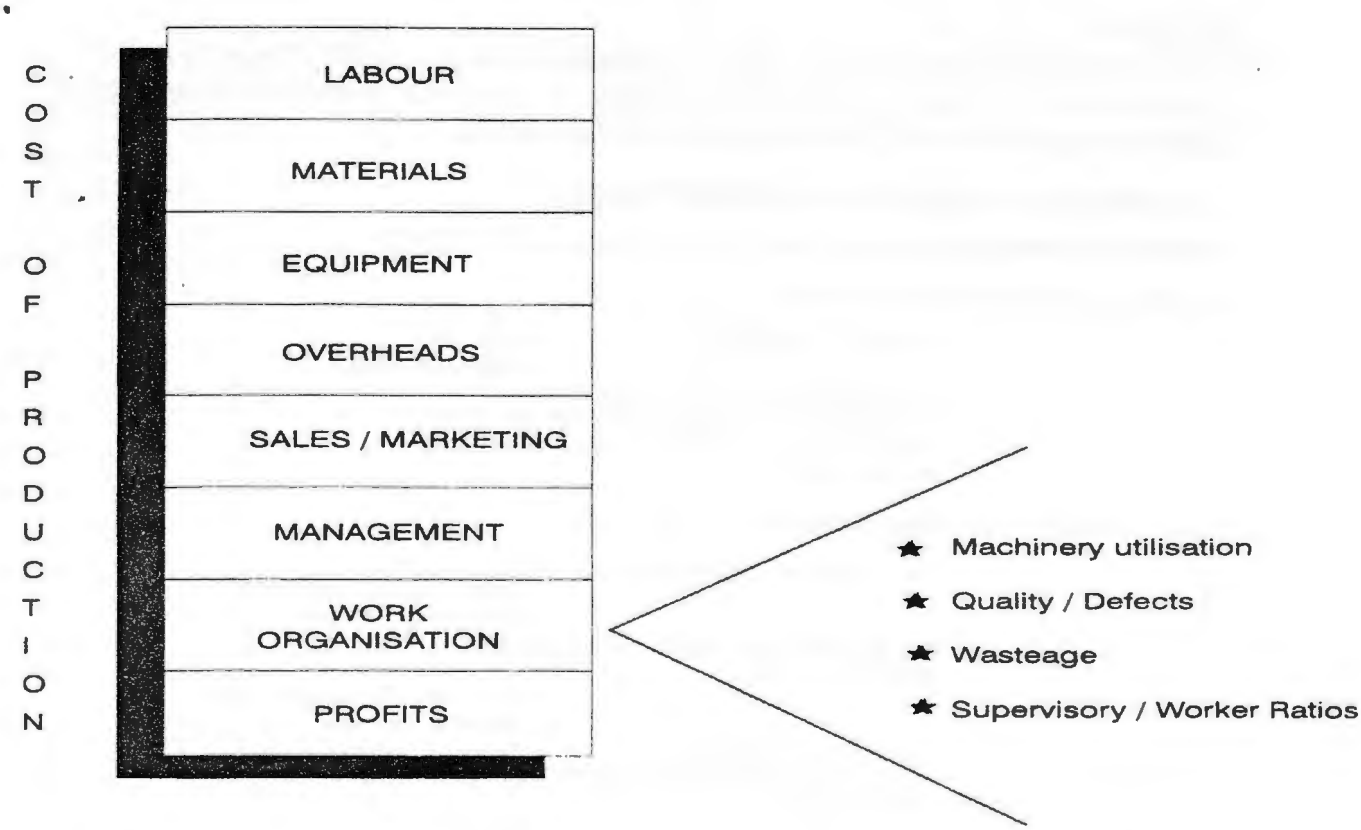
2. THE SKILLS DEFICIT AND THE PARADIGM OF THE PAST

- TRAINING OCCURS WHEN YOU ARE YOUNG
- "SKILLED, UNSKILLED AND SEMI-SKILLED"?
- TIME VERSUS COMPETENCY
- KEY SKILLS VERSUS TECHNICAL SKILLS
- TRAINING AS A SHORT TERM COST NOT A LONG TERM INVESTMENT

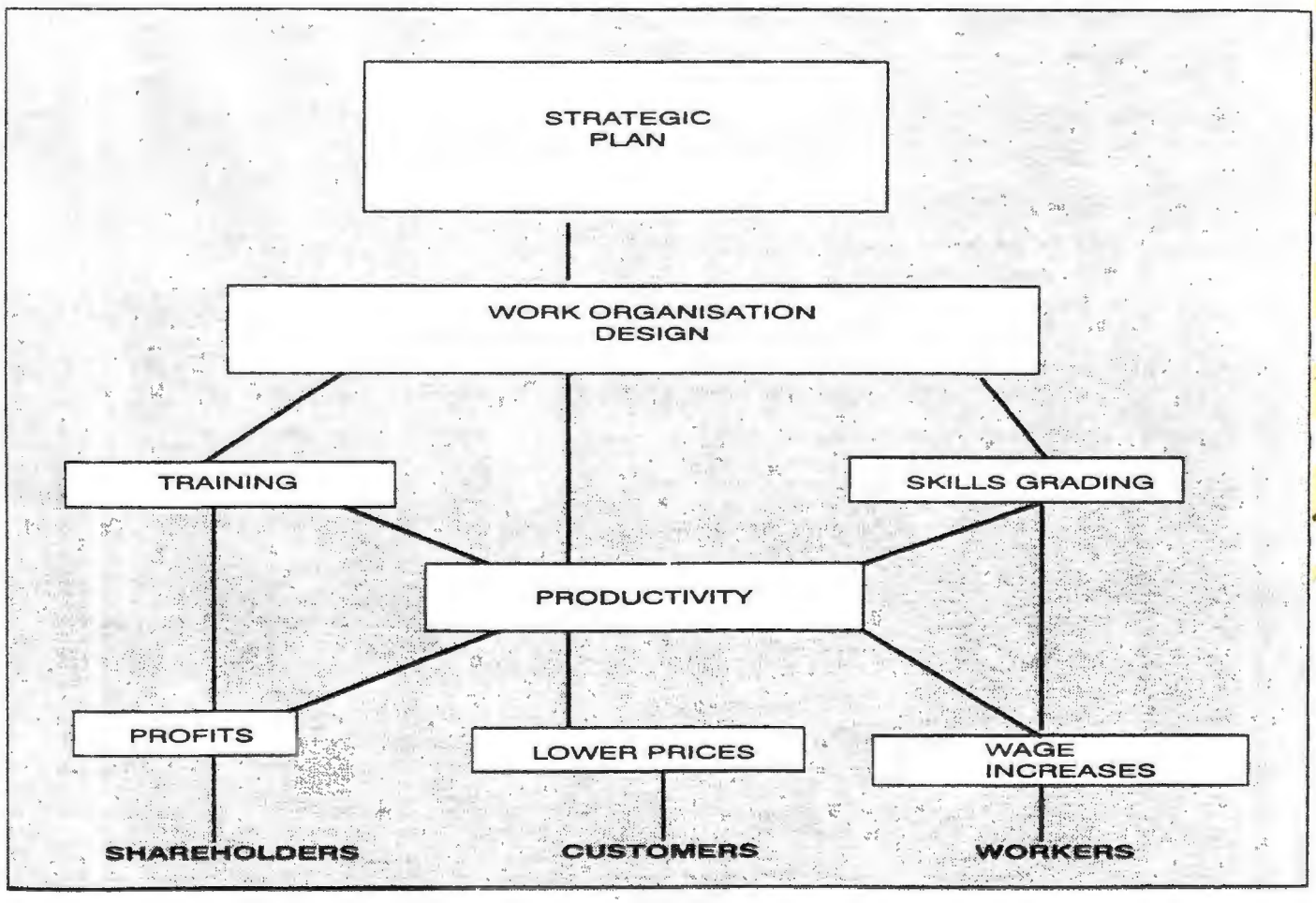
3. INDUSTRY DEVELOPMENT POLICIES

- *REALISTIC TIME FRAMES FOR ADJUSTMENT : TARIFFS
- *SUPPLY SIDE MEASURES
  - * TRAIN THE STAKEHOLDERS - UNIONS/MANAGEMENT
  - * TRIPARTITE APPROACH TO THE SKILLS DEFICIT
  - * RAW MATERIALS
  - * REBUILDING INDIGENOUS RESEARCH AND DEVELOPMENT
- * TRIPARTITE INDUSTRY STRATEGIES
- * AN INDUSTRIAL RELATIONS FRAMEWORK
  - * LEVELS OF BARGAINING
  - * RAPID DISPUTE RESOLUTION
  - * INFORMATION SHARING

IDENTIFYING WORK ORGANISATION FOR EFFICIENC PRODUCTIVITY IMPROVEMENTS



PLANNING THE WORKPLACE CHANGE PROCESS



WHAT IS WORK ORGANISATION?

Today, the countries which have the most successful manufacturing industries have built them on the four building blocks of:

- **technology**, which provides the physical means of production
- **skill formation**, which refers to the ability of all employees (workers and management) to contribute to production
- **industrial relations**, which provides the framework within which workers and their unions can negotiate and consult with management on wages and working conditions (including the issues arising from technology, skill formation and work organisation)
- **work organisation**, which is concerned with a wide range of issues associated with the co-ordination of technology and skills in the production process, including matters such as plant lay-out, the control and flow of materials, components and production, staffing, the scheduling and distribution of work, control and supervision

The relationships between these building blocks are described in more detail in *Skill Formation* in this Industry Development series.

THE ROLE OF THE UNIONS

Since the 1983 Accord between the ACTU and the Government, industry development policy has been a key strategy directed towards:

- increasing employment
- reducing inflation
- improving our international trade position
- restoring Australia's economic growth
- maintaining and improving our living standards

To be effective in practice, industry development policy requires an understanding of the issues at all levels by the three major participants – unions, employers and governments.

Many specific industry plans are now being implemented, for example the Heavy Engineering Assistance Package, the Steel Industry Plan, the Passenger Motor Vehicle Manufacturing Plan, and the Textile, Clothing and Footwear Industries Development Plan.

Other industries are developing national plans, and several state governments are consulting with unions and employers to work out development plans.

It is recognised in all these national and state plans that the real action must happen at enterprise level, and in the workplace.

Union/management negotiations and consultations at plant level are taking place on the inextricably mixed issues of technology, skill formation, work organisation, productivity and industrial democracy/employee participation, and industrial relations. As part of their traditional and fundamental role of protecting and improving members' wages and conditions, unions are now concerned with the broad issues of the viability of enterprise and industry, to protect employment and enable improved wages and conditions to be gained.

> *'. . . the advantages enjoyed by Swedish manufacturers are not simply attributable to advanced technology (in fact, it is often identical), but rather the methods whereby the technology is deployed, the skill formation, the work organisation, industrial relations and the comprehensive consultative mechanisms involved.'*
>
> *Australia Reconstructed: Report of the ACTU/TDC Mission to Europe*, 1987 (page 136)

Production

Productivity is the amount of output achieved for a given set of conditions. It can be related to a number of factors, such as capital (production compared with assets/capital), or labour (production per worker).

Capacity is the maximum output achievable given the technology, methods and supply of materials used in production. Continuous maximum capacity production (100%) is unusual; but clearly, large unused or idle capacity is wasteful. Often 80-90% use of capacity may be considered the best achievable.

A **component** is a part of a larger product. The ordering (or making) of components, their storage, and delivery to **workstations** (**work centres**) for assembly or further processing is an important part of efficient production. Delays, bottlenecks and over supply of components cause increased costs.

The early stages of manufacturing or processing, or the supply of materials or components, are described as **upstream** production. The more advanced stages are described as **downstream** production.

Inventory usually refers to the stock of materials and finished products held by a company.

Another form of inventory (or stock) is **work in progress**, represented by materials being worked upon during the manufacturing process.

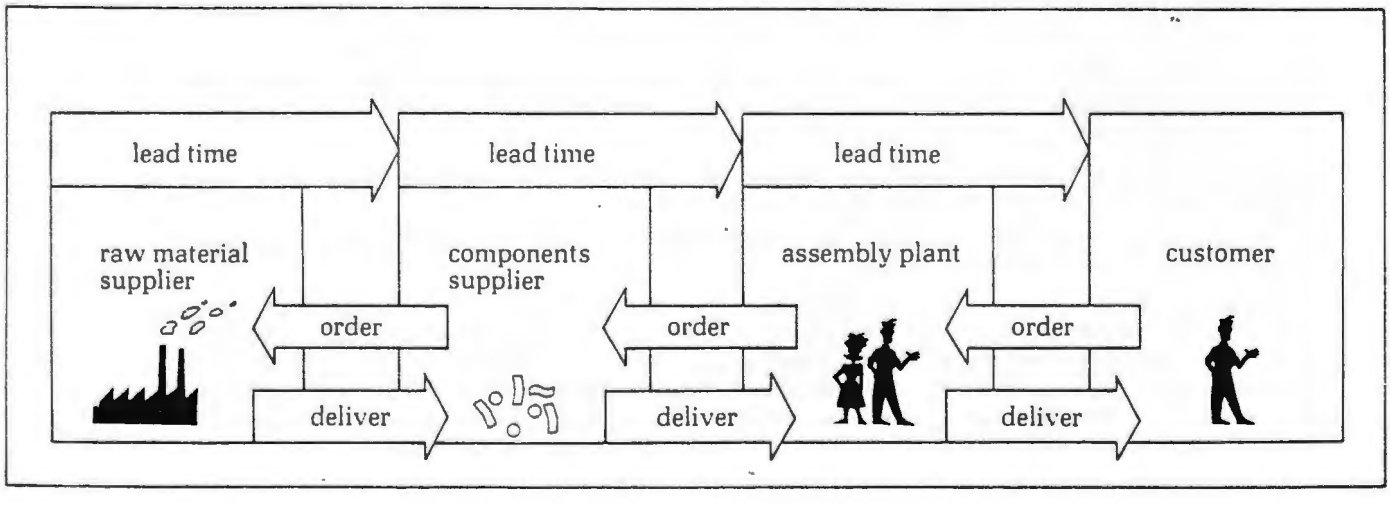
At each stage inventory is held in the form of incoming stock from the previous stage, work in progress, finished stock awaiting delivery, and stock in transit between stages.

Inventory is expensive to hold because of warehousing, management, stockkeeping and sometimes special equipment (refrigeration etc.), so inventory costs – the holding of stocks at various stages of production – are important in all forms of production.

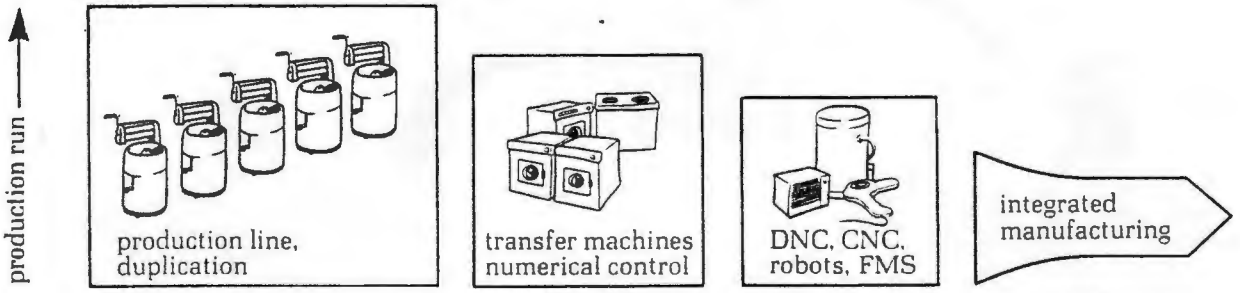
Lead time is any period between stages in the development and production process, from ordering through design, manufacture and delivery of a product. The longer the lead time the higher the cost of holding work in progress and other inventory.

Lead times include:

- transmitting the order at each stage
- setting up machines to fulfil the order at each stage
- production of the order (including any delays caused by queueing or breakdowns etc.)
- transit and delivery times



Flexible manufacturing: technology allows smaller batches with a wider product mix



Types of production

There are three basic types of production in manufacturing:

- **job production** or **jobbing**: normally one-off or small quantity production, in response to an order
- **batch production**: where machines need setting up (e.g. retooling or resetting dies) for each new batch; most suitable when orders for quantities of a particular product are received frequently but irregularly
- **flow production** or **continuous flow**: where machinery is used almost continuously with little **down time** (when the machine is not producing due to maintenance or adjustment); most suitable for large scale production using specialised machinery

Batch production

Much production in Australian manufacturing industry is on a batch basis.

Batch production raises the question of how large a batch should be produced in one run:

- a large batch can be more efficiently produced than a small one because machines need setting up less frequently, so there is less down time
- but a large batch probably means holding greater stocks of materials and finished products (inventory), with more work in progress inventory and more lead time than with small batches

If the manufacture of a batch of a product involves more than one stage of production, holdups during one stage may cause **queueing** while the batch waits to move on. If there are several stages, queueing time can increase lead times (that is, the customer has to wait for the product). Therefore the scheduling of production and materials to create the best production flow is important.

In such a system, almost any problem (such as failure to deliver on time) is magnified as it passes back down the line, and causes longer lead times and delayed delivery to the customer.

Continuous flow production

This system avoids most of the problems associated with batch production. For example, on a motor vehicle assembly line the vehicle moves along the line with the minimum delay between each operation. There is less queueing, because each vehicle is one unit instead of a batch of products which all have to be processed before moving on. However, a major problem is that a breakdown of any operation may halt the line completely unless there is some buffer inventory held at each stage of the operation. Holding such inventory again reduces the economy of the flow production system.

Reducing inventory costs

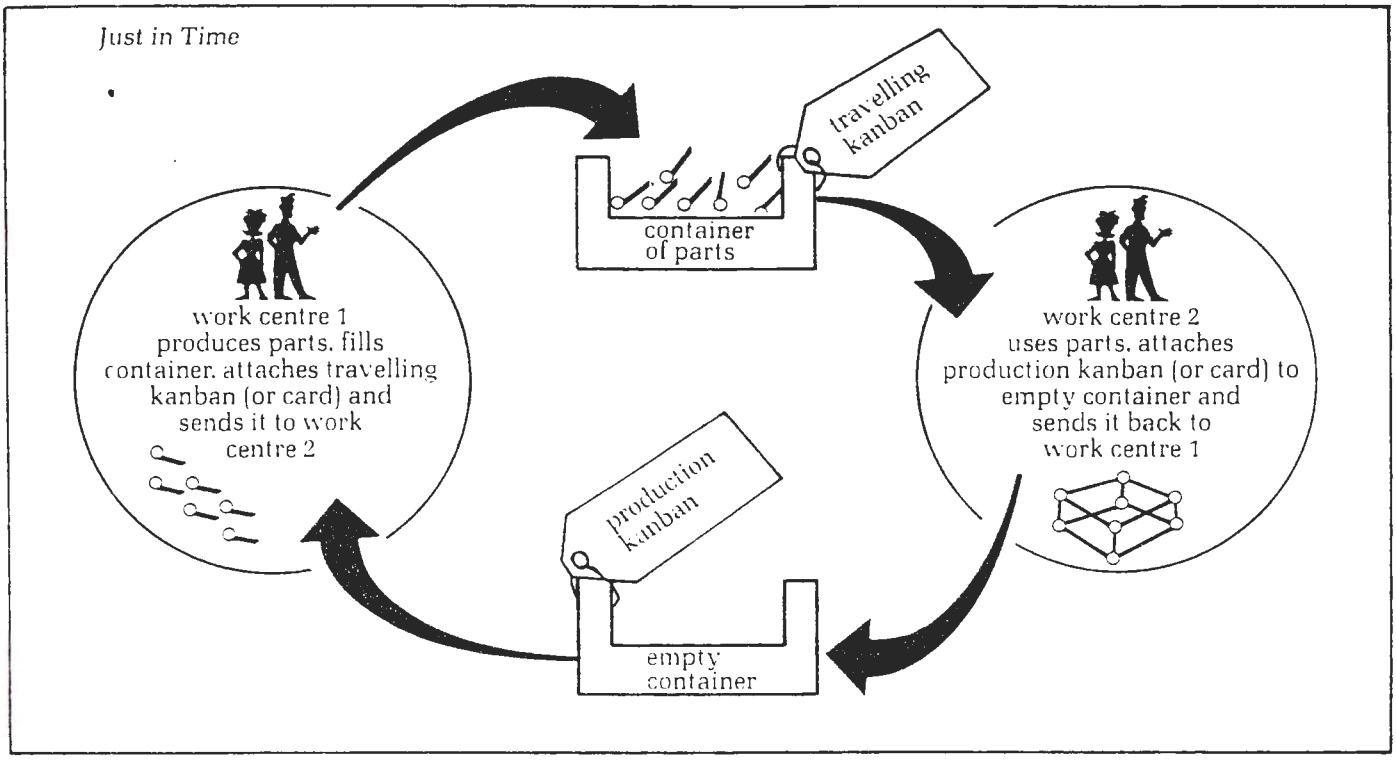
Several ways of reducing inventory costs have been examined in various parts of the world. Two major methods have emerged:

- Manufacturing Resource Planning (MRP II)
- Just in time (JIT)

The methods vary in application according to the needs of particular plants, but have similarities as well as differences. Other techniques with similar purposes (the control of the flow of materials) and minimum inventory are **stockless production**, **value added management (VAM)**, **zero inventory production (ZIP)** and **optimum production technology (OPT)**.

Manufacturing Resource Planning (MRP II) is a development of MRP I (or Materials Requirement Planning), which aimed to control the scheduling of production and materials brought in from other suppliers. MRP II extends this idea into all functions, such as marketing, purchasing, finance and engineering. This improves overall plant co-ordination and relates the whole production process more closely to delivery commitments.

MRP is similar to traditional production planning, but through the use of computers it can handle a great deal more information at higher speeds. The problem of MRP is that it needs a very high degree of accurate advance production scheduling, which is difficult to achieve.



Just in time

The **Just in Time (JIT)** system was evolved by the Toyota company in Japan. It is the best known of inventory reduction techniques. Some Japanese companies have operated in this manner for several years.

JIT strategy includes:

- elimination of waste
- encouraging employee involvement in productivity and quality issues
- producing in response to demand
- reducing lead times

JIT has two major aspects:

- it is a system for controlling the flow of materials and production (and usually for marketing outlets too) *without* requiring a heavy investment in computerisation
- it offers a method of improving productivity

In a JIT system goods should be completed *just in time* to be sold or delivered, sub-assemblies completed *just in time* to be assembled into finished goods, fabricated parts completed *just in time* to go into sub-assemblies, and materials purchased *just in time* to be transformed into fabricated parts.

Parts are made or kept in **feeding work centres**. Parts or materials needed at any stage are taken from feeding work centres in small quantities *only as needed*. The feeding work centre then produces parts in the same quantities as those withdrawn. The objective is to minimise the holding of inventory.

JIT works by use of a system of cards. The Japanese word for card is **kanban**.

The kanban is attached to a standard container of parts. There are two types of kanban:

- the **travelling kanban** authorises the transfer of one standard container of parts from one work-centre to the next
- the **production kanban** authorises the manufacture of one standard container of a specific part to replace a container just transferred to the next work centre

A minimum number of parts is held at each work centre and new parts are only produced when a production kanban is exchanged for a travelling kanban.

Alternatives to cards can be used to exercise similar control, for example coloured balls, electronic signals, coloured lights and computer terminals.

The rules are simple:

- always use standard containers filled with the correct number of parts
- never move a container forward without getting the authorisation of a travelling kanban
- never produce a container of parts without the authorisation of a production kanban

Receiving stations are responsible for accepting or rejecting a product from the previous operation. There must be close liaison between each work centre and the centres which it supplies; and between each work centre and the centres from which it receives parts. A stoppage at one work centre quickly affects, and may stop, the whole production line. Where parts are rejected, a delay is caused in the production flow, thus enabling the offending operation to be identified.

Such stoppages are useful in identifying possible productivity improvements. Faults revealed and remedied range over all aspects of production: machines, maintenance, jigging and tooling, quality, management philosophies, storekeeping, etc. When the system is running in balance there should be no critical shortages and no excessive overtime.

A number of assumptions underlie JIT:

- responsibility for shop floor production control and productivity improvements rests with the workers and first line supervision
- actions which aid the continual flow of parts are welcome, even if it means temporarily stopping a process
- daily production schedules should be virtually identical
- a large number of set-ups are made as a result of the small batch approach, thus placing the emphasis on technology and flexible, multipurpose jigging and tooling (this is a change in traditional thinking in these areas)
- emphasis is on smaller repetitively manufactured parts
- parts are manufactured and moved in the smallest standard quantities

Workers are responsible for their own work, have the right to inspect incoming work, and if necessary stop the line. The objective is to identify faults within the system without blame. The system presumes that sufficient training will be provided.

In the Japanese style, consultation may take place at all levels of production from operator to senior management in order to rectify a problem. In this way products are continually under review and development.

Quality control

Earlier concepts of quality control tended to see it as a final check, often with no means of determining the cause of a problem or correcting it.

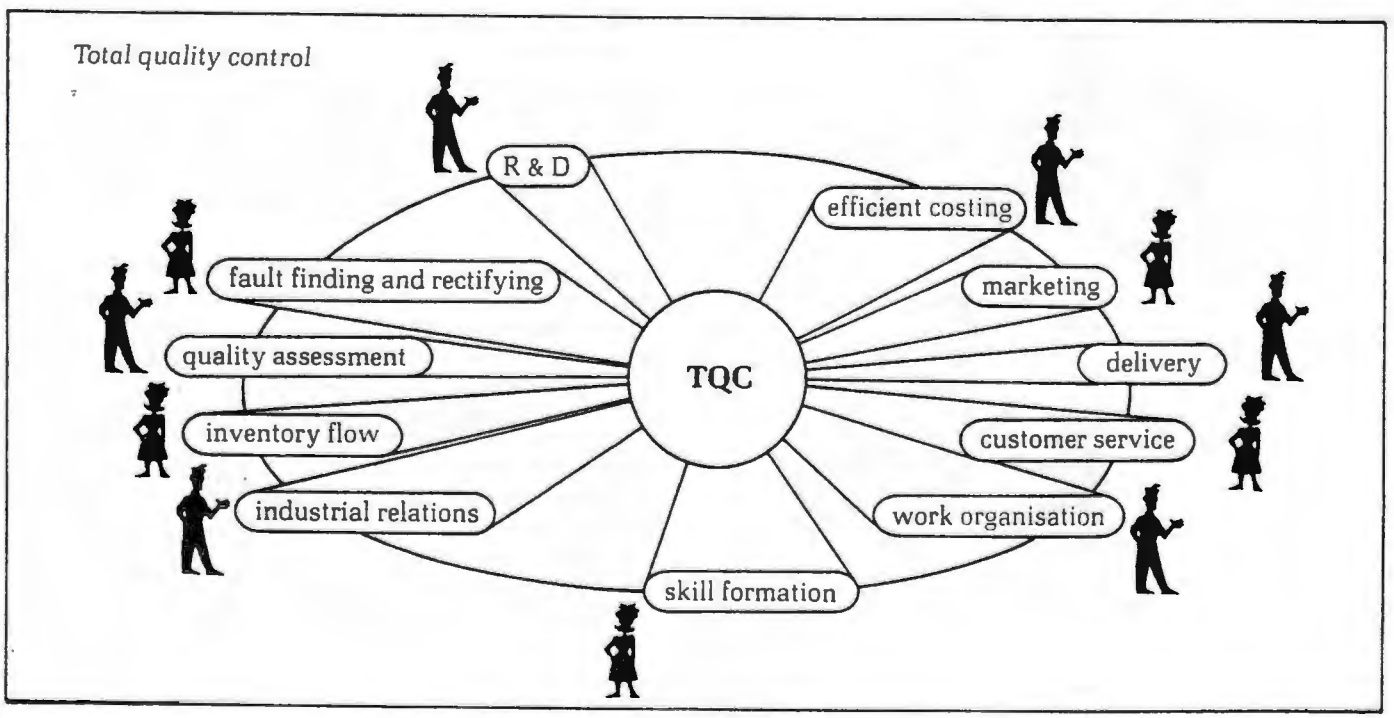
Since the early 1950s the Japanese have successfully adopted and developed quality improvement concepts. The basic principles of this **total quality control (TQC)** philosophy are:

- it is the function of inspection not merely to sort out problems, but eliminate them
- total inspection should be carried out
- each operator must also be a quality control inspector and take responsibility for the quality of his/her work
- the operator must receive immediate feedback of his/her quality performance and must be the first to know
- when defects occur, the work is stopped and the defect reported and corrected
- the cause of the defect must be analysed and counter measures taken

Promoters of new management techniques often refer to the concept of Total Quality Control only as a production method. This fails to recognise that, in the Japanese sense, it refers to the integration of *all* aspects of production which contribute to a product's eventual quality.

TQC is often closely associated with JIT, which requires that all parts produced are perfect. The Japanese do not accept the idea of **allowable defect rates**. With a limited work in progress inventory, defective parts must be avoided. Workers in the receiving work centre liaise directly with workers in the supplying work centre on any defects, avoiding the need to go through traditional line management.

Total quality control



Technology

Computers

A **computer** is a machine used to store and process **data** (facts), and produce **information** (processed data). This processed data may be in the form of instructions which are then transmitted to a machine tool; the machine tool may also feed data back to the computer.

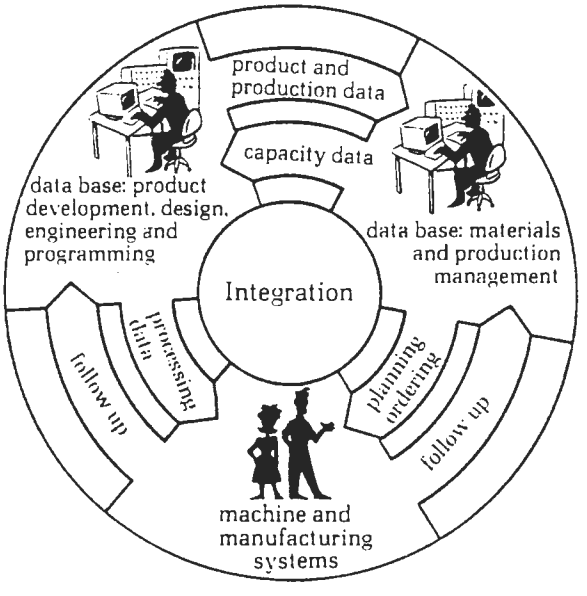
Computers are also used in planning, drafting, scheduling, accounting, marketing, and any function requiring the storage and processing of data.

Hardware is the general term used to describe computers and their associated equipment. **Software** is the term used to describe computer programs, which may be on disks, ribbons, tapes etc. The software programs the computer to carry out certain functions (make calculations, recall information, activate switches to control other machines etc.).

Data stored in a computer is drawn on as required by use of an appropriate program or software package. In planning and estimating for ordering components or materials, for example, the computer would need to have a **data base**, probably comprising such information as the rate of delivery production and sales. The appropriate software program or package could then be used to give access to this data base and manipulate it to produce the most economical estimates of the timing and quantity of ordering.

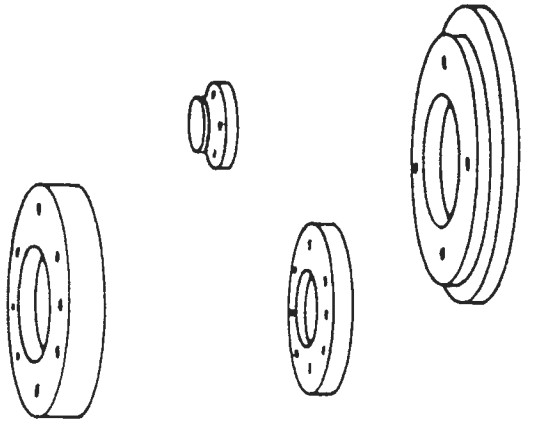
Most computers have **visual display units (VDUs)** or **visual display terminals** – TV-like screens which display stored information from a computer or word processor; and keyboards for input. VDUs are increasingly appearing in offices, stores, design offices and workplaces generally.

Computer technology
Computer technology increasingly allows the integration of all manufacturing functions



A family of parts

Parts related in shape and form but of various size and position, produced by similar machining operations



Group technology (GT)

The flow of production may be assisted by the introduction of Group Technology.

There are two basic concepts in Group Technology:

- **part families**: all parts requiring a similar series of processes for their manufacture are grouped into a family, on the basis of the similarity of the processes used to make them, *not* similarity of shape, usage or anything else
- **grouping processes**: all machines used to manufacture a specific part family are grouped in one location (a **GT cell**) linked by a conveyor, robot or other transfer system, so that parts flow easily from one process to the next without human intervention

Part families can be created by simply looking at the parts (eyeball method), photographic analysis, use of a classification and coding system or by analysing how a selection of parts is made. Common processes are picked out from this analysis to enable GT cells to be formed.

Group Technology is extensively used overseas. Despite the effort required to do the initial coding, the classification and coding technique is commonly used as it produces advantages not only in manufacturing but also in areas such as design, jigging and tooling, capital equipment purchasing etc. GT also has many advantages in quality control. A small group of employees assigned to a GT cell can be given responsibility for such things as detailed scheduling of production, assignment of job tasks to group members, performing quality checks, solving production and quality problems, maintaining and adjusting machines, and training of new employees.

Computer aided process planning (CAPP)

Process planning determines the sequence of manufacturing operations necessary to produce an item.

CAPP enables process plans to be standardised. This can be achieved with the classification and coding systems used in developing part families for Group Technology. A standard process plan is determined for each part family and stored in the computer. When a new part is presented to the system, its classification is determined and the relevant family process plan is retrieved from the computer.

Planned or **programmed maintenance** provides a system of maintenance to avoid breakdowns, and carry out maintenance at the most convenient times.

Computer integrated manufacturing (CIM)

This is a major concept in the future development of manufacturing. CIM has probably not been fully achieved anywhere in the world. It is not a technology in itself but the organisation and integration of various technologies and techniques, such as those described below and on other pages. More recently the term **Integrated Manufacturing** has been used, to avoid emphasis on the computer.

Numerically controlled technology (NC)

NC technology is broadly what used to be referred to as **automation** – machine operations controlled by computers.

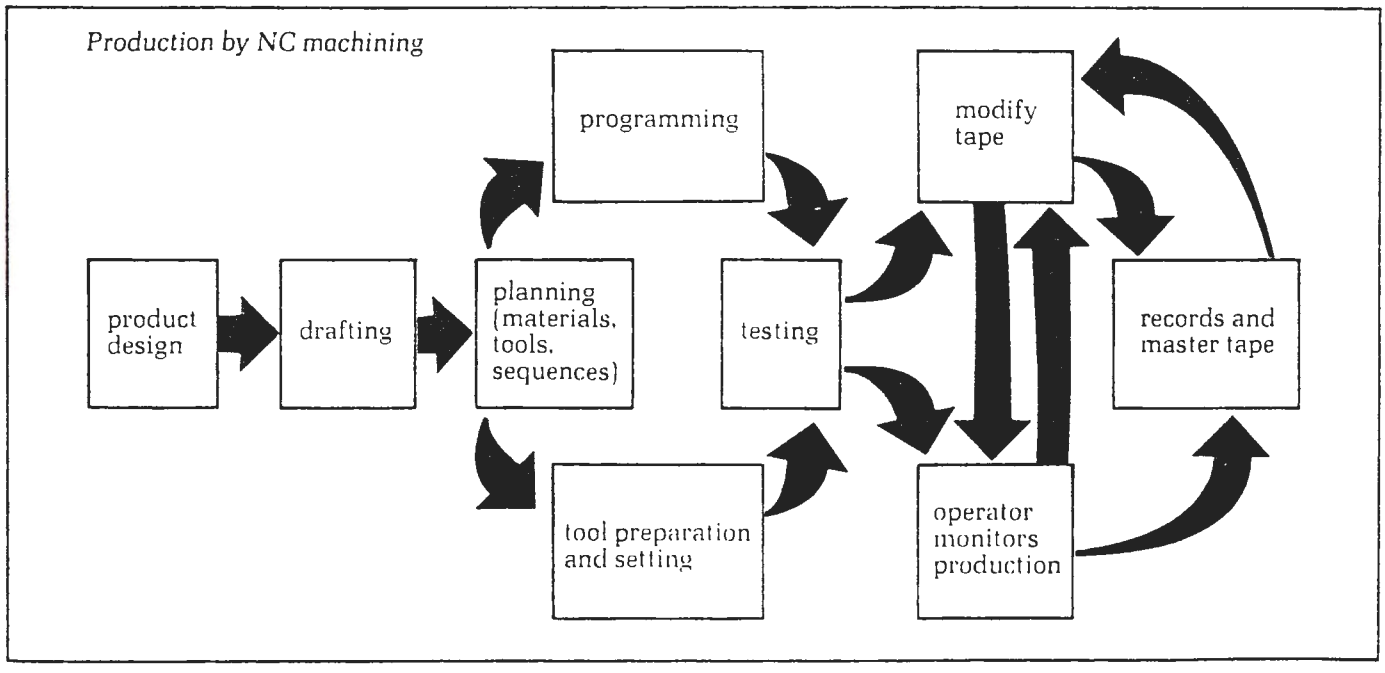
Numerically controlled manufacturing involves the pre-programming of equipment to perform functions with little or no manual control necessary. An NC machine carries out operations following instructions in the form of a numerical code. This type of machine has been with us for some thirty years. Early examples were paper-tape fed, with programs written off-line by NC programmers.

Direct Numerical Control (DNC) involves the direct linking of a central computer to a group of NC machine tool controllers, with little local control over the machines.

Computer Numerical Control (CNC) results from the introduction of micro-processor controls onto the machine, with the programs either on tape or on disk. The development of **machining centres** has seen the combination of a variety of machining processes such as milling, drilling, boring and tapping on one machine, and automated tool change.

Distributed Numerical Control combines DNC and CNC techniques. A central computer provides instructions for a range of machine tools as in DNC, but these machine tools have local computers which provide local control and the ability to check errors.

Although we tend to think of the metals industries when we talk of NC, CNC and DNC, there are applications for the textile, carpet, clothing and footwear industries.



Computer aided design (CAD) and computer aided manufacturing (CAM)

CAD is based on computer storage and manipulation of design specifications. It generally involves visual display units, light pens, and plotters linked to the computer hardware and software. Capabilities of these systems may range from two dimensional to three dimensional drawings. They may include methods for engineering modelling and analysis.

CAD/CAM uses a design data base to generate manufacturing data. From the design data, the CAD/CAM system generates tool paths to cut the shapes and drives an NC program which can be received directly in the machining centre. CAD/CAM is particularly useful in the design and machining of complex three dimensional shapes such as plastic moulding and die casting dies.

Robots

This term is used to describe easily-programmed, operatorless handling devices that can perform simple, repetitive jobs. They are mostly used for materials handling, and simple production tasks such as spray painting and welding. They were initially used for:

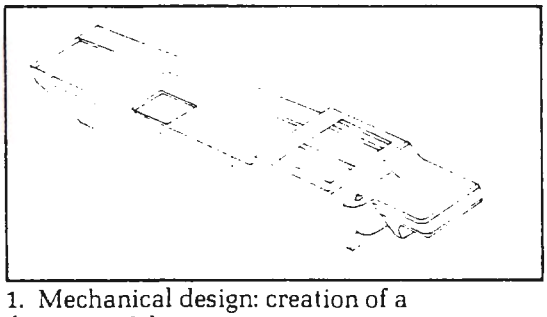
- machine minding (feeding and removal)
- heavy lifting
- handling hot parts

Industrial robots may be:

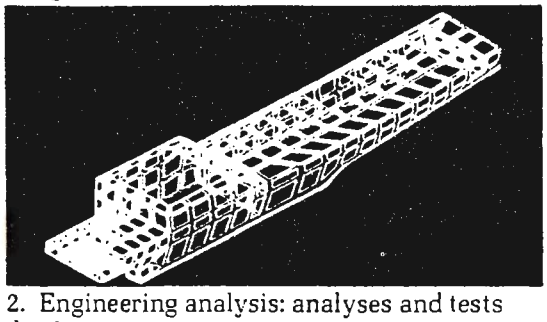
- **pick and place** – to pick up objects and place them elsewhere: the machine often has pneumatic rather than electronic controls
- **point to point** – these can be programmed to go to a limited number of defined points or places (e.g. spot welding)
- **continuous** – the whole range of movements can be determined, and the path followed completely determined (e.g. continuous welding)

Robots can normally only handle material presented to them in a predetermined way (e.g. at a certain angle, or a fixed location). However, some *vision* and *tactile* systems are now developed so that the robot can test the angle or location of the material to be handled.

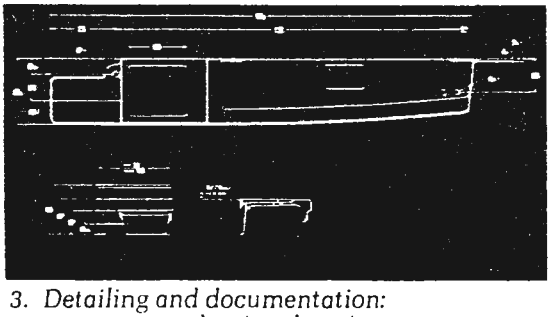
Computer integrated manufacturing: four stages of the manufacturing workflow (CAD/CAM)



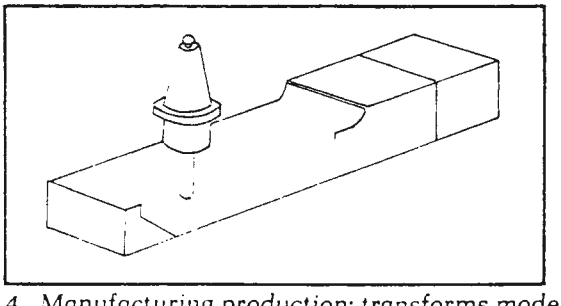
1. Mechanical design: creation of a design model



2. Engineering analysis: analyses and tests the design



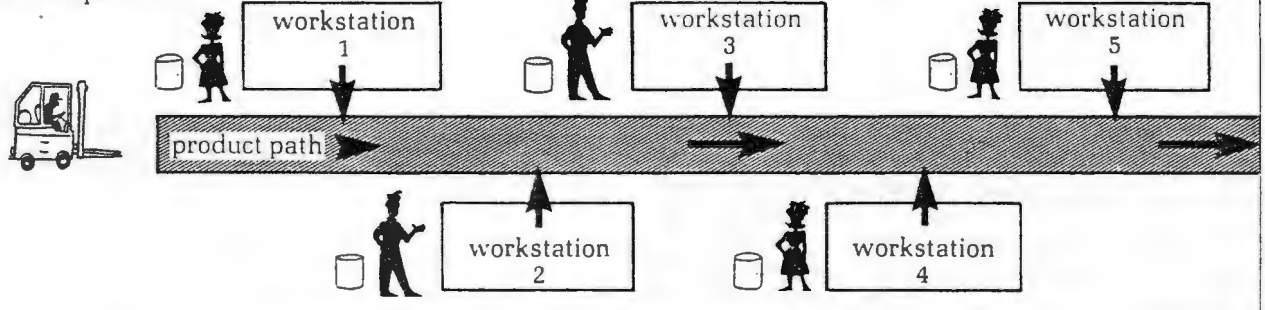
3. *Detailing and documentation: prepares production drawings*



4. *Manufacturing production: transforms model into complete machining sequences and provides tool paths*

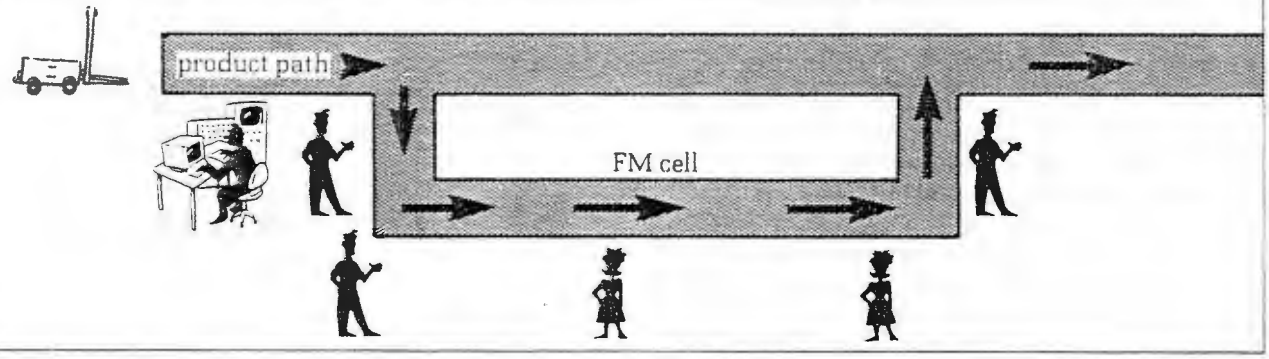
Horizontal division of labour

Work is performed at separate stations. Materials move by forklift from one station to another and are stored between processes



Horizontal integration of labour

An FM cell with an AGV enables all stages of processing to be performed at one workstation



Flexible manufacturing cell (FMC) or flexible manufacturing system (FMS)

A flexible manufacturing system is the grouping of diverse NC machines to produce a family of parts, linked by an AGV or other automated materials handling system, and controlled by a central computer. FMS is closely related to Group Technology.

The objective is to produce a range of components with efficiency approaching that of mass production, short lead times and reduced inventory.

FMS may produce different components and incorporate up to 28 machine tools. Part sizes may be as large as a one metre cube. The emphasis has tended to be on metal cutting (turning, milling and drilling), welding and some assembly. More attention is now being given to metal forming and non-metal manufacture.

Internationally, current FMS populations are:

Japan	70
USA	70
West Germany	30
USSR	60

The projected US population by 1989 is 8000.

Automated Guided Vehicles (AGV)

In conventional factories, material movement costs may constitute 30-40% of manufacturing costs. As more emphasis is placed on reducing lead times, the transfer of products between the various stages of production becomes more important.

The components of an automated guided vehicle system are:

- trucks, tractors or pallet trucks
- a wire guidance or similar system embedded in the factory floor
- load transfer equipment mounted on the AGV
- a traffic control system
- an on board microprocessor with control by a central computer

Various forms of automated and semi-automated guided vehicles have been used in warehousing for some twenty years or more.

Work organisation: an industrial issue

The way in which work is organised has always been an issue for trade unions, because it affects the working conditions of members. For example, the whole field of occupational health and safety is concerned with the elimination of hazards in the organisation of work, and in work methods and conditions.

Thus, work organisation issues are relevant when work and management practices are being examined.

Industrial democracy and **employee participation** are terms used to describe schemes of union/worker involvement in workplace or enterprise decision making. There are no universally recognised definitions for these terms and they are often interchangeable. The degree and level of involvement in decision making varies considerably and is a matter of negotiation between unions and employers.

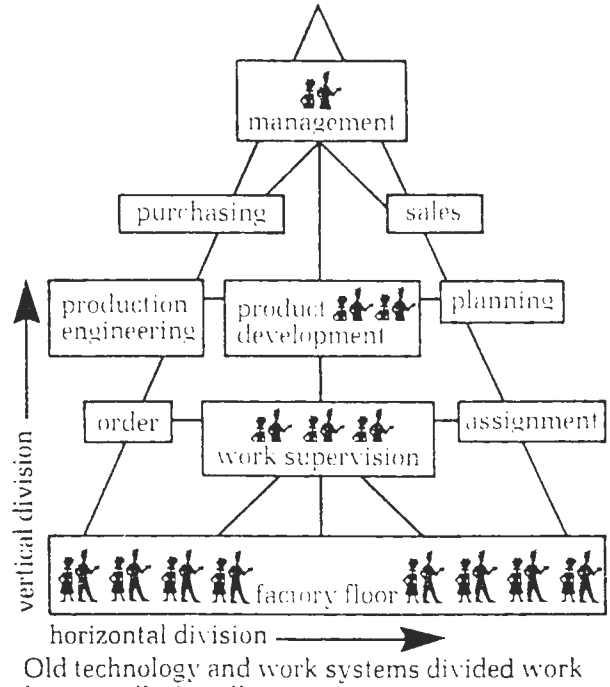
Taylorism is an old-fashioned concept of top-down decision making processes and work organisation, based on breaking work into the smallest separate single tasks. This led to the breakdown of skills (deskilling), increased repetition and the worst aspects of time and motion study. Today it is generally recognised that while the breaking down of tasks may assist in the design of machines, it is not advantageous in the case of workers, either to the workers themselves or to their output. Consequently, emphasis has shifted from Taylorism (the repetition of small tasks) to such concepts as job rotation and autonomous work groups, in which there is a greater use of skills and more control by workers of their work organisation.

Job design is the plan or design for carrying out work. It can include workplace layout, allocation of work, the order of work and so on. Taylorism obviously influenced job design in the past, but today the move is towards job re-design, to provide a better work environment, more involvement of workers and better work and quality (**job enrichment**). One result of job re-design may be **job rotation**, where workers exercise a number of skills by changing jobs periodically within the same work group.

Autonomous work groups and **semi-autonomous work groups** are terms used when arranging work to allow work groups to have varying degrees of control over their own work organisation. For example, a section of workers may be left to choose to organise themselves to work in a line and/or on a job rotation basis, or to work together as a group.

The Report of the ACTU/Trade Development Council Mission to Europe (1987) says: '. . . *the most important and most dynamic role for industrial democracy is* ***at the level of production*** *where the issues of skill formation, skill enhancement and work organisation are* ***critical*** *to the maximization of productivity.*'

Vertical and horizontal division of labour



Old technology and work systems divided work horizontally (small, repetitive operations at many workstations) and vertically (management, product design and planning, supervision and factory floor)

Information systems is a term referring to the structure of the flow of information within an organisation. With the development of industrial democracy, consultations on new technology and new production methods, and union and worker involvement in industry development, unions and workers are now much more concerned with information about the performance of enterprises. The tripartite National Labour Consultative Council has issued a very useful general booklet on *Guidelines on Information Sharing*. Unions are increasingly negotiating greater access for workers to enterprise information.

There is a growing number of negotiated agreements between unions and companies (and sometimes governments) where each side gives various undertakings leading to a commitment on the part of the company or government to invest (**investment agreements**). For example, a company may commit itself to investing $100 million on various forms of expansion and in local production, while, for their part, the unions agree to certain wage, work organisation and other conditions.

Skill formation

Skill formation, or the development of skills in the workforce, forms one of the major building blocks for the revival of industry. The term means more than training, although training (on or off the job) is usually a very important factor in skill formation and skill development.

A range of training programs is available to industry. Under the Minister for Employment, Education and Training, unions, employers and state governments consult on training provision. Some state governments have also taken initiatives in employment and training programs.

The main relevant educational area is **Technical and Further Education (TAFE)**, which provides off the job training in many trade and non-trade skills.

> *'The development of Australian labour skills will require an education and training framework geared towards increasing industrial skills and providing skills upgrading, changes in requirements for apprenticeships, and the provision of transferable and recognized qualifications in retraining programs.'*
> (AMC report on Future Directions)

Affirmative action programs (AA) are aimed at systematically dismantling barriers which discriminate against a particular group in employment. Successful affirmative action programs lead to **equal employment opportunity (EEO)**. The ACTU has produced an *Affirmative Action Manual (Part 1: In the workplace)* which shows how an affirmative action program can be negotiated. TUTA has produced a video associated with this manual.

Job protection and **job creation** (the creation of new employment) are major objectives of the trade union movement through industry development policy. There are likely to be issues in any consultations, negotiations and agreements around industry development issues such as productivity, technology and work practices.

A number of awards include the provisions of the Job Protection test case decision conducted by the ACTU in 1984 (Termination, Change and Redundancy). Briefly, this decision set new standards, giving workers:

- protection against unfair dismissal
- extended periods of notice on termination
- the right to be notified of major changes
- greater protection in redundancy situations

Six points for work organisation:

- focus on work groups rather than individuals
- devolve decisions, quality control to work groups
- build positive interaction between people
- physical design to encourage skills, co-operative work
- maximise skill levels – eliminate/reduce boredom
- continuous learning – training programs, educational leave

Resolving the issues

Management practices and **work practices** are customs and practices which have grown up in workplaces and control the way in which work is done. Some practices may be formalised in awards and agreements.

Restrictive practices are management and work practices which may inhibit production.

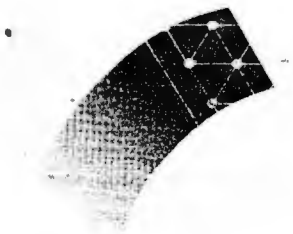
The ACTU, in a joint statement with representative employer organisations, emphasised that *'the resolution of these issues is most effectively carried out at the plant and enterprise levels'*.

Technology, production methods and work organisation have been given added prominence in recent years by:

- the need to revive manufacturing industry through improved production
- the increased rate of technological change
- the simultaneous introduction of new management techniques
- the demands by workers and their unions for involvement, through schemes of industrial democracy and employee participation and related issues like occupational health and safety, affirmative action and equal employment opportunities

One Industry Council has considered the following as illustrative of managerial and shop floor issues requiring consultation:

- an increasing ratio of staff to wages employees over time
- manning levels determined by tradition (one man/one function or machine) despite changes in production methods, technology or output or a mix of these three
- excessive levels of supervision and failure to delegate responsibility
- appointments to shop floor supervisory positions made on the basis of seniority rather than merit
- operating decisions highly centralised among senior management with poor lines of two-way communication to middle management and the shop floor
- inappropriate demarcation lines between similar occupations
- inadequate training provision for ongoing skills upgrading
- demarcation disputes between unions
- an absence of management/union consultation mechanisms
- lack of advance notification of retrenchments
- lack of attention to health and safety issues
- artificial controls on production
- poor planning mechanisms giving rise to the need for overtime
- failure to introduce new forms of work organisation such as materials or resources planning which give greater responsibility to the workers involved in production



The Future of the American Workplace

Tremendous changes in markets and technologies have dramatically altered the rules for competing in the global marketplace.

- Large U.S. manufacturers once dominated the world economy; today, foreign competitors control a larger share of world markets, partly because they have raised the standards of quality and productivity and generated pressures for reduced costs. U.S. firms have lost market share in many key industries, including automobiles, machine tools, and consumer electronics.
- High volume, standardized production was once the main competitive advantage of American business; today profits derive from high value-added customization of specialized goods and services.
- Technological changes used to come gradually; today, rapid development of new technology is shortening both product and process life cycles. Keeping up with market demands requires that managers and workers innovate continuously.
- Previous generations developed loyalties to nationally recognized brand-name products; today's customer tastes are less predictable and demand more innovative and higher quality products. Companies need flexible organizations and employees need new skills to provide specialized goods and services to increasingly fragmented markets.

In this new economic era, a firm's most valuable asset is a skilled, dedicated, and adaptable workforce. A firm's success is directly related to creativity, ingenuity, and problem-solving ability of its workers.

Skilled, educated workers have prospered in the new global marketplace. With their talents in high demand, these workers have experienced steady increases in income. Less skilled, non-college-educated workers have not fared as well. Throughout the 1980s, the incomes of the 75 percent of Americans who did not have a college degree declined steadily.

Increased competition and technological advances, together with slower economic growth, have eroded the economic security that front-line workers once took for granted. Workers who are laid off today face the threat of long-term unemployment and the possible need to develop skills in another field or industry.

What is the "New American Workplace"?

Some of the most successful public and private organizations in America recognize that the new marketplace requires a new workplace. They understand that their greatest competitive advantage comes from a skilled, dedicated workforce. Sometimes referred to as "high performance work organizations," these companies and public employers typically share some of the following characteristics:

- Commitment to continuous improvement of products and services and cost reductions;
- Decentralized decision-making, worker participation at all levels, and generally greater reliance on front-line workers;
- Productive worker–management relations based on consideration of mutual interests and concerns, and worker participation at all levels;
- Organization of work into flexible, cross-functional teams responsible for training, customer service, operational problem solving, and design and development of products;
- Managers who assume more leadership functions, including long-range planning, coaching, and facilitation;
- Ongoing training and retraining of all workers, including front-line employees;
- Wider information sharing between managers and workers;
- Flexible benefits and innovative compensation schemes, including profit-sharing, gainsharing, skill-based pay, and pay-for-performance systems;
- Demonstrated commitment to a safe and healthful workplace;
- Input from customers and suppliers involved in the design and development of products and services;
- Delivery of a greater variety of high-quality products at a lower cost through manufacturing innovations such as concurrent engineering, flexible manufacturing, and just-in-time production.

The Benefits of a New American Workplace

The transformation to new work systems offers potentially extraordinary benefits for companies, front-line workers, investors, and the American economy.

- Companies can lower costs, while increasing flexibility, speed, and quality. Many companies find that these changes reduce labor conflict, safety costs, and turnover as well.
- Workers receive more opportunities for skill advancement, pay increases, employment security, respect, safer working conditions, and a greater voice in decisions that affect them.

- Financial investors are rewarded with stable, long-term gains and communities with more stable employers.
- As a nation, new work systems offer an opportunity for real economic growth and vitality based on competitive enterprises and a highly skilled workforce.

What are the Barriers?

Despite the benefits of new work systems, many organizations have been slow to change. Numerous barriers impede the necessary innovations in the workplace, including:

- Transformation of the workplace is typically a multi-year process. It requires a long-term commitment of both time and money.
- Concurrent engineering, product development teams, and self-managed work teams conflict with traditional hierarchical organizational structures.
- Traditional organizations typically have polices, labor contracts, and other standard operating procedures that inhibit innovation and stifle creativity.
- Traditional accounting systems treat human resource costs, such as training and education, as expenses not investments.
- Established institutional systems—labor and tax laws, corporate structures, antitrust laws, and capital markets—are oriented to support traditional organizational systems.
- Labor–management antagonism creates barriers to trust, commitment, and cooperation.
- Participatory workplaces require front-line employees to engage in problem-solving, negotiations, and communications with customers and suppliers. Our current education system is not providing workers with the skills needed to perform these tasks.
- New work systems represent a fundamental redesign of the workplace and cannot be grafted onto the traditional, hierarchical organization. A systemic, rather than piecemeal, approach to change is needed.

Conference on the Future of the American Workplace

President Clinton is committed to promoting innovative work practices and has marked this issue as a central element of the Nation's quest for long-term economic prosperity. To demonstrate his commitment, he has asked Secretary of Commerce Ron Brown and Secretary of Labor Robert Reich to convene the Conference on the Future of the American Workplace.

This conference brings together leaders from business, labor, academia, and other sectors, as well as front-line workers, to discuss issues critical to the development of innovative workplaces. The meeting is a day-long working session to highlight examples of successful organizational transformation, identify barriers to change, and help define public and private strategies for encouraging more companies to adopt innovative work practices.

The goal of the conference is to accelerate the pace of workplace change in order to enhance the competitiveness of American business and improve the skills and standard of living of American workers. New work systems and strategies offer an opportunity to strengthen the Nation's ability to generate wealth, create jobs, and sustain economic growth.

The New Workplace

How does the New Workplace differ from a Traditional Workplace?

New Workplace	Traditional Workplace
Employee Empowered Workers are empowered with the knowledge and skills on all facets of work processes and business goals and actively participate in organizational decision-making.	**Management Controlled** Communication is mostly top-down and work is tightly controlled through management established procedures.
Work Teams Work is organized into self-managing units whose job boundaries cut across traditional organizational lines. Supervisors act as coaches and mentors. Workers are responsible for both production processes and organizational duties such as hiring and scheduling.	**Functional Departments** Work is organized by functional department, craft or trade with job boundaries well-defined. Jobs are designed with narrow scope and limited responsibility for the end product. Minimal cooperation between functions or departments.
Employee-Centered Workplace Policies Workers are viewed as an asset. The corporate culture is supportive, flexible, and sensitive to the needs of workers. Diversity is valued. Companies strive to create safe and healthy workplaces sensitive to worker family demands.	**Cost-Focused Workplace Policies** Impersonal corporate cultures focus on the cost side of employee issues. Conformance and uniformity are the norm and sensitivity to issues outside the realm of the job is minimal.
Continuous Innovation/Improvement Innovation is market driven and organizations continuously strive to improve the quality and timeliness of new products. Various departments collaborate in new product development establishing a system of concurrent innovation.	**Sequential Innovation** Products have long life cycles and innovation tends to occur infrequently. The process is slow and completed in stages as different elements of the development process are handled by a separate department and then "tossed over the wall" to the next.
Customer- and Worker-Driven Quality Quality and customer needs are the major drivers of change, with zero defects as the goal. Quality is continously measured by workers and results are fed back to all.	**Inspection For Errors** Nominal defect rates are accepted. Quality is the result of process adjustments and inspection at the final stages of production.
Tools for Competitiveness Measurement tools used by workers, such as statistical process control and benchmarking, are critical to gauging internal performance and external competition.	**Internally Driven Performance Standards** Managers track/record performance based on internal goals.

The New Workplace

New Workplace	Traditional Workplace
Flexible Production Processes Leading-edge technology is implemented as a complement to the skills and knowledge of workers. New technology and production methods provide the ability to introduce new products quickly and to produce a greater variety of products in lower volumes. Tightly integrated systems provide "real time" information to the shopfloor.	**Inflexible, Deskilling Technology** The technical system dominates the work. Inflexible systems produce standard products in high-volumes and severely limit the introduction of new products. Workers are viewed as the extension of machines, completing repetitive tasks following standard procedures.
New Worker Skills Work requires creative thinking, self motivation, and academic basics. Problem-solving, decision-making, business, financial, negotiations, and interpersonal skills, in addition to technical skills are essential for workers.	**Technical Skills Only** Labor intensive work requires the technical skills to get the job done, no knowledge of product or process outside the immediate task is necessary.
Worker/Management Cooperation Relationships are based on mutual interests and a cooperative approach to problem solving. Brief "compacts" outline the collaborative relationship between workers and management.	**Adversarial Worker/Management Relations** A power/rights-based system. Distrust between workers and management often prevents flexibility in responding to change. Relationship defined by extensive rules.
Innovative Compensation Plans Pay increases based on skill attainment and/or performance. Systems reward worker contributions, such as teamwork and quality.	**Seniority-Based Compensation** Pay determined by rigid job classification rules that are based on tenure with the company.
External Partnerships Strategic alliances with suppliers and customers provide feedback and collaboration to increase quality and productivity. Networks of industries and corporations encourage information sharing and co-innovation.	**Few Alliances** Suppliers are viewed as bidders and kept at a distance from product development. Customer feedback is not actively sought. Company information is closely held to maintain competitive advantage.

Summary of training/skills/grading/adult basic education issues - for discussion at COSATU Participatory Research Project

1. Introduction:

The Participatory Research Project is an initiative taken by COSATU following the National Congress in 1991 which it adopted a a number of resolutions relating to training, skills formation and adult basic education (see attached resolution). The project, which started in September 1992, is expected to undertake research into how best to restructure the industrial grading, skills training and adult basic education systems in South Africa in order to provide the maximum benefit to workers.

2. Background:

These reforms are being sought for a number of reasons:
1) Economic
2) Industrial
3) Educational

2.1. Economic

Many S.A. firms have been protected by high tariffs and insulated from the world during the period of international sanctions. As these sanctions are removed many firms/industries are discovering that they cannot compete for export markets because their costs are too high. In many cases they are also unable to compete against foreign imports for the local (S.A.) markets.

Failure to compete means, ultimately, the closure of plants and the retrenchment of workers. This has been happening particularly in the mining and manufacturing industries for the past few years and more recently in the service-based industries. Hundreds of thousands of workers have already lost their jobs. Government-based workers are also affected by cutbacks to services to make savings because of reduced tax revenue as a result of closures and retrenchments.

To enable SA firms to become competitive (and survive, or even grow) it is necessary for these firms to lower their costs by improving their productivity (reducing the cost of inputs in relation to the price of the outputs).

The crisis in S.A. industry is partly a result of the way employers respond to these problems. Most S.A. employers seek to achieve productivity improvements in one of the following ways:

* closure of local plants and re-investment in new production facilities in the homelands/overseas where wages are cheaper.
* investment in new (labour-saving) technology
* freezing or lowering of wages (in real terms)
* "casualisation" of the labour process by introducing part- time/casual jobs, shorter working weeks, contract labour,etc.
* abolishing working conditions like sick/maternity leave, shift allowances, tea breaks, health and safety regulations, etc.

This process is sometimes described as "structural adjustment" or the "restructuring of industry".

In other words most S.A. employers see the only way to improve their productivity is by **reducing labour costs.** In contrast, employers in northern Europe and northern Asia believe higher productivity can be achieved by investing in higher skills, higher wages and work organisation changes.

2.2. Industrial.

The implications for workers from this employer-driven restructuring process is that wages decline (or at best are held at the inflation level) and jobs are lost. Unions are faced with a difficult dilemma. If they pursue high wage increases for their members, employers will respond by retrenching workers. If unions seek to protect jobs at all costs then they are locked into a process of holding down (or even lowering) wages.

In other words, employers control the restructuring process because they control investment (where they invest, how much, and in what form). Unions do not control investment decisions but they can control/influence the labour process - work organisation, working time and skills/training.

It is in this context that skills and training needs to be considered because by intervening in the restructuring of industry by controlling/influencing the training/skills process, unions can improve their bargaining position. By giving workers more skills and enabling them to perform more complex and rewarding jobs, workers can improve their relative wage position. How ?

Some simple facts:

* High skilled workers get paid more than low skilled workers

* The wages of high skilled workers have increased at a faster rate than the wages of low skilled workers.

* High skilled workers get a "wage drift" (this is a premium paid by employers above the wage rate negotiated by unions through industrial councils; the payment of this premium thus reflects the scarcity of the skill) which is not available to low skilled workers.

* There are more employment opportunities for high skilled workers.
* There is already a shortage of high skilled workers which is likely to last for at least another ten years. Shortages (a skills scarcity) drives wages up.

2.3. Educational

The apartheid educational system was designed to deliberately under-educate the oppressed majority. The lack of education means that generally COSATU members and oppressed South Africans are concentrated in low-skilled/low wage occupations (or unemployment) with little opportunity after their school years to do further training and get better paid jobs in industry and government.

In fact even though apartheid structures have disappeared the lack of a basic education is being used by the technical and higher education authorities to prevent workers/oppressed majority from undertaking any further training.

In other words, the lack of a good basic education and further education/training opportunities means that most adults in the workforce today have little hope of improving their standard of living for the rest of their lifetime unless the training system is reformed.

If workers are locked into low-skilled jobs because of no new training/education opportunities and unions cannot increase the wages of low-skilled workers without risk of massive retrenchments then the economic position of most workers will not improve and may even decline.

3. HOW CAN THIS BE CHANGED (ENGAGEMENT STRATEGY)

To overcome these problems and deliver a future with better outcomes for workers the union movement needs to develop an **industrial strategic offensive.** The union movement needs to take the initiative from employers and start controlling the restructuring process by intervention in four critical areas.

3.1. Economic/industrial strategy

The SA economy is characterised by being a resource based economy with low value-added production i.e. low beneficiation, (eg mining, agriculture, timber, pulp, steel, cheap clothing, basic services, etc) requiring a workforce with low skills and low wages. To remain competitive (as a resource based economy), South Africa must compete with other low wage economies (where wages are even lower than in S.A.) To do this wages must be held down. If wages are to rise significantly then there must be massive retrenchments and more automated production.

An alternative approach is for S.A. to become a high value added producer (computers, robotics, industrial machinery, transport equipment, fashion goods, specialised services) requiring higher skills and where the competing countries pay much higher wages to their workers. In this way it is possible to increase the wages of workers significantly without becoming uncompetitive.

3.2. Work Organisation changes

The existing methods of production in factories and offices are based on systems of "scientific management" which involve the performance of simple jobs requiring low skills, little or no training, performed on a routine basis for which workers are paid low wages and require extreme levels of over-supervision. There are no career opportunities - as a result a worker can perform the same job for their whole working life. Promotion is usually determined on the basis of racial, gender, ethnic background, age, the length of employment or how well the worker gets on with the boss (attitude).

New methods of work organisation are required which broaden the functions and skills of the worker involving a range of tasks, more teamwork, more planning and self supervision requiring more skills and more training. Workers must be paid higher wages for performing higher skills.

3.3. The skills/wages/grading nexus

Existing industrial grading systems in S.A. are predominantly task- based which operate to reinforce the "scientific management" work organisation systems, described above. They lock people into narrow task-based job descriptions and provide little or no opportunity for promotion/career advancement.

These task-based grading systems should be abolished and replaced by new skill-based grading systems which reward higher skills with higher wages and create new career path opportunities built around training and skill formation.

The objective then is to improve the skills of workers so that they can get increased wages and improve their standard of living. The design of the new (skills-based) grading systems will be based on the development of new skill competency standards for each level and will also be linked to educational qualifications (certificate, diploma, etc). In future workers will be graded according to the skills they hold and exercise (and not by the task/job they perform).

Movement up the grading system (a career path) will be determined by one criterion alone - skill competency. Provided a worker can demonstrate that he/she can competently perform the job to the required standard within specified conditions they can be regraded at a higher level and get a wage increase.

In some cases, workers will be able to demonstrate that they already have acquired the necessary skill competency from work experience or informal training so they will be able to achieve a re-grading to a higher level without doing any more training. This is because under the existing task-based grading systems their skills are not recognised and therefore they are under-paid.

Under this system it is possible for workers to get an skills - regrading wage increase in addition to an across the board inflation-indexed annual wage increase negotiated by their union. This system of tying wages to skills is called the **skills-wage nexus**. In this way training becomes a central focus of industrial wage bargaining.

4. Skills Training and Adult Education

The negotiation and implementation of new skills grading systems is however meaningless unless there are also sweeping changes to the existing skills training and adult basic education systems The present training system is inefficient, inaccessible, inflexible and discriminatory. These reforms need to focus on:

a. ***means to improve the opportunities for workers to do training by removing existing barriers which prevent them getting more skills. These barriers include:***

low levels of literacy/numeracy
lack of paid education/training leave
high cost/fees of education/training
inflexible course scheduling arrangements
restrictive course entry requirements
lack of child care

b. ***means to improve the quality of the education and training that is delivered to workers so that training courses result in improved educational and technical skills.*** This can be achieved by:

developing skill competency standards
developing arrangements for accrediting courses
developing arrangements for registering training providers
improving the provision of teacher training

c. ***means to improve the recognition of this learning to make it easier for workers to transfer their skills between different employers in all parts of the country and/or to continue to undertake further training. This can be achieved by:***

*developing arrangements for the recognition of prior (informal and formal) learning.
*issuing nationally recognised certificates for all accredited training courses
*developing a nationally integrated system of training which links all levels of the training and education system in all parts of the country
*developing systems for credit transfers between different training providers at different levels in the training system.

d. ***means to ensure that the benefits of training and education result in better rewards for workers by:***

*developing linkages between educational/training certificates and industrial grading systems.
*creating skills grading systems which reward higher skills with higher wages
*developing new work organisation production systems and redesign jobs which around new skills which provide more rewarding interesting and varied employment.

COSATU PRP : Executive summary

1. Problems with the existing system

1.1. Education and training

The apartheid system has left many legacies, particularly in terms of education and training, which will continue to have a lasting impact on adults unless radical sweeping changes are made by the new democratic government to the national education and training system.

For the majority of the country's population the existing education and training system is :

* inequitable,
* inaccessible,
* inflexible
* ineffective.

1.2. Grading/wages

In addition to these problems, most workers are employed under grading systems which do not recognise their skills, particularly if these have been informally acquired through experience and practice on the job. Accordingly, most black workers are concentrated in low-skilled, low wage jobs and have little or no opportunity of acquiring skills through workplace training programmes which will enable to move into higher skilled higher wage employment during their working life time.

In other words, despite the political changes which are forthcoming with the election of the new government, most workers cannot expect a significant material improvement in their working conditions unless changes are made to grading systems which both give recognition to existing skills and open new opportunities for training and skill related wage systems.

The COSATU PRP project has put forward a comprehensive package of proposals for restructuring the training and grading systems in South Africa which go a long way towards removing the discriminatory practices, inaccessibility. ineffectiveness and inflexibility of the existing system.

The proposals on grading and wages are intended to meet four principal objectives:

a. to improve the wages of workers and reduce the disparity between low skilled and skilled workers.

b. to create career path opportunities for all workers in all sectors based on skills/training which will enable them to progressively move upwards over their working lifetime.

c. to remove discriminatory practices, built on gender or racial bias by ensuring that fair assessment methods based on skills are used for promoting people and providing access to training.

d. to enable workers to increasingly intervene and take more control of the production process.

These proposals are formulated under a national integrated framework for training and education which is tied to the process of wage bargaining through the development of a **skills-wage nexus.** This approach sees training as an industrial bargaining issue.

2. Framework for a national integrated ABE, training and education strategy.

The PRP has developed extensive proposals for a national education and training strategy which provides direction for COSATU's affiliates to intervene at both the national and workplace level in education and training negotiations.

In developing this strategy, the PRP proposals also go a considerable way in meeting the demands for redress and overcoming the inequalities in education and training of four decades of apartheid policies. The proposals also address the issue of developing skills to meet the needs of development programmes, job creation schemes and industry restructuring programmes.

The PRP has recommended that a new national education and training strategy must be built around a framework which has the following key elements:

2.1. National standards

All education/training and assessment must be determined on the basis of competency (the ability to perform a job to a required standard). Competency assessment enables workers to gain recognition for skills they have acquired informally/on the job even though they may not have a certificate.
There are two major implications of this approach.

* Firstly, all the curricula (course objectives, outcomes, teaching and assessment methods) will need to be re-written in terms of competency outcomes.
* Secondly, national competency standards will need to be developed in each industry / sector and generic core standards across sectors

Unions must become involved in the development of both. Unions must ensure that standards reflect broad skills and knowledge and are not narrowly task-based in definition.

2.2. Curriculum

The need for an integrated education and training system means that the curricula for traditional (and new) training courses has to be broadened to include core educational skills such as literacy, numeracy, communication, problem solving, planning and the ability to undertake further learning. These core skills should be built into the curricula of all training courses at all levels.

Also because of the legacies created by the apartheid policies in the education system there is an enormous need to redress the educational deficiencies of the workforce and adult population generally. The PRP proposals have defined core educational skills for ABE programmes.

While the need for core educational skills was identified and endorsed the precise proportion of the core component has not been specified. It is clear however that interim strategies will have to be developed to to move away from the current separate (dual) non-integrated system of predominantly vocational (job specific) courses.

2.3. Accreditation.

Education and training must be delivered by accredited providers to ensure that there is national consistency in the quality and content of the education/training course. This helps to ensure that adults get recognition for their skills in all parts of the country by employers (in terms of work and wages) and by education providers (in terms of access to further learning).

The process of accrediting education/training providers will be based on the legal requirement that providers meet certain criteria such as

* meeting nationally defined standards/competency outcomes,
* non - sexist / non racist curricula,
* properly trained trainers, etc.

Unions will be required to monitor this system by ensuring that their members do not undertake training by non-accredited providers.

2.4 Certification.

All accredited education/training will be recognised by a national certificate of competence at all levels of learning. This implies that new certificates will be introduced at levels below the artisan providing nationally recognised and structured training programmes for operator-level workers for the first time. COSATU is recommending four levels of certification for ABE/T below the artisan levels.

The proposal is for an integrated system of certification for education and training at all these levels. This implies (and requires) that all training will include a core component of educational skills that are transferable across all industries.

2.5. Credit transfers.

An integrated system of certification is also dependent upon the linking of all institutions of learning to enable credits of lower level courses, or informal learning, to be transferred to higher ones across systems of education, training and ABE. The development of national competency standards assists and facilitates this process for credit transfers.

In this way there are no artificial barriers created in progressing to higher levels of learning.

2.6. Access

In order to extend the benefits of these changes to the majority of the employed (and unemployed) adults, a range of initiatives are required for improving access arrangements to formally structured education and training programmes.

Among the most important of these are:

* the right to paid education and training leave,
* removal of unnecessary minimum educational entry requirements,
* grants and wage support for the duration of the training,
* child care facilities in institutions of learning,
* flexible (and multiple) entry and exit points,
* modular based courses of reasonable length (30-40 hours)
* legislation to prevent discriminatory practices.

2.7. Educator/Trainer Development

The delivery of accredited ABE/education/training programmes and ensuring quality outcomes by the variety of providers operating in a multiple delivery system will depend upon the delivery of the courses by trained and competent trainers/educators in both vocational and ABE programmes. This will call for an urgent upgrading and expansion of the trainer/educator workforce.

Programmes to co-ordinate and fund this upgrading will need to be implemented immediately, and generous remuneration packages should be put in place to encourage skilled adults with the appropriate technical skills to move to a training/educator role. This is likely to create immediate shortages of skilled labour vacancies in the workplace which employers must be encouraged to fill through structured accredited training programmes for their employees - not by the importation of skilled labour from overseas.

3. Integration with Labour market planning

While there is an urgent need to develop an integrated education and training system, it is also crucial that this integration needs to extend to linkages with labour market planning.

To achieve this linkage, it will be necessary to incorporate into the education/training system the programmes for specially targetted groups within the labour market such as:

* school leavers,
* marginalised youth,
* retrenched workers
* unemployed people,
* migrant workers
* women,
* rural residents,
* returned exiles

This linkage can be made by ensuring that all education/training programmes for these specially targeted groups be brought under the same education/training objectives/criteria which will govern education/training outcomes for workers in full time employment.

To this end, COSATU is recommending that job creation schemes and public works programmes funded by the state and co-ordinated by parastatals and/or the Department of Manpower need to make provision for properly structured and credentialled education/training programmes for all employees in accordance with the proposed national education and training strategy. Existing Department of Manpower training programmes need to be upgraded and delivered on a competency basis by accredited providers.

Contracts of employment for job creation or public works programmes/schemes should also be contracts of training for a minimum period of time to enable adults to acquire a useful and nationally recognised skill that will provide them with the ability to find further work at the completion of the project.

Furthermore, the various assistance schemes and incentives (such as wage subsidies) that the State provides to employers to encourage them to engage in the training of the workforce and/or the employment of unemployed people should be tied to legally binding contracts of training (which in turn must be tied to the delivery of structured, accredited education/training criteria).

4. Skills-based grading systems and wage bargaining.

New grading systems for each industry sector are recommended. Existing grading systems (which define workers according to tasks and serve to entrench narrow low-skilled Taylorist modes of production) should be abolished and replaced by new grading systems which reflect skills. Each level in the grading system must be defined by competency standards which in turn are linked to certificates of learning. Progression up the grading system is based on the acquisition of higher levels of skill competency.

Promotion (career path progression) is determined by one criterion only : skill, as assessed by nationally defined competency standards. All other criteria (such as race, sex, age, etc) which have been arbitrarily applied by employers in the past, usually on a discriminatory basis, are now removed.

Each level is also linked to a wage relativity. Progression from one grade to another results in defined wage increase (possibly 10 per cent). This provides an incentive for workers to undergo training. It also means that employers are required to pay for skills acquired by workers.

The implication is that wage bargaining is now intimately tied to education/training strategies. Access to training will determine skill levels which in turn will determine grading and wage levels. Accordingly, unions (and companies) need to ensure that their training and wage bargaining strategies are closely co-ordinated.

By locating skill/training objectives within a wage bargaining process, unions are able to more closely determine appropriate education/training outcomes which best serve their members' needs, rather than have these arbitrarily determined by individual employers at random.

By locking employers into a national education/training framework, unions can ensure that education/training outcomes at different workplaces are nationally consistent. The ability to transfer nationally recognised skills between different employers (portability) gives individual workers increased wage bargaining power.

It may also serve to push employers into centralised wage bargaining forums, where these do not presently exist. If training arrangements at individual workplaces are to be determined on the basis of nationally co-ordinated negotiations and strategies, and if training is being linked closely to wages through the introduction of skills grading systems, then it no longer makes sense to determine wage outcomes at the workplace level.

The two processes have to be co-ordinated and linked at national and workplace level. Accordingly, this points to the need for a system of two-tier wage

bargaining in which national skill competency based grading/wage payments are determined centrally with the opportunity for plant-level bargaining around productivity/profits.

5. Governance

To facilitate these changes it will be necessary to restructure state institutions which have responsibility for education, training and labour market planning (and to create new ones) which can develop, monitor and enforce these new arrangements.

The creation of tri-partite (and multi-partite) statutory bodies is recommended for developing:

*overall policy frameworks,
*standards setting,
*accreditation
*certification.

The PRP has also made further recommendations on changes to legislation, funding arrangements and priorities.

6. Role of the unions.

The unions have an important role to play in both restructuring the institutions responsible for training/education and engaging in policy negotiations within these forums. These negotiations will primarily be undertaken in a few principal areas:

National negotiating forums - overall policy framework
Industrial Councils - grading systems/standards
Standard setting bodies - standards development
Training delivery bodies - curricula/standards

Unions must ensure that their representatives have the understanding and ability to represent their interests competently in these negotiations and that the membership is kept informed and involved in the process. An extensive shop steward/officials education programme is urgently required.

Moreover unions need to closely co-ordinate their wage bargaining policies with their training policies.

APPENDIX C

COSATU CEC WORKSHOP 18 NOVEMBER 1993

Summary of discussions and recommendations

Session One : Introduction to workshop

1. Introduction (Jayendra Naidoo)

1.1. Aims of the workshop (As per agenda)

* To discuss PRP report and

* To develop an integrated perspective on policy formulation in COSATU in a way that will allow us to make policy that will address our needs and discuss a process to take our policies forward

1.2. What are the issues

* dealing with employed and unemployed

* effective delivery system

*education and training

*wages

* industry restructuring

* workplace reorganisation

All issues above to be discussed in the context of the proramme for economic reconstruction and raising living standards of people

Session 2: ABE, education and training

The PRP presentation by Rahmat Omar covered the following

2.1. The PRP has identified four key areas for intervention in restructuring ABE, education and training. These are :
* expanding provision and improving access
* improving the quality of education and ABE and training
* providing recognition of this learning
* ensuring benefits of education and training result in better rewards

2.2. The diagrams presented showed:
* overview of areas covered in PRP recommendations
* problems under apartheid
* four new levels of ABE/T
* education and training system with multiple entry points, linkages and four new levels
* proposed structure of governance for ABE, education and training
national standards, certification/assessment, curriculum, recognition of prior learning, credit transfers, teacher training, accreditation

2.3. Guidelines for strategic interventions by affiliates

Recommendations
The workshop recommended that CEC accept the PRP framework with the following issues to be addressed:

* the system should cater for vulnerable workers and unemployed workers

* what to do about commercial providers who provide narrow ABE/training

* some issues in relation to proposed governance structure
  eg - duplication of national consultative structures at regional level
  - powers and functions of consultative structures
  - capacity of civil society
  - ABE Council to be linked to NETB and IETB's
  - link NETCC and NSSB substructures

* On the curriculum the meeting agreed on the need for a combination of general and vocational elements in the ABE curriculum. But the proportion of general and vocational recommended by PRP (i.e. 70 % general) was not accepted.

Session Three : Wages

3.1. Presentation from LWC by Jane Barrett raised the following issues:

* Living wage
* narrowing wage gaps
* centralised bargaining
* productivity
* social wage

Other issues covered in the presentation
* levels of bargaining and standard setting (national, sectoral, enterprise)
* national minimum wage (national for marginalised sectors?)
* attack on industrial councils and reduction in wage determinations
(See attached notes)

The workshop had a lively discussion on the issue of national and sectoral minimum wages. The workshop delegates stressed the need for a COSATU policy on this issue -- there has three years of discussion and stillI no policy. A policy is urgently needed particularly as a basis for a COSATU response to the MERG report, discussions on wages for people in job creation schemes, youth corps, peace corps.

Various unions commented on this issue - eg FAWU and NEHAWU indicated that the debate was no longer about the principle of a national minimum wage but where and how it should apply. CWIU opposed the idea of legislating a minimum wage, emphasised the struggle for for a living wage and further recommended that this discussion be deferred.

SACTWU argued that we are in a position to take a decision on this issue and proposed a summary as follows:

* COSATU has a policy on setting minimum labour standards - this includes wages.
* Standards can be set through legislation or through collective bargaining. COSATU supports collective bargaining. In practice this means centralised bargaining and a platform of workers rights
* in the interim minimum wage levels should be legislated for badly exploited workers .

CWIU suggested that the proposal be referred to affiliates for discussion and decision by January 1994 EXCO.

To be decided by CEC.

3.2. Skills grading system:

PRP proposals presented by Sam Morotoba covered the following:

* problems with current systems
* effect on wages
* advantages of skills grading systems
* what a skills grading system could look like
* how to move from current systems to skills grading systems

Affiliates raised a number of concerns, including:

* how to answer the needs of workers who are skilled and ready for advancing along a career path in an industry where the possibilities for advancement do not exist because of the nature of the industry.
* emphasis on raising wage levels of lower grade workers is resulting in a neglect of higher grade workers who are leaving the unions.
* proposals for career paths for lower grade workers is meeting negative reactions from artisans.
* the impact of such a policy on national inflation
* too many grades in the example given.
* concern about multi tasking being "sold" as multi skilling
* how to link this strategy with strategies for reconstruction and economic growth
  - eg are we working on the assumption that we cannot win the demand for a moratorium on retrenchments?
  - retraining of retrenched workers for work in other sectors can only work if there is growth in other sectors.
  - we have to convince employers to see human resource development as an investment, not a cost.

Recommendation

After the discussion workshop recommended that CEC accept the framework presented on the basis that :

* the PRP framework provides a useful strategy to deal with a number of the issues raised in the workshop,

* that enough similarity exists in the issues affiliates are battling with and that the PRP recommendations provide a comprehensive strategy for dealing with these issues- eg career paths, skilled workers.

* COSATU has the responsibility to ensure that it addresses the most important issue - that the strategy is seen as part of a broader package of policies on reconstruction. If introduced piecemeal, workers will suffer.

3.3. Productivity

A short input was made by Alistair Maichin of the PRP

During discussion affiliates indicated that COSATU should look more closely at the issue of productivity. We have to be clear about the gains and losses of strategies to improve productivity .

* eg reduction in the defect rate in production will result in job losses unless the market for the product is increased. Similarly multi skilling has an upwards and downwards effect - it may work in favour of lower grade workers who can now do more skilled work in addition to what they have always done, but it will cause a negative reaction from higher skilled workers who now have to do work which they consider to be below them. Another issue relates to strategies to increase productivity through increasing the intensity of work. The issue of productivity opens a range of new issues which require a new set of struggles.

* the key issue for COSATU to address is how to link the discussion about productivity with job creation, economic growth, increasing the size of the domestic market through a high wage strategy and increasing the market externally.

* union strategies on provident funds must be re-examined - if unions buckle under pressure from workers for provident funds to be paid out, it will kill the concept of provident funds as a national asset for investment.

* Manufacturing industry is central, it is the engine of economic growth and therefore South Africa has to expand its manufacturing base.

The workshop recommended that COSATU should hold further discussions on productivity,

Session Four : Institutional framework

Presentation by Lisa Seftel

The presentation covered the following:

a. National level: economic and development
labour market and industrial relations
institutional framework for ABE education and training

b. Industry level: issues, bargaining structures

c. Plant level : issues, bargaining structures

Recommendation

The paper should be reworked so that it presents clear issues and options for affiliates to debate. The reworked document should contain

* a summary of existing policy eg congress resolution on relationship between different forums

* the questions in the paper should be reformulated so that the debate is clearly presented with options for affiliates to discuss.

* The research unit should be drawn in to support COSATU's policy discussion in this area. The first task will be to collate research which has already been done. Then a proposal can be developed on further research which may be required.

* Time frame for discussion paper : ready for EXCO in January and further discussion at workers' rights workshop

Session Five: The way forward

Presentation by COSATU GS (Sam Shilowa)

The presentation covered the following:

1. Research: - to help us develop policy
   - *PRP phase 2
   - * NALEDI

2. Policy development
   - * PRP phase two
   - * Conference on worker rights and reconstruction
   - * Campaigns Conference 1994

3. Capacity building
   - * see recommendations in secretariat report at congress 1993 on restructuring of COSATU
   - * PRP phase two

4. Recommendations from earlier sessions

Recommendations

* Add under research : COSATU needs to make a response on the whole MERG report, not only on wages section. COSATU should discuss the ongoing work of the ISP.

* CEC should decide where the issues discussed today can be taken further eg on Living Wage Committee (see recommendations of cost cutting committee)

* Policy development requires a concrete programme for developing capacity of African comrades eg to produce discussion papers, make presentations.

BASIC PRINCIPLES

adopted at COSATU Fourth National Congress July 1991

Basic principles on Training

a. Training should be linked to economic planning and form an integral part of our attempts to restructure the economy.

b. Unions should play a central role in planning, implementing and monitoring training, with agreed procedures for selection and testing. COSATU and its affiliates should involve themselves in restructuring existing training boards.

c. The effects of past class, race and sex discrimination should be fought.

d. Employers have a duty to train and to help finance training.

e. All workers have a right to paid education and training leave. Retrenched or unemployed workers have a right to retraining to help them secure employment.

Principles on training (cont.)

f. Education and training should continue throughout a worker's life to enable him/her to keep pace with technological change and develop his/her abilities.

g. There must be clear links between formal schooling, adult education, industrial training and other education and training systems (eg for youth and unemployed)

h. Training must link to grading and pay. Increased skills must mean increased pay. Workers must be able to advance along a career path through training.

i. Training must lead to national or industrial certificates.

j. There must be provision for recognition and pay for skills which workers already have.

k. Training of trainers must be a central part of the system.

Principles on adult basic education

adopted at COSATU Fourth National Congress July 1991

We need to negotiate with employers and the state for nationwide adult basic education programmes open to workers and the wider community and based on the following guidelines:

a. Courses must provide a general basic education and must be based on clear standards allowing advancement from one course to the next.

b. All courses must lead to nationally recognised certificates, equivalent to formal education certificates and must enable entry into training programmes.

c. Employers and the state must provide facilities for classes, paid time off for workers attending and must assist in paying for teachers and the costs of development of teaching materials.

d. Recognition of existing skills

e. Use of existing training centres and state colleges to promote adult basic education

f. Agreed principles for evaluation, the selection of teachers and the development of programmes.

Women Workers

Resolution adopted at COSATU Fourth National Congress July 1991

Women workers face particular problems which need to be addressed. We want:

a. Women's skills to be recognised and paid for - "equal wages for skills of equal value."

b. Women trained for skilled jobs normally performed by men.

c. Career paths for areas of traditional women's work

d. To make it easier for women to receive training - by the provision of childcare for all trainees, equal facilities for men and women, and non sexist documentation.

Special Initiatives in regard to Women Workers

1. Intake and facilites
2. Code of Practice
3. Documentation to be non-sexist
4. Recognition of Prior Learning
5. Exposure to non-traditional work
6. Full maternity and childcare rights for trainees
7. Promotion of career paths in traditionally female areas of work eg. office administration
8. End sexual harassment

Basic Principles on the education and training system

(adopted at COSATU Fourth National Congress July 1991)

We reaffirm our commitment to work for a single, non racial and non sexist educational system geared to meet the needs and aspirations of society as a whole. Apartheid education is an instrument of domination. We are committed to:

a. destroying all forms of apartheid, open and disguised in the current educational system.

b. free and compulsory schooling for all children

c. curricula which develop literacy, numeracy and the ability to think critically

d. a formal education system which is not purely academic but is geared to providing scientific and technological skillls which can contribute to the development of our country.

e. Our economy needs massive growth to provide jobs and improve standards of living. But there is a serious shortage of skilled workers.
* Large numbers of adults (victims of the government's policies) lack proper basic education.
* Many lack literacy and numeracy skills and are unable to benefit from training programmes.
* Urgent steps are needed to provide extensive basic adult education and training.
* We need the skills to run industries, to shape and develop economic policies, to build a democratic society and enhance job creation.