# Framework for Monitoring and Evaluating the Mandatory Grant: Final Report

## 29 May 2020

## Authors: Eureta Rosenberg and Mike Ward

| PROJECT TITLE | *Develop a Monitoring and Evaluation Framework for the Mandatory Grant* |
|---|---|
| CONTRACT NUMBER | *475.4710.644* |
| START DATE | *23 July 2018* |
| END DATE | *01 March 2020 extended to 31 May 2020* |
| CONTACT DETAILS | *Prof Eureta Rosenberg, E.Rosenberg@ru.ac.za, 082 739 4378* *Mrs Carlene Royle, c.royle@ru.ac.za* |

# Contents

# Acronyms and Abbreviations

| | |
|---|---|
| **APP** | Annual Performance Plan |
| **ATR** | Annual Training Report |
| **CHIETA** | Chemicals Industry Education and Training Authority |
| **DG** | Discretionary Grant |
| **DHET** | Department of Higher Education and Training |
| **DPME** | Department of Planning, Monitoring and Evaluation |
| **DPSA** | Department of Public Services Administration |
| **ETDP** | Education, Training and Development Practices |
| **EWSETA** | Energy and Water Sector Education and Training Authority |
| **GWMES** | Government Wide Monitoring and Evaluation System |
| **HR** | Human Resources |
| **HRDC** | Human Resource Development Council |
| **KPA** | Key Performance Area |
| **LMIP** | Labour Market Intelligence Partnership |
| **M&E** | Monitoring and Evaluation |
| **MG** | Mandatory Grant |
| **MPAT** | Management Performance Assessment Tool |
| **MTSF** | Medium Term Strategic Framework |
| **NEPF** | National Evaluation Policy Framework |
| **NDP** | National Development Plan |
| **NSA** | National Skills Authority |
| **NSDP** | National Skills Development Plan |
| **NSF** | National Skills Fund |
| **NSFAS** | National Student Financial Aid Scheme |
| **PFMA** | Public Finance Management Act |
| **PSET** | Post-School Education and Training |
| **QCTO** | Quality Council for Trades and Occupations |
| **SAQA** | South African Qualifications Authority |
| **SDL** | Skills Development Levies |
| **SETA** | Sector Education and Training Authority |
| **SP** | Strategic Plan |
| **SSP** | Sector Skills Plan |

| **ToC** | Theory of Change |
| --- | --- |
| **WBL** | Workplace-Based Learning |
| **WP-PSET** | White Paper for Post-School Education and Training |

## Glossary of Terms

| Activities | Actions undertaken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilised to produce specific outputs. |
| --- | --- |
| Evaluation | Judgement of the performance of planned, ongoing or completed programmes, policy or development interventions, through systematic study. It addresses issues of causality, and analyses why intended outcomes were or were not achieved. |
| Goal | The higher-order objective to which a programme, policy or development intervention is intended to contribute. |
| Impact | The results of achieving specific outcomes. Examples include the impact of education and training on income levels and employment. Impact could also refer to changes in a situation that a policy or programme brings about. |
| Indicator | A <u>measure</u> designed to assess the performance of an intervention. It is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of an implementer. |
| Inputs | The resources that contribute to the production of, in this case, skills related outputs. These include finance, personnel, information, equipment, buildings. |
| Logical framework (Log frame) | Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, activities/ processes, outputs, outcomes, impact) and their causal relationships; indicators, and assumptions or risks that may influence success and failure. |
| Monitoring | Monitoring refers to the systematic collection, recording and reporting of information in order to *track progress towards the achievement of objectives*, and to identify the need for, and undertake, corrective action. |
| Outcomes | Outcomes are "*what we wish to achieve*". Outcomes are the medium-term results specific to beneficiaries which are the consequence of achieving specific outputs. Outcomes are specified in terms of the effect the intervention is expected to have on beneficiaries. |

| | |
|---|---|
| **Outputs** | The products, goods and services that result from a programme or intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes (for example, qualifications). |
| **Performance** | The degree to which a programme or intervention, partner or implementing agency operates according to specific criteria/standards/guidelines, or achieves results in accordance with stated goals or plans. |
| **Performance indicator** | A variable that allows the verification of changes in the programme or development intervention, or shows results relative to what was planned. |
| **Performance measurement** | A system for assessing performance of programmes or interventions against stated goals. |
| **Theory of Change** | A tool that describes a linear or non-linear process of planned change, from the assumptions(theory) that guide its design, the planned outputs and outcomes, to the long-term impacts it seeks to achieve. |

# Executive Summary

South Africa's 21 Sector Education and Training Authorities (SETAs) fulfil a key role in terms of the skills development aspirations in South Africa. In particular, the SETAs have been positioned as intermediaries between the workplace and the providers of education and training opportunities. This requires that SETAs develop a clear picture of skills demand and signal the implications for skills supply. Central to this process is the use of the Mandatory Grant, a funding mechanism, to solicit information on skills needs in workplaces and skills demand in sectors.

This *Framework for Monitoring and Evaluating the Mandatory Grant* was developed through a research partnership initiative involving the 21 SETAs, Rhodes University and the Department of Higher Education and Training (DHET) during 2018-2020. The initiative was funded by the BANKSETA and ServicesSETA. It produced a number of monitoring and evaluation (M&E) frameworks and tools, and a capacity development programme (see [www.ru.ac.za/elrc/projects](www.ru.ac.za/elrc/projects) for reports, tools and presentations). The *Framework for the Monitoring and Evaluation of the Mandatory Grant* aims in the first instance to guide SETAs (programme and other line managers, but also their CEOs, and M&E implementation staff) on how to go about monitoring and evaluation each individual SETA's Mandatory Grant implementation.

The challenges associated with M&E in the SETA environment include a dominant emphasis on compliance monitoring; compared to fewer and *ad hoc* evaluations; limited use of evaluation findings for strategic guidance; and limited M&E in the system overall. Guided by an analysis of these challenges (see Scoping Report, Ward and Rosenberg, 2018) this Framework aims not to be comprehensive, but to focus on the known challenges.

This Framework proposes the following indicators drawing on the theory of change for the Mandatory Grant and the High-level Theory of Change. In order to track both the skills needs and the training taking place in and for workplaces, a number of foci for monitoring have been identified along with indicators to measure the extent to which planned outputs, outcomes and impacts are achieved.  Indicators can burgeon unrealistically if the outcomes and related principles are not carefully aligned and integrated. A first step is for SETAs to review and refine where necessary the Theory of Change for the Mandatory Grant and logical /results framework proposed here. The indicators proposed for monitoring the Mandatory Grant should be reviewed and agreed upon, among SETAs. Proposed indicators are:

- SETAs engage workplaces (employers, levy payers) representative of the SETA's sector(s)

- Large, medium, small and micro-sized workplaces are supported

- Engagement is experienced by workplaces as relevant and helpful

- An acceptable portion of workplaces submit WSPs or other forms of skills data

- An acceptable portion of workplaces submit Annual Training Reports

- Annual Training Reports show evidence of the application of quality skills intelligence

- Submissions from workplaces are representative of the SETA's sector(s)

- Degree to which the skills data is found to be reliable, well informed

- Employers (in WSPs etc) reflect current needs and future needs
- Employers are able to reflect sector specific and related cross-sectoral needs aligned with agreed upon national trends, contextual trends and drivers (e.g. informed by wider research)
- The SETA's SSP effectively draws on the WSP and other forms of skills data from the sector(s)
- Evidence of ongoing agreed-upon refinement of the monitoring of the Mandatory Grant.

Monitoring data should be reviewed in order to identify successes and contradictions related to the Mandatory Grant. Evaluations need to identify what has or has not worked. In order to bring about improvements, it is also important to probe *why* particular aspects of the grant system have (not) worked and for whom. The Framework presents two broad, but related, evaluative approaches that seem particularly appropriate to answering these questions. These are not the only approaches that can be used to answer these questions, but they are particularly pertinent to the issues raised by a complex, multi-stakeholder and changing system as evident in the Mandatory Grant. Systems approaches are increasingly used to overcome the limitations of narrower approaches to evaluation.

More specifically, **activity theory approaches** provide useful frameworks for identifying the tools, rules and divisions of labour that are in place to achieve particular objects and outcomes. Within and across activity systems, **realist approaches** on the other hand are valuable for interrogating underlying assumptions i.e. our often unexamined theories about what is going to work and why, e.g. in skills or broader developmental programmes. Realist evaluations present a systematic way to advance knowledge through a careful consideration of the context within which social change initiatives are implemented, the underlying mechanisms that may or may not operate in a particular context, and the outcomes evident in M&E data. By working through expansive learning processes that are stimulated by the internal contradictions within or between activity systems, SETAs and partners can develop new theories of change and models of activity and embed these in organisational processes and structures. Where these learning processes are also informed by a deeper understanding of underlying mechanisms, the potential for systemic change is substantially enhanced.

SETAs should use this Framework, together with the *Framework for the Monitoring and Evaluation of the Discretionary Grant*; their existing monitoring and quarterly and annual reporting; the *Performance Assessments Standards*; and the tools and templates for Tracer Studies and Cost-Benefit Evaluation; to develop SETA specific M&E Frameworks and Plans for implementation as part of ongoing organisational learning, planning and communication cycles. Implementation guidelines in the Discretionary Grant M&E Framework can also be applied here.

SETAs should furthermore participate in the setting of the annual agenda for the High-level Framework for M&E in a SETA Environment, to be convened by the National Skills Authority, and seek synergies and alignment between their organisational M&E, and the collective M&E, in order to be able to 'tell the story' of SETAs' efforts, achievements and challenges, and to find the insights to address their challenges, to the benefit of South Africa's social-economic objectives.

# Introduction

## Research process

This *Framework for Monitoring and Evaluating the Mandatory Grant* was developed through a research partnership initiative involving the 21 Sector Education and Training Authorities (SETAs), Rhodes University and the Department of Higher Education and Training (DHET) during 2018-2020. The initiative was funded by the BANKSETA and ServicesSETA. It produced a number of monitoring and evaluation (M&E) frameworks and tools, and a capacity development programme (see www.ru.ac.za/elrc/projects for reports, tools and presentations).

**This project investigated how the Mandatory Grant (DG) should** be monitored and evaluated. From a research perspective the aim was to put forward innovative approaches to evaluation to address some of the known challenges in the system, but which could nonetheless be realistically integrated into the existing system, so as to move from research into application and implementation. The intention was therefore not to be comprehensive and far-reaching, but rather focussed and pragmatic. At the same time, this resource aims to assist SETAs in moving beyond 'business as usual'.

## Purpose and intended users of the Framework

The *Framework for the Monitoring and Evaluation of the Mandatory Grant* aims in the first instance to guide SETA managers (programme and other line managers), but also Chief Executive Officers (CEOs), and M&E implementation staff, on how to go about monitoring and evaluation each SETA's Mandatory Grant implementation and outcomes.

However, it is important to also bear in mind the proposed synthesis evaluation across SETAs, through the role of the National Skills Authority (NSA) in evaluating SETAs as a collective. A *High-level Framework for M&E in the SETA Environment* was developed as part of the research partnership initiative, to which the Framework for the MG is aligned.

# Background

## Background to the various and changing foci of SETAs

Post-school education and training (PSET) in the developmental state that is South Africa has an important dual role to play, captured in the *White Paper on Post-School Education and Training* in the connected goals of skilling learners to (1) participate in the economy and (2) contribute to society. Skills development is considered an important contributor to "ensuring that South Africa has adequate, appropriate and high quality skills that contribute towards economic growth, employment creation and social development" (DHET, 2019). In order to achieve this mission the Skills Development Levy Fund disbursed R16.2 billion in the 2017/2018 financial year. Of this amount the SETAs received R13 billion with the remainder going to the National Skills Fund. Of the R13 billion disbursed to the SETAs, R3.2 billion was spent on Mandatory Grants (DHET 2019, p.4).

In an overview of the financial years 2010/2011 to 2019/2020, a DHET (2018) report entitled *Investment Trends in Post-School Education and Training in South Africa* summarised the contribution of the SETAs as follows:

The SETAs have thus far failed to generate great enthusiasm amongst employers as offering an important vehicle for enhancing productivity in the workplace. Nevertheless, they have strongly expanded participation in their learnerships, internships, artisanships and skills development programmes, indicating that some economies of scale now seem to be reaped. Further improvement in the design and scope of training initiatives are required, but the tight economic situation in the next few years will strain expenditure and may make experimentation difficult. (DHET 2018, p. 64)

In 2012 the Skills Development Levy allocations were revised, and the amount allocated to the Mandatory Grant was reduced from 50% of the 1% of payroll contributed by employers, to 20%. This enabled a significant increase in Discretionary Grant funding from 20% to 49.5% of the Skills Levy allocated to SETAs. Business Unity South Africa legally challenged this shift in allocation; furthermore, those trying to access grant funding report experiencing significant procedural challenges. This goes some way towards explaining employers' 'lack of enthusiasm'. At the same time the increase in Discretionary Grant funding has enabled the SETAs to shift funding to PIVOTAL programmes including learnerships, internships, artisanships and skills development programmes.

At the time these allocation changes were made, DHET noted in its *Guidelines on the Implementation of SETA Grant Regulations* (DHET 2015) that there was a lack of clarity in strategy, plans and policies within the SETAs. It went on to suggest that "one of the reasons it has been so difficult to measure the impact of SETA skills development interventions is the lack of clear and measurable intention" (p.6). A finding across a number of evaluations and reviews of the SETA system (including Grawitzky 2007; Singizi 2007; Marock et al. 2008; Marock 2012; DHET 2013; Mzabalazo and Real 2018) is that the complexity and diversity of roles ascribed to the SETAs compounds the challenges associated with strategy development and implementation.

While acknowledging the challenges related to the wide role of the SETAs, and citing the WP-PSET suggestion that "a tighter, streamlined focus for the SETAs is a key step in strengthening them", DHET nonetheless indicated that SETAs must effectively contribute towards the realisation of the following 'outcomes' (stated more as strategic goals) in the National Skills Development Plan:

- Identify and increase production of occupations in high demand
- Link education and the workplace
- Improve the level of skills in the South African workforce
- Increase access to occupationally directed programmes
- Support the growth of the public college institutional type as a key provider of skills required for socio-economic development
- Skills development support for entrepreneurship and cooperative development
- Encourage and support worker-initiated training
- Support career development services.

The 'outcomes' are guided by a number of principles, namely:
- Locating the NSDP within an integrated PSET System
- Contributing to the country's socio-economic development objectives
- Advancing an equitable and integrated system
- Promoting greater inclusivity and collaboration

- Focusing on support systems for learners and employers
- Strong emphasis on accountability
- Understanding skills demand
- Steering supply through qualifications and provision and through funding mechanisms.

It is in this context that the SETAs' role has been defined as *intermediaries linking the world of work and education* (DHET 2019, p.10, p.29).

More specifically, the SETAs are required to contribute to:

- Understanding demand and signal implications for supply

This includes encouraging "skills development and qualifications in occupations to support economic growth, encourage employment creation and enable social development."

- Steering the system to respond to skills supply

This includes using the levy-grant mechanism to support the collection of information and steer the system to ensure that funding concentrated on driving the provision of quality qualifications and inform career guidance processes to encourage individuals to plan their learning and occupational pathways.

- Supporting the development of the institutional capacity of public and private education and training institutions

This includes the delivery of programmes against qualifications (on all the sub-frameworks) for workers, unemployed and pre-employed.

- Performing system support functions and managing the budgets and expenditure linked to the SETA mandate. (ibid. 29)

The expansion of the SETA mandate to include both a sector specific focus developed in conjunction with employers and labour, and a more developmental mandate as reflected in the NDP, the NSDS and the NSDP, is a challenging remit, in particular because it can result in conflicting targets and evaluation criteria.

However, M&E, reporting and learning can also be used to bring about a progressive focus and streamlining of the roles of the SETAs in order to strengthen them and enhance their impact. This focussing and streamlining needs to be done within the entire PSET system to ensure alignment, an avoidance of gaps and an avoidance of duplication between organisations mandated to contribute to skills planning and provision. It should also guide the development of capacity in those aspects of the skills development mandate that the SETAs are then best placed to support.

## Monitoring and Evaluation within the Skills Development Landscape

The Government-Wide Monitoring and Evaluation System (Presidency 2007) and the National Evaluation Policy Framework (DPME, 2011) provide a consistent structure and guidelines for improving public policy and programmes.

The Government-Wide Monitoring and Evaluation System (GWMES) defines monitoring largely in terms of reporting on actual performance against what was planned or expected. Monitoring can thus be understood as the continuous follow-up of activities and results, often (but not only) in relation to pre-set targets and objectives. Monitoring may identify problems but will not necessarily explain *why* a target has not been met or why an intended outcome did not occur. Evaluation, on the other hand, is the process of determining the value, worth or merit of a project or programme.

It probes causal mechanisms and offers greater analytic depth where even the validity and relevance of the pre-set indicators could be open to question. For these reasons the GWMES suggests that evaluations should guide decision making and assess *relevance, efficiency, effectiveness, impact and sustainability* of initiatives. Evaluations should determine whether the underlying theories and assumptions are/were valid, what worked, what did not work and why.

The M&E of the Mandatory Grant must align with the *SETA Grant Regulations* and *Guidelines for the Implementation of the Grant Regulations*), the *National Skills Development Plan*, and the *White Paper on Post School Education and Training*, among others. One of the challenges of working with documents like the NSDP is the need to work across both objectives and principles. Where these have not been well integrated, it results in a kind of matrix that rapidly multiplies areas that require monitoring and associated indicators (see Table 1). Each indicator needs an agreed-upon protocol, describing the scope, definition, reporting schedule, reporting lines, resources for monitoring, as well as mechanisms for responding to findings. This becomes particularly important when DHET, NSA or others need to aggregate results across the SETAs, or to compare trends over time. An tendency towards expansion of indicators is evident in the *Compendium of Indicators to Monitor the Performance of the PSET System* (DHET 2017) that contains over 80 indicators in 35 pages. The *Enhancement of the Framework for the Monitoring and Evaluation of the PSET Sector* (DHET 2018b) has 116 indicators, disaggregated into on average five sub-indicators. This results in well over 500 disaggregated sub-indicators. Nearly all of the indicators in these two documents are relevant to the SETAs. Some focusing is necessary in order to meaningfully monitor and report on a manageable number of indicators. The matrix in Table 1, based on the objectives and principles in the NSDP, shows that even allocating just one indicator for each block would result in 64 indicators.

*Table 1: Objectives and Principles from the NSDP*

| | Identify and increase production of occupations in high demand | Linking education and the workplace | Improving the level of skills in the South African workforce | Increase access to occupationally directed programmes | Support the growth of the public college institutional type | Skills development support for entrepreneurship and cooperative development | Encourage and support worker-initiated training | Support career development services |
|---|---|---|---|---|---|---|---|---|
| Locating the NSDP within an integrated PSET System | | | | | | | | |
| Contributing to SA's socio-economic development objectives | | | | | | | | |
| Advancing an equitable and integrated system | | | | | | | | |
| Promoting greater inclusivity and collaboration | | | | | | | | |
| Support systems for | | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| learners and employers | | | | | | | |
| Strong emphasis on accountability | | | | | | | |
| Understanding skills demand | | | | | | | |
| Steer Supply through qualifications; provision and funding mechanisms. | | | | | | | |

If one assumes that the National Skills Development Plan, the National Development Plan, the Human Resource Development Strategy, the WP-PSET, and supporting regulations (e.g. Grant Regulations) and strategies (e.g. NSDS III), are all well aligned, then Table 1 covers the areas that need to be monitored and evaluated in relation to SETA work. If each component of the NSDP contributes towards the broader NSDP, the PSET system and ultimately to the NDP, then it may be possible to narrow the focus of the SETA M&E for each component. The M&E framework for the Mandatory Grant presented here seeks to focus on the objectives of the Grant in conjunction with the principles.

## The Purpose and Process of the Mandatory Grant

According to the *Guidelines on the Implementation of SETA Grant Regulations* the Mandatory Grant has two key functions:

1) "It is designed to encourage employers to provide data to the SETA on their workforce and skills needs. The data needs to be accurate and well prepared so that the SETA can make use of this data to establish skills needs in the sector." (DHET, 2015, p.10)
2) "The intention of the legislation and regulations is that mandatory grants are used as an *incentive to employers to plan and implement training for their employees and create training and work experience opportunities for unemployed people.*" (p.13, italics added)

In keeping with this purpose, the Mandatory Grants are disbursed on the timely and complete submission of the Workplace Skills Plan and the Annual Training Report by employers.

The functions of the Mandatory Grant are closely aligned with the roles of the SETAs set out in the NSDP: *understanding demand and signalling implications for supply*; *steering the system to respond to skills supply*; and *performing systems functions*. With regard to *understanding demand*, SETAs will do this by "Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs, through relevant templates" (ibid, p.29). SETAS will *steer the system* by "managing and using the levy-grant mechanism to support the process of collecting information and steer the system to ensure that funding concentrates on driving the provision of quality qualifications and/or workplace-based experience". To achieve this, the SETAs will "*administer the skills grants against the agreed upon priorities* and timelines and *ensure a consistent application process* for workplaces and potential learners" (ibid; italics added).

This should then frame the theory of change for the Mandatory Grant: how it is going to bring about the desired changes, e.g. the mobilisation of sector-based skills information in order to *understand demand* followed by the *steering* and *funding* of priority skills development. A theory of change is used to identify indicators for the M&E of the Mandatory Grant.

## Mandatory Grant Theory of Change

This Framework provides a theory of change for the Mandatory Grant based on the above national guidelines. A theory of change process often starts with a problem statement; then goes on to describe the vision for and objectives of a programme that will address that problem (see Discussion Brief 2 for a description of processes to develop theory of change models). It then proposes, as explicitly as possible, the outcomes that will lead to the achievement of these objectives.

A macro-level theory of change for SETA work in general has been produced in the *High-level Framework for M&E in a SETA Environment* (Ward and Rosenberg, 2020). This model (Figure 1) envisages that if an appropriate skills (eco)system exists, then learners will benefit from opportunities, which will contribute to the desired overall impact of a transformed, skilled and capable workforce participating in the Economy and Contributing to Society.

### High Level INPUT GOALS FOR SETAS:
IF a Responsive/Aligned, Well Resourced and Effectively Functioning Skills (Eco)Systems exist, THEN

### High Level OUTCOME GOAL:
Learners Representative of Society Benefit from Diverse Opportunities for Skills Development in Universities, Colleges and Workplaces, WHICH WILL CONTRIBUTE TO

### IMPACT GOALS:
A Transformed, Skilled & Capable Workforce who are Participating in the Economy and Contributing to Society
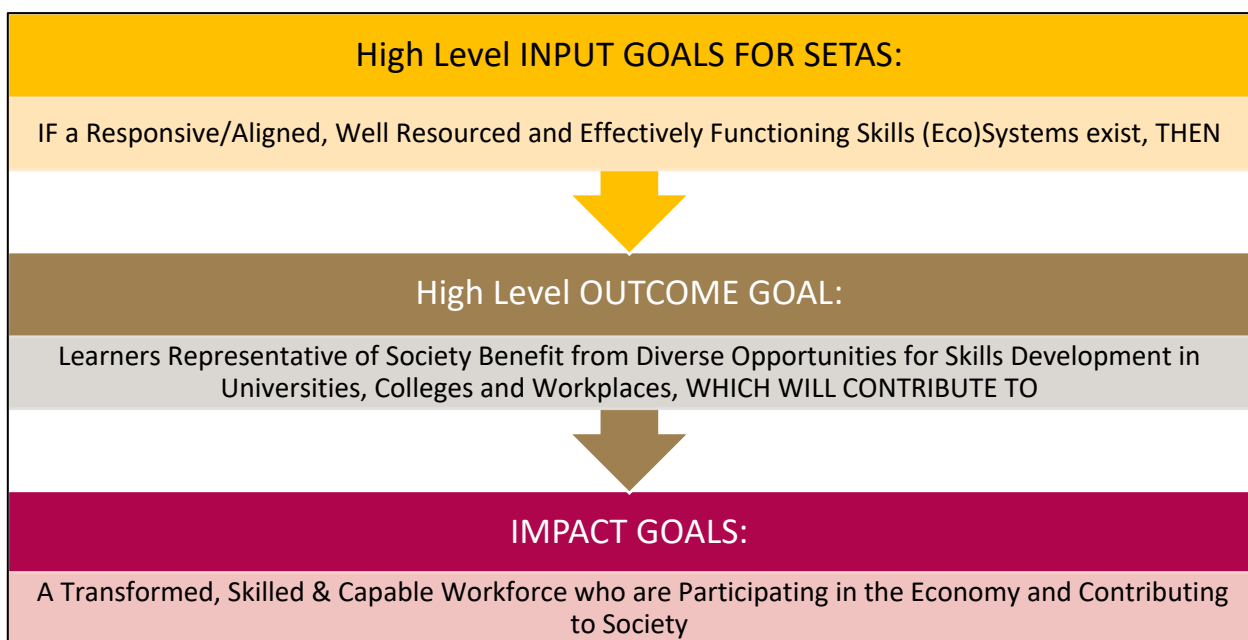
*Figure 1: High-level Theory of Change guiding M&E in the SETA Environment*

As part of the "responsive/aligned, well-resourced and effectively functioning" system, the following is envisaged:

Skills intelligence (including both demand and supply),
AND Learning pathways, qualifications and standards
AND Functioning providers
AND Skilled and capable educators and trainers
AND Funding that is adequate, effectively disbursed
AND Attention to transformed and equitable access
AND Career and study guidance
AND Monitoring, evaluation, feedbacks for continuous improvement

It is clear that several of these 'ingredients' are to be achieved through the Mandatory Grant. Of the seven high-level indicators proposed for M&E against this theory of change model, three are directly relevant to the MG. They are:

- Sound labour market **intelligence**, and
- Effective **interface** between employers & training providers, and
- Efficient **grant management**.

The problems to which the Mandatory Grant responds, include workplaces struggling to find appropriately skilled employees, which in turn exacerbates unemployment, hampers productivity and constrains social development and economic growth. One cause of this is a mismatch between the skills needed in workplaces, and the skills being developed in the PSET system i.e. between the demand for and the supply of skills. The theory is that better quality and more timely information on skills demands will enable a more relevant and responsive supply of skills through education and training including particularly workplace based and occupationally directed training. This is illustrated in Figure 2.
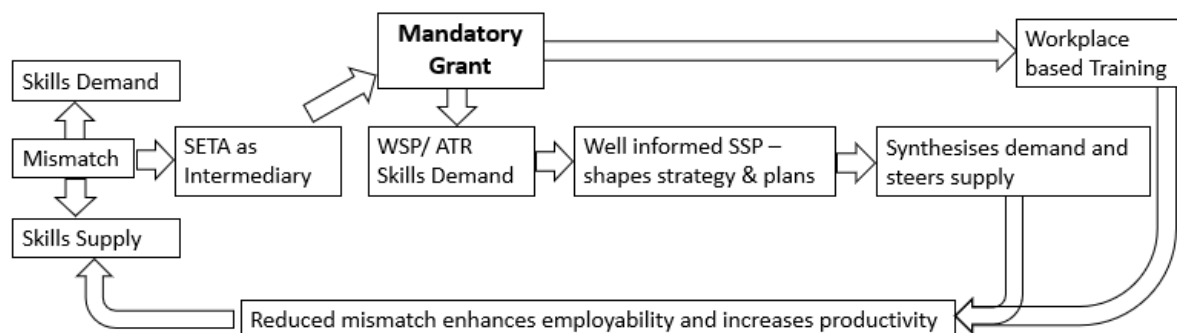


*Figure 2: Schematic representation of Mandatory Grant Theory of Change (Ward & Rosenberg, 2019)*

The SETAs are the intermediary bodies within the PSET system responsible for linking the world of work and the skills provision systems. The Mandatory Grant is the mechanism through which information on skills demand in workplaces is collected and through which demand-driven, workplace relevant training, is funded. This information from levy-paying employers is used by the SETAs to develop the Sector Skills Plans. The assumption is that if the SSPs and related strategies and plans (SETA Strategic Plans and Annual Performance Plans) are well informed, aligned and

implemented, the mismatch between skills demand and skills supply will be reduced. This will result in employers being able to find (and potentially employ) appropriately skilled employees. The assumption is further that this will increase productivity and contribute to social-economic development. There are many assumptions here, as in any *theory* of change, and these need to be tested for validity rather than taken as gospel. This can be done through design evaluations (see Rosenberg and Ward, 2020; *Framework for M&E of the Discretionary Grant*). If assumptions are found to be erroneous (e.g. if even with a good match of skills, employers still do not employ SETA beneficiaries) then the theory of change (and potentially the policy) must be amended.

From this theory of change (or model of process), an outcomes map (a form of non-linear but logical results framework) should be drawn. For each level of outcome in the results framework, the lowest possible number of indicators should be chosen. Monitoring is then undertaken against these indicators, as well as to pick up unexpected outcomes. Evaluation draws on monitoring data, but also goes beyond what is being monitored.

Table 2 is a possible logical / results framework derived from the above theory of change; while Figure 3 presents an abbreviated and diagrammatic version.

# Monitoring of the Mandatory Grant

## Role of Monitoring

The purpose of monitoring is to keep track of activity, establish patterns and trends, and provide data for evaluation purposes. Monitoring of inputs such as budget, activity (e.g. number of employers supported) and outputs (e.g. number of WSPs and ATRs submitted by these employers) are part of performance monitoring, and can be used for evaluation purposes, but needs to be supplemented with qualitative data (e.g. see several indicators related to quality, relevance and employer satisfaction in Table 2) to enable deeper evaluation.

Indicators for monitoring the MG can be further disaggregated as for example by CATHSSETA (CATHSSETA, 2018, p.14-15) which monitored the "Number of large/ medium/ small levy-paying employers submitting Mandatory Grant applications".  This disaggregation can allow insights such as a tendency of large employers making the submissions and claiming the grants, and small employers paying the levy, but not making submissions, due to being unable to bear the administrative burden if application processes are too onerous or unsupported (a finding in Mzabalazo and Real, 2018 31, 69, 71, 216). A careful analysis of usefully disaggregated monitoring data enables evaluation to probe 'what is working, for whom, and why'.
For monitoring to be useful in evaluation and planning, it needs to be measured against appropriate indicators and monitoring data needs to be of sufficient quality. There should be active discouragement of perverse compliance to 'game' the meeting of compliance targets. SETAs need to make monitoring as efficient and streamlined as possible, while also optimising its value, by making *use* of the monitoring data for evaluation and strategic planning purposes. Strategic in this context means meeting high level objectives, rather than solely focussing on meeting short term targets.

*Table 2: Possible Logical Framework for Mandatory Grant*

| Objective | Inputs | Activity | Outputs | Outcomes | Indicators | Impact |
|---|---|---|---|---|---|---|
| Submission of quality (relevant) information on skills demand in workplaces by employers | WSP and ATR formats that capture relevant information on skills needs in workplaces | SETAs support employers to submit credible, comprehensive, relevant information | WSP and ATR forms submitted from a range of eligible employers | SETAs have access to quality, relevant information on skills needs in a diversity of sector workplaces | No. of WSPs and ATRs submitted. Quality, relevance, comprehensiveness of data submitted. Range of employers | SETAs use credible, comprehensive workplace data to establish increasingly relevant skills needs in the sector |
| Use of workplace data to inform SSP build confidence in and relevance of SSPs | Good quality data on skills demand from range of employers | Synthesis of workplace data for inclusion in SSP | SSP developed that is informed by workplace data on skills demand | Identified skills needs in the sector are aligned to skills demand in workplaces | Credible data on skills demand captured in the SSP Skills in high demand listed | Enhanced relevance and impact of SSP leads to greater engagement with SSP processes |
| SSP, SP, APPs steer skills supply towards relevance for employers, employees and prospective employees | Good quality SSP feeds into SP and APPs | Use well aligned SSPs, SP and APPs to steer supply by training providers and workplaces | SSP, SP, APP with clear logic articulation and logic to steer skills supply | Planning supports employers to plan and implement training for employees and prospective employees | Clear and coherent logic on skills demand/ supply across SSP, SP, APP Evidence of implementation of SSPs and SP | Greater relevance of skills supply contributes to employer satisfaction, productivity in workplaces & sector |
| Effective and accessible grants administration incentivises employers to plan and implement training (skills supply) | Streamlined WSP, ATR submission and application processes for Mandatory Grant | Streamline and support submission, review, allocation and disbursement of Mandatory Grants | Clear and consistent application and disbursement processes in place | Employers incentivised to plan and implement training (skills supply) | No. of eligible employers participating. Quantity & relevance of training carried out | Increased employee productivity; enhanced skills development opportunities for prospective employees |

The limitation of focusing monitoring only on inputs, activities and immediate outputs, is that a significant amount of effort and energy is put into reporting against relatively narrow indicators with immediate performance being the main preoccupation. The intended *impact*, and longer term and more complex *outcomes* like livelihoods, or a productive economy, are not often tracked. These are harder to monitor and this is one of the reasons why evaluation, beyond narrow indicators, is necessary.

A reflexive orientation must be taken to the monitoring data to identify constraints in terms of the assumptions outlined in the theory of change, as well as the capacity of the system including employers to provide the data needed to monitor the Mandatory Grants in line with the above assumptions. With these caveats, and based on the framings above, the following indicators are proposed.

## Indicators for Monitoring the Mandatory Grant

There is a tendency to try to cover each area of work with an indicator. In the context of limited resources for monitoring however, there is likely to be an inverse correlation between the number of goals and indicators that are set, on the one hand, and the number of goals that are tracked and potentially achieved. The other consideration is that while it is possible to monitor a wide range of activities *there are a few activities that are likely to contribute an inordinate amount towards achieving the goals. If these activities can be identified and monitored, then it would make more sense to focus on these*. (McChesney, Covey & Huling, 2012)

What are these key activities? The WP-PSET (DHET, 2013) states that:

> *"In future, the focus of the mandatory grant will be exclusively on gathering accurate data. Employers must ensure that the WSP/ATR report includes comprehensive information about all training that is taking place in the workplace, current levels of skills, experience and qualifications of employees, and skills priorities and gaps for the short as well as medium term. Submission of this information will entitle the employer to receive the mandatory grant from the SETA."* (60)

As was shown in the logical / results framework developed from the theory of change (Table 2) this will require certain inputs (e.g. WSP and ATR templates) and activities (e.g. engagement with employers/ workplaces). This could be summarised as in figure 3.
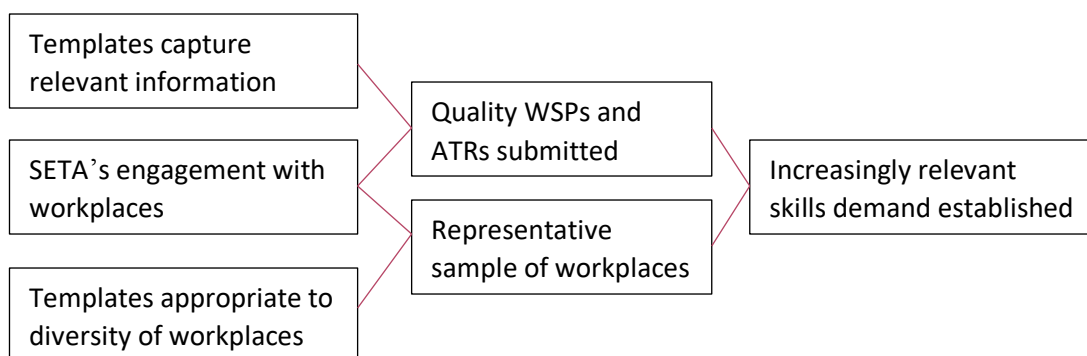


*Figure 3: Abbreviated logical framework for Mandatory Grant*

Even this short results chain could potentially produce at least five different indicators if an indicator was ascribed to each block, and even more if the blocks are disaggregated (e.g. a separate indicator for small, medium and large workplaces). For each of the objectives listed in the draft logical framework (Table 2), a range of indicators could be developed to monitor aspects of the inputs, outputs, outcome and impact. The challenge is to focus on the highest-level outcome or impact possible while also identifying the critical preconditions that enable this outcome. In this instance, the *submission of quality WSPs and ATRs* seems a key area on which to focus, along with *a representative sample of workplaces*, given the need to the principles of inclusivity and co-operation.

The Draft Report on the Framework for the M&E of the MG (Ward and Rosenberg, 2019) shared examples of MG indicators used by SETAs. SETAs use a variety of indicators, with some overlaps. For example, a common monitoring indicator was used by ETDP SETA (2018) who tracked "the number of successfully submitted, reviewed and approved WPS that are funded through Mandatory Grants".

The Transport SETA (TETA, 2015) also monitored *diversity of workplaces* through three indicators: the number of large, medium and small levy-paying employers *supported by the SETA* to submit MG applications. In addition, TETA (2015) also specifically tracked engagement with small companies: "Support [in the form of skills development] to small TETA registered organisations that are unable to participate in the MG system or for whom the cost of participation exceeds levy recovery".

The Agricultural SETA (AgriSETA, 2017) tracked the "Total number of Skills Development Facilitators trained to assist in the process of Mandatory Grants" as a measure of support given to employers. This indicator is at the level of an input (the SETA is making an input into the improvement of the workplace skills data by training SDF's). Eventually the SDF's will work better with workplaces which in turn will improve workplace data - the intended outcome. Outcome level monitoring will look at the quality of support and quality of data, rather than the input of the trained SDF.

With regard to the use of workplace data to inform the SSP, one of the indicators used by the Energy and Water SETA (EWSETA, 2018) refers to "Sector Skills Plans that are professionally researched and provide sound analysis of the sector". It would be similarly important to track Workplace Skills Plans, SETA Strategic Plans and Annual Performance Plans. For the objective of 'Grant administration incentivises employers to plan and implement training' (see Box 5), it would be useful to monitor indicators related to the number of employers participating in the MG process, but also, the quality and relevance of training carried out.

This review of SETA indicator descriptors shows that a variety of aspects of the Mandatory Grant are being monitored (with associated indicators). Some SETAs use similar indicators, but there is also a variety of indicators being used to monitor many different aspects of the Mandatory Grant implementation, at the levels of inputs, activities, outputs, and outcomes (early, intermediate and longer term outcomes).

This Framework proposes the following indicators drawing on the theory of change for the Mandatory Grant, summarised in Figure 3, and the High-level Theory of Change, as follows:

1. SETAs engage workplaces (employers, levy payers) representative of the SETA's sector(s)

2. Large, medium, small and micro-sized workplaces are supported

3. Engagement is experienced by workplaces as relevant and helpful

4. An acceptable portion of workplaces submit WSPs or other forms of skills data

5. An acceptable portion of workplaces submit Annual Training Reports

6. Annual Training Reports show evidence of the application of quality skills intelligence

7. Submissions from workplaces are representative of the SETA's sector(s)

8. Degree to which the skills data is found to be reliable, well informed

9. Employers (in WSPs etc) reflect current needs and future needs

10. Employers are able to reflect sector specific and related cross-sectoral needs aligned with agreed upon national trends, contextual trends and drivers (e.g. informed by wider research)

11. The SETA's SSP effectively draws on the WSP and other forms of skills data from the sector(s)

12. Evidence of ongoing agreed-upon refinement of the monitoring of the MG

# Evaluation of the Mandatory Grant

## Role of evaluation in answering key questions

While monitoring provides information on actual performance against what was planned or expected, evaluation analyses this (and additional) evidence to understand not only what worked, or did not work, but also why, in what context and for whom. The *National Evaluation Policy Framework* seeks to improve government performance by better understanding how government programmes and services are working, and using these insights to inform planning, revised budget allocations, improve management practices and implementation (DPME, 2011).

The NEPF advises that evaluation is responsible for 'improving performance' by contributing to:

- Improved learning and its feedback into policy and implementation;
- Ensuring policy and management decisions are based on evidence;
- Better understanding on which programmes are cost-effective;
- Understanding and so better able to overcome institutional bottlenecks to improved impact (adapting programmes);
- Better understanding and management of risks. (DPME 2011, p.4)

Through these processes, evaluation play a number of roles including:

- Accountability
- Learning – formative and summative
- Developing a shared understanding among role players
- Communications
- Planning and strategic decision–making: changing course, discontinuation, expansion, upscaling
- Meta-learning and theory building beyond individual organisations.

In the Mandatory Grant, the following are specific substantive issues for which evaluation is indicated:

1. Of the more than two million companies registered in South Africa, approximately 300 000 appear on the records of SETAs as 'member organisations'. Of the listed 300 000, only around 23 000 companies claimed grants during 2011-2017. (Mzabalazo and REAL 2018, pp.31, 146) *What are the reasons for the low percentage of employer participation in the MG? How can they be addressed? Does it compromise the quality of the data collected through the WSPs and the ATRs?*

2. While some large and medium sized companies are participating, "when it comes to small companies the proportion is very low and for micro companies the proportion is miniscule" (278). *What in the current system marginalises smaller companies?* Some evidence in the evaluation suggests that: "the effort and time it takes for a small business to engage with a SETA militates against their involvement" (68); "the focus on numbers [means that for a SETA] it is much easier to work with large established companies to achieve big numbers" (ibid. 313). *What can be done about this?* Such an evaluation question may require an action research process, trying out solutions with partners.

3. The SETAs, as intermediaries will (ibid. 313) "need to change from being managers or administrators of grant application processes to … being a proactive agent in the delivery of skills to the economy". This in turn will require a range of skills within the SETAs. The evaluation found that "SETA managers overwhelmingly agree that capacity is lacking" (ibid. 68). *The question that needs attention is whether anyone else is better equipped to play this intermediary role, and if not, then how can SETAs be supported to better fulfil this role.*

4. Significant work has gone into improving the SSPs and their implementation through the Strategic Plans and the APPs. The evaluation of the NSDS III (Mzabalazo and REAL 2018, p.59) noted that "Sector Skills Plans are now much more accessible documents that set out quite logically and clearly the skills needs of sectors and the interventions that the SETAs will put in place to address them". Evaluation questions include: *Do the new templates contribute to the ongoing improvement of the SSPs? Can lessons be learnt inform the redevelopment of the WSP and ATR templates?*

5. *Why is the quality of workplace skills data poor and what can be done to improve it?* This question might have been addressed with the introduction of the new template, monitoring the quality of the submitted information should now provide an indication as to whether there has been an improvement; if not, further investigation could be done using the activity system approach and expansive learning approaches outlined below. The NSDS III evaluation propose that understanding the demand side will require "expert internal staff and highly flexible working relationships with

research centres at universities" and recommends the establishment of a Skills Planning Unit. *How would such a unit strengthen the current SETA work with Mandatory Grant data on the sector? The need for (sub) sector specific as well as cross-sectoral and regional level demand insights should be considered.*

6.  The evaluation of the NSDS III suggests that "there was little attention paid to return on investment" and that "the strategy as a whole had no financial or efficiency targets." It goes on to note that the NSDS III was silent on a major criticism voiced during NSDS II, namely that "value for money was not being achieved and that there was a lot of waste." (ibid. 54) Does this finding hold for the Mandatory Grant more specifically? *If so, what are the underlying causes and how could they be addressed?*

These (and related) issues can be probed by evaluative processes to support better understanding, accountability, learning and systemic improvements, and even to test solutions with partners. The Framework next proposes the kinds of evaluations that are powerful enough to answer such in-depth evaluative questions about the Mandatory Grant.

## Two evaluation approaches to answer key questions relevant to the MG

If M&E is to support both accountability and learning, it is vital that we understand *why* some things work, and for whom, and why they do not work for others. By way of example, the stringent bureaucratic systems put in place by the SETAs regarding the disbursement of grants has resulted in a significant increase in the number of clean audits obtained by SETAs. From the perspective of the SETAs and the Auditor General, these systems have worked well in terms of governance and accountability. However, for some employers the increased administrative burden has made it too expensive and time consuming to apply for the grants. Thus, from an employer perspective the increased bureaucracy does not work and drives a wedge between them and the SETAs.

However, knowing what is not working and why, does not always immediately address the problem. Sometimes (as in this case) SETAs are already clear what the issues are, and may already have made attempts to address them, with limited success. Evaluative processes can also be used to engage role players to try and *work out better* solutions to the problem, through a collective learning process.

For these reasons, two evaluation approaches are used in the *Framework for the M&E of the Mandatory Grant*. The first approach focuses on what worked for whom with a relatively superficial focus on why, as well as an attempt to collectively work out solutions. It draws on aspects of Cultural Historical Activity Theory (Daniels et al., 2009; Engestrom, 2000; Engeström, 2015; Nunez, 2014), particularly those related to organisations and the objects of their activity.

The second evaluation approach has a stronger and more in-depth focus on how and why change takes place, or fails to take place, in complex systems like PSET. This approach is underpinned by a critical realist

philosophy in general (Bhaskar 2008; Bhaskar and Hartwig 2016), and more specifically the tradition of realist programme evaluation (Pawson, 2013; Pawson and Tilley, 2004, 1997).

Central to both approaches is a recognition that in complex open systems (such as PSET), the relationship between cause and effect is seldom linear or one-dimensional. There is often more than one 'cause' and more than one effect or outcome, some unintended or unexpected (and therefore, they cannot be tracked through pre-determined indicators). Intended 'causes' or change initiatives, when triggered in a particular context, may have an effect, but in conjunction with other causes, thus producing a complex co-determined outcome or effect. Depending on the context, different causes will be triggered resulting in different impacts.

Evaluations that help role players understand the relationship between context, causes (or mechanisms) and effects (or outcomes), guide the more effective design of programmes/ interventions or organisational structures in complex environments. In such complex situations, new initiatives, including efforts to improve PSET programmes and structures, have an experimental (or strategic adaptive) dimension, and therefore need to be accompanied by an explicit learning component.

## An Activity System Approach to MG Evaluation

A SETA is an activity system, which operates in wider and overlapping activity systems. Other activity systems are universities, TVET colleges, government departments and workplaces. In qualitative evaluations in particular (e.g. case studies, ethnographies) it is useful to think of a workplace as a socially situated work or activity system in which multiple role players interact and engage with an object using various tools and mental models or rules, in a purposeful or goal-directed manner, in order to transform or develop something. It accounts history and organisational cultures, motivations, and complexity of real-life activity. The unit of analysis is the concept of object-oriented, collective and culturally mediated human activity, or activity system, in this case, a practice associated with the Mandatory Grant. The evaluation is often focussed on the tensions and contradictions within the elements of the system. Activity theory is widely used in workplace psychology and organisational learning studies. It  provides a method of understanding and analysing a phenomenon, finding patterns and making inferences across interactions.

Cultural Historical Activity Theory is a form of activity theory that has been used by learning scientists to reflect on the way that organisations work towards achieving their goals. This 'systems' approach to evaluation can produce an understanding of how organisations operate and interact in pursuing shared or similar goals, with the explicit intention of supporting learning and change. It is closely linked to processes of 'expansive learning' (Engeström, 2001; Engeström and Sannino, 2010; Sannino et al., 2016) which are used in the *Framework for the M&E of the Discretionary Grant*. Expansive learning ('learning what is not yet there or known') can happen as practitioners engage in developmental transformations in their activity systems, moving across collective zones of proximal development. This form of evaluation is therefore a developmental or interventionist methodology that aims at pushing forward, mediating, recording, and analysing cycles of learning. (Engeström, 2014, 1987)

Within a particular activity system such as a SETA, interactions take place between the various tools (e.g. WSP templates and SSP structures), rules (e.g. the *Grant Regulations*), and divisions of labour (e.g. the CEO of a

SETA with a responsibility for audit compliance, grant administrators, researchers generating SSP information). However, there are also interactions between activity systems such as between SETAs, DHET, employers), and the rules (policies, mandates, profit making motives) and tools (data collection and reporting systems) they use. Within and between these systems, tensions or contradictions arise. Provided they are articulated and engaged, these contradictions can be sites for learning and change. This framework proposes an activity system-based approach to evaluation in order to articulate known contradictions in the system and make them available for engagement, towards organisational (and system) learning and change.

By way of example, researchers within the SETAs may be focused on getting good information while the finance section may be more focused on making payment to levy-payers within a specified period of time. This would lead to a contradiction between paying out on the receipt of the WSPs on the one hand and only approving payment if the WSPs meet relatively high-quality criteria. Each of these contradictions provide sites for learning and improvement that have the potential to enable the identification and achievement of a shared object such as 'establishing the skills needs in the sector'. Activity system analysis provides a way of analysing the different spaces within which actors encounter "disturbances, ruptures, conflicts and other unclear symptoms of an underlying inner contradiction" (Virkkunen & Newnham 2013 49).

Evaluation involving an activity systems analysis supports deeper insights into monitoring data and the trends and patterns observed in them. If the data shows up contradictions, these can be used to start a learning process that supports deeper and shared understanding as well as actions that address the contradictions through extended *evaluative and expansive learning cycles.* Engeström and Sannino (2010) described the expansive learning cycle as follows (see Figure 4):

1) The first learning action is that of questioning, criticising or rejecting some aspects of the accepted practice and existing wisdom. This aspect is often identified through monitoring data and a mapping of the activity systems within and between which the contradictions emerge.
2) The second learning action is that of analysing the situation. Analysis involves mental, discursive or practical transformation of the situation in order to find out causes or explanatory mechanisms. Analysis evokes "why?" questions and explanatory principles. One type of analysis is historical-genetic; it seeks to explain the situation by tracing its origins ('genesis') and evolution. It can be started, e.g. by mapping a historical time line on posters on a wall. Another type of analysis is actual-empirical; it seeks to explain the situation by constructing a picture of its inner systemic relations (for example, participants map out elements and links between them, or software packages can draw network analyses).
3) The third learning action is that of modelling the newly found explanatory relationship in some publicly observable and transmittable medium. This means constructing an explicit, simplified model of the new idea that explains and offers a solution to the contradictions.
4) The fourth learning action is that of examining the model, running, operating and experimenting on it in order to fully grasp its dynamics, potentials and limitations.
5) The fifth learning action is that of implementing the model by means of practical applications, enrichments, and conceptual extensions.
6) The sixth and seventh learning actions are those of reflecting on and evaluating the process and consolidating its outcomes into a new stable activity.
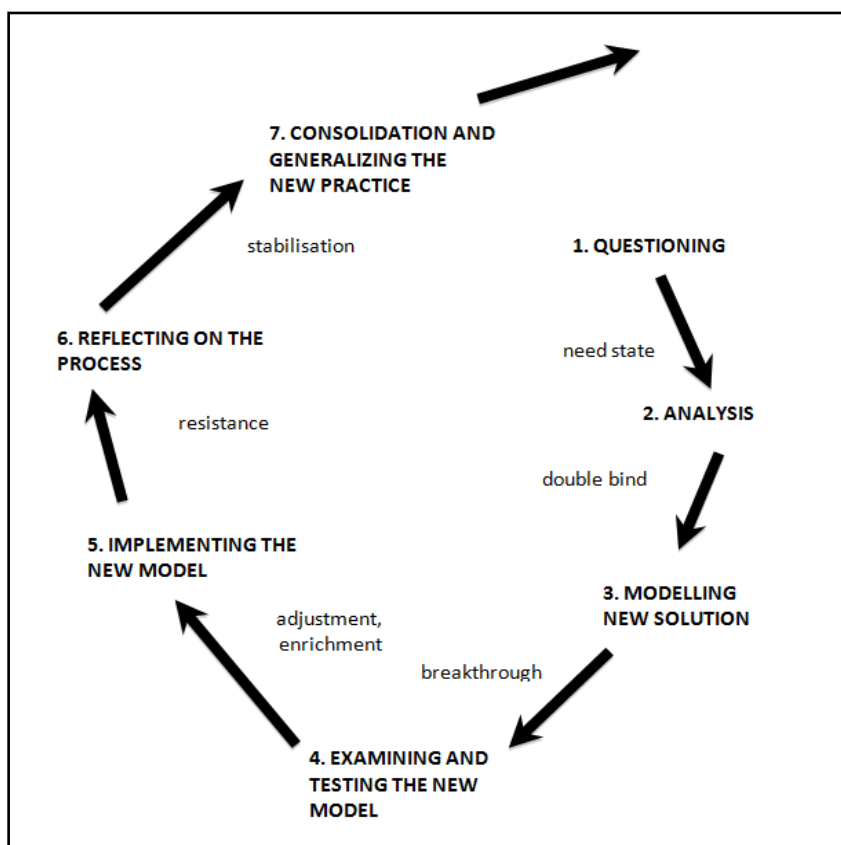
*Figure 4: Expansive Learning Cycle (Engeström, 1987)*

This process of expansive learning and the activity system analysis that informs it can be undertaken both within a particular activity system such as a SETA, or across activity systems with multiple role players. Through a deliberative process that surfaces contradictions that role players (may) agree to address they may find solutions together, implement them, reflect on the outcomes and try again.

## Expansive learning processes linked to MG activity system analysis

There are a number of ways to support the expansive learning process that builds on the evaluative insights emerging from an activity system analysis. A formal process known as change laboratories (Virkkunen and Newnham, 2013) can be followed if the interest and resources exist. A change laboratory is "a formative intervention method for developing work activities by the practitioners in collaboration with researcher-interventionists. It is also a tool kit for envisioning, designing, and experimenting with new forms of work and a social setting in which this can be done" (ibid, p.15). The process is structured around 6 to 10 sessions, each lasting about two hours and spaced approximately two weeks apart. One or two follow-up sessions are usually conducted some six months later, once the initial experimentation and implementation of new models have been tried within the workplace/ project/ cross-project activity system. It is also possible to follow a less formal and structured process that still supports an expansive learning process. Such a less formal process is described below.

All SETAs meet with key stakeholders including employers and labour representatives, annually or quarterly. These events can be used for the process proposed there. Special events could also be arranged, e.g. at the National Skills Conference, Presidential Jobs Summit, industry conferences, and so on. By strategically including a two-hour engagement when these events occur, it would be possible to start an expansive learning cycle as mapped in Figure 4.

Stakeholders could be involved in the activity mapping exercise or have an opportunity to comment on and amend one that has been drawn up by the SETA. Based on this activity system mapping, all participants could identify and discuss contradictions, e.g. why are we not all equally interested in producing good workplace data? What is the situation? How did it get to be like this? What are the constraining factors? Are there enabling factors that could be strengthened? Where does it work well? Can we build on that? Can we remove obstacles? Which aspects require redesign? All these discussions would be informed by monitoring data against the 10 indicators in the previous section.

Participants could then select one or more actions to implement towards improving the situation / addressing the problem. Evaluation researchers supporting the process could interview or observe participants in the process of implementation and raise issues that require more in-depth consideration and support.

After a suitable, agreed upon time, the participants would re-convene to reflect on the outcomes of their actions. Has this worked? What else needs to be done? Again, preferably everyone has a role to play. The learning is documented. Understanding is expanded. New practices are embedded in the activity system that address the contradictions and support a more integrated and aligned system.

Activity system mapping provides an extremely useful tool to tease apart the rules, tools and divisions of labour that contribute to or hinder a particular subject (be it a SETA, an employer, a labour union, or a Department such as DHET) from achieving the goal or object of their activity.

Where multiple activity systems need to interact, it is also extremely useful to consider the objects of these activity systems and to as far as possible, develop shared objects, thus enhancing the alignment and impact of the diverse activity systems. Where contradictions are identified through the activity system mapping, units within one activity system or role players from multiple activity systems can be engaged and supported through an expansive learning process. This learning process builds on the monitoring data and evaluation understanding, on areas that require attention. New models of activity are collaboratively developed, implemented, and reflected on. Ultimately new tools, rules and divisions of labour are embedded and shared objects are used to guide activity within and between role players.  This process and some guiding questions are summarised in Figure 5.
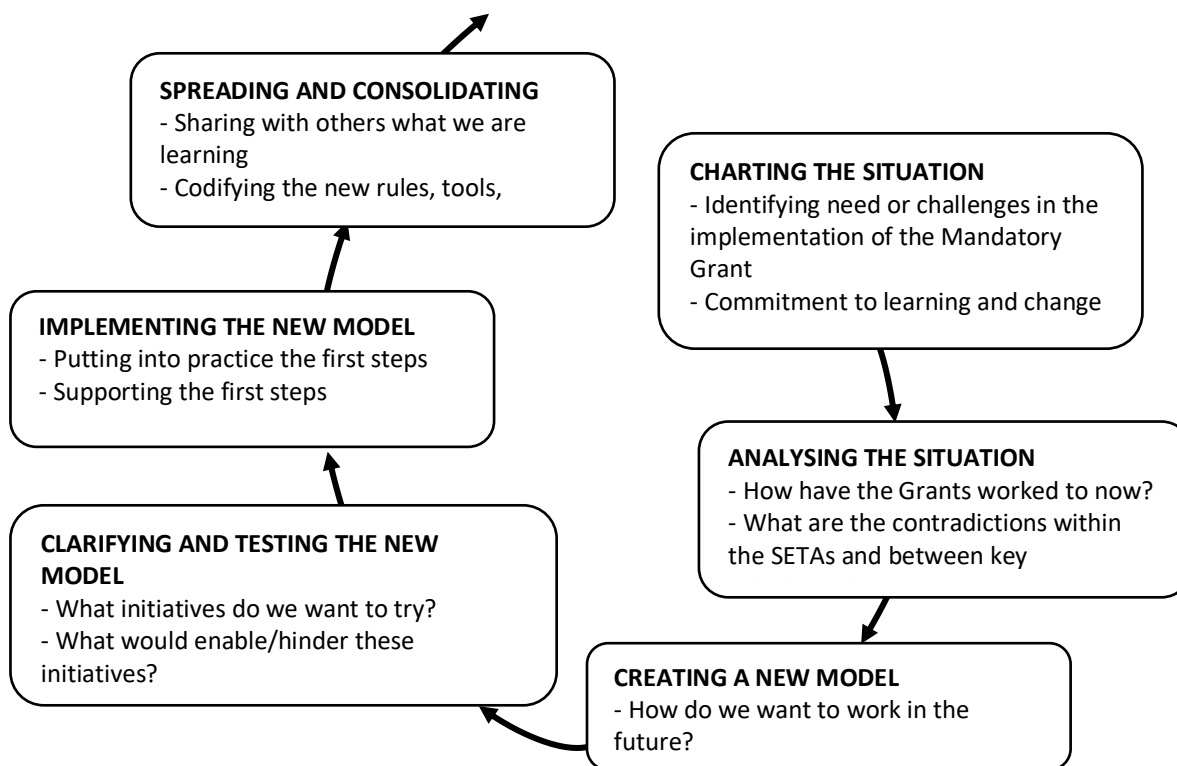
**SPREADING AND CONSOLIDATING**
- Sharing with others what we are learning
- Codifying the new rules, tools,

**CHARTING THE SITUATION**
- Identifying need or challenges in the implementation of the Mandatory Grant
- Commitment to learning and change

**IMPLEMENTING THE NEW MODEL**
- Putting into practice the first steps
- Supporting the first steps

**ANALYSING THE SITUATION**
- How have the Grants worked to now?
- What are the contradictions within the SETAs and between key

**CLARIFYING AND TESTING THE NEW MODEL**
- What initiatives do we want to try?
- What would enable/hinder these initiatives?

**CREATING A NEW MODEL**
- How do we want to work in the future?

*Figure 5: Expansive learning cycle adapted from Virkkunen and Newnham, 2013*

## Realist evaluation for system wide learning in SETA / PSET contexts

The process above would be one, quite intensive process in one particular context. The second approach for evaluating the Mandatory Grant provide the potential to extend across contexts to identify underlying systemic causes/ mechanisms that re-appear in multiple contexts. This is the realist approach that analyses outcomes in different contexts and draws generalisations from them, relating to underlying causes or mechanisms that are triggered in these contexts.

Often evaluation findings are less than helpful because they do not allow readers to 'get to grips' with the underlying mechanisms that both maintain and have the potential to change regularities in particular contexts. This is challenging work and those responsible for implementing, evaluating and improving change initiatives, such as the Mandatory Grant, often revert to responding to the immediately visible elements and problems rather than working at the level of the invisible systemic structures and mechanisms that maintain them.

Figure 6 illustrates the difference between more superficial change interventions and the problem-solving processes supported by realist evaluation. This deeper level of engagement with underlying mechanisms can in turn inform activity system analysis and expansive learning. Therefore, the two approach to evaluation proposed for the Mandatory Grant M&E, are complementary and mutually supportive.

| Focus | Problems | Solutions |
|---|---|---|
| Invisible systemic structure of the collective activity | 2 Disclosing the systemic causes in the visible problems in the activity | 3 Finding ways to overcome the problems by expansively reconceptualising the idea of the activity |
| Immediately visible elements and problems in individuals' action in the joint activity | 1 Identifying the obvious (visible) problems | 4 Taking new kinds of actions: implementing new instruments, rules, ways of dividing labour and collaborating |

*Figure 6: Change Laboratory and Problem Solving (Virkkunen & Newnham 2013, p.10)*

In Figure 6, rather than moving directly from the identification of the obvious (visible) problems to experimenting with and taking new kinds of actions (red arrow), realist evaluation provides tools to analyse the systemic causes of problems (gold arrows). This leads to an "expansive reconceptualization of the idea of the activity and reconfiguration of its structure, and then returns back to the level of individual actions by developing and implementing corresponding new instruments, rules, ways of dividing labour and collaborating." (Virkkunen & Newnham 2013, p.10)

## Realist evaluation – Key features

A realist approach to evaluation has its philosophical basis in a realist view of reality, that recognises both the physical and the constructed nature of social situations such as PSET. Tangible realities include, for example, a person's neuro-physical ability to learn, or the built infrastructure, natural resources available for enterprise development, or number of people employed in a particular region. In addition to these physical realities, there are social and personal constructs such as values and beliefs, and the institutional set-ups, policies and practices that societies have created. These too, need to be considered in evaluations, as they have an impact, despite being more intangible.

Realist evaluations give greater explanatory power to other evaluation approaches (such as participatory or appreciative enquiries) because they are specifically designed to identify *why* a particular intervention works, so we know how to upscale; and why something does not work, so we can either fix the situation or revise the theory (and the intervention). This explanatory power lies in the concept of mechanisms (underlying causes) which, it is argued, have a semi-regular nature (demi-regularities), and the comparative design which compares across different cases, identifying the semi-regular causes of outcomes, from which we can then generalise to other cases. This gives realist evaluations a power somewhat similar to scientific research.

At the same time, realist evaluation does not treat the social world (such as the PSET system) in the same way that the sciences treat the bio-physical world. It recognises that we cannot treat people like plants and conduct laboratory style experiments (such as pre-test post-test comparisons) on them. It recognises that human and social systems are radically open systems with multiple variables interacting, and that evaluators

cannot control these. The context always plays a role in the outcomes of any programme. The same (educational or organisational change) programme may lead to different outcomes, in different contexts.

Realism was used for programme evaluation by Pawson and Tilley, drawing on the work of Carol Weiss among others. They argued that we need to test programme theories, refine or revise them, and build new theory about what works and why. The first step, is to describe the existing programme theory, that is, the theory of the programme developers and implementers, as to how and why their intervention would work. Weiss suggested that a programme theory has two components, the theory of change (ToC) and the theory of action. (This is the same concept of theory of change referred to earlier.)

The explanation is at the level <u>not of the steps taken in the programme</u>, but at the level of the deeper causes or *deeper 'mechanisms' which have been triggered by the way in which participants respond to the programme*. These (interacting) mechanisms in turn tap into even deeper -psychological structures which are not exactly 'natural laws', but are often intransient in nature. Examples include 'sense of identity', 'trust', 'allegiance', etc. Because they have high levels of regularity (most organisations have a sense of identity, most employees have an allegiance to something; following promises with delivery tend to lead to trust; etc.) they enable evaluators to generalise, despite a diversity of contexts e.g. SETA or employer types.

Realist evaluations allow for the consideration that there are many 'mechanisms' involved in PSET outcomes, at different levels, and that they interact with each other; this allows for more sophisticated theory development and a better grasp of complexities, to inform the development or choice of interventions.

By recognising the role of context, realist evaluations can explain which contextual factors are relevant, so that we scale up and scale out wisely; it also helps us to know what we can cut from an intervention to save time or costs, and what we cannot cut out. (For this reason, Project 4, developing a tool for Cost Benefit Evaluation of Work-based Learning, is also drawing on a realist approach.)

Realist evaluations can effectively use large data sets, especially data on outcomes, thus providing a meaningful use for monitoring data. In the process of working with the monitoring data, an evaluator may identify a particular regularity, for example the low number of WSP submissions. An evaluator would ask: Why is this so? What is it about the nature of the Mandatory Grant system that leads to poor submissions by workplaces? By identifying and testing plausible mechanisms underlying this empirical regularity, it becomes possible for evaluation processes to move beyond the examination of individual variable (e.g. tools, rules or division of labour in a particular SETA) and the links between them, to considering the bigger picture of these activity systems within an overarching context. Understanding how recurrent outcomes across SETAs or within the broader PSET system are produced in particular contexts by these underlying mechanisms provides the basis for strengthening or mitigating these mechanisms in ways that may generate significant systemic change and alternative outcomes.

## Example: Realist Evaluation of MG Implementation, across SETAs

This example demonstrates how the concepts outlined above contribute to potent evaluation through a deeper understanding of the relationship between context, mechanisms and outcomes. For demonstration purposes, assume that DHET, the NSA and the 21 SETAs want to evaluate whether interventions in recent years have resulted in better demand-side data from employers.

**Step 1**

Surface and articulate the broad general programme theory and theory of change across all SETAs. It could be that by changing the WSP templates and appointing well trained Skills Development Facilitators (SDFs) to work with employers across employer categories, the quality of workplace skills data will improve.

**Step 2**

Define the desired outcome and choose one or more indicators by which to evaluate the outcome. In this case, the indicators for better skills demand data might be that the data is derived from a representative spread of employer types (large, medium, small and micro employers); it has a present as well as futures (five years) orientation; it takes known contextual drivers affecting the sector into account; and it matches employment trends (the latter can only be measured over time).

**Step 3**

Using the indicators chosen, scoped and defined in Step 2, determine the outcomes for all 21 SETAs (that is, what is the quality of workplace skills demand data from employers coming through each year.)

**Step 4**

Compare these outcomes with the mechanisms and contexts of each SETA, as in Table 3. To do this, a case study of each SETA has to be undertaken, in which the first level mechanisms they deploy (their 'theory of action') should be mapped out, and underlying mechanisms probed.

For example, SETA 1 may have appointed one graduate level SDF for each of their sub-sectors, who meet employers one a year, and also used the new WSP templates; SETA 2 may have failed to appoint an SDF, but used the new templates; SETA 3 may have appointed two SDFs for each sub-sector who meet employers twice a year; and so on.

Contextual factors would include the nature of the sector and sub-sectors and employer types (e.g. size, composition, industry vs government, and so on), and the SETA's budget may be relevant too.

Note: Where available, systematic reviews and meta-reviews help us identify factors to track and probe – what does the literature, previous evaluations, say about what works for whom and why? What were the contextual factors identified as relevant?

|  | Context of SETA and Sector (C) | Mechanisms Deployed (M) | Outcomes ito Demand Data Quality (O) |
|---|---|---|---|
| SETA 1 |  |  |  |
| SETA 2 |  |  |  |
| SETA 3 |  |  |  |
| SETA … |  |  |  |

*Table 3: Template for Conducting a Realist C-M-O Analysis*

**Step 5**

Using a table or spreadsheet similar to Table 3, analyse the outcomes. Look for patterns across the data. In which SETAs is there an improvement in the Outcomes, i.e. an improvement in the quality of employer data? What contextual factors and mechanisms (C and M) are associated with these Outcomes (O)? Generate hypotheses from the observed C-M-O patterns and test them with SETA and employer representatives (interviews, focus groups) and/or correlational analysis based on (further) surveys.

**Possible Findings**

With such a study, one might find that …

The new template makes a big difference in all contexts where it is introduced (employers may explain that it is easier to complete)

OR

The new template makes a difference but only in those contexts where it is also strongly mediated by SDF's. In such a case, probe the underlying causes: Is it because the SDF provides needed technical information? Is it because the SDFs establish good interpersonal relationships that motivate employers' HR staff to put more effort into the submissions? Is it because the quality of the SDF's engagement plus new template create a positive impression of the SETA that gives employers more faith that there would be good skills outcomes in future? Etc.

OR one could find that …

Despite the new template being easier and SDFs forming good relationships with employers, the quality of the data remains poor in terms of future trends and matching employment trends. This pattern of outcomes would suggest that there are (additional) problems affecting the quality of demand data in the system, e.g. employers are unaware of key drivers in their sector, or lack predictive capacity because of volatile market conditions. This may pertain to smaller or bigger employers – which the comparison could show up.

Thus, the above C-M-O realist evaluation process would identify what works (in terms of improving employer demand data) under what circumstances, for whom and why. Such insights would help SETAs and the wider system, to make the necessary (informed, evidence-based) interventions to further address the problem of poor data. It would also identify those contextual features and organisational actions taken, that do make a positive difference, retain them, adequately resource and continue to build on them.

## Implementation Guidelines

This Framework does not include implementation details. However, two sets of considerations are highlighted here. These are the resourcing of the M&E framework's implementation, and the planning of its implementation.

With regards to resourcing, it should be noted that the *Government Wide Monitoring and Evaluation System* (South Africa. Presidency, 2007) requires all government institutions to formally adopt an M&E strategy. Accounting officers and accounting authorities are accountable for the frequency and quality of M&E information and the integrity of the systems responsible for its production and utilisation. Programme managers and other line managers and officials are responsible for establishing M&E systems. Designated

M&E units should be in place for ensuring the implementation of M&E strategies by providing expertise and support. Without adequate human resources and budgets, an M&E Framework will do little to ensure that M&E happens. The framework proposed here will require personnel with expertise in both quantitative monitoring and qualitative programme evaluation methods.

With regards to planning, the *Framework for the M&E of the Discretionary Grant* (Rosenberg and Ward, pp.24-25) provide some pointers for assisting SETAs to move from an M&E Framework, at a conceptual level, to an M&E Plan that can be implemented. Note that SETA level M&E plans should contribute where appropriate to the *High-level Framework for M&E in a SETA Environment,* to be implemented by the NSA.

## Concluding Comments and Way Forward

M&E, reporting and learning can be used to bring about a progressive tightening and streamlining of the roles of the SETAs in order to strengthen them and enhance their impact. This tightening and streamlining needs to be done within the entire PSET system to ensure both alignment and avoidance of duplication between organisations mandated to contribute to skills planning and provision. It should also guide the development of capacity in those aspects of the skills development mandate that the SETAs are best placed to support.

The SETAs fulfil a key role in terms of the skills development aspirations in South Africa. In particular, the SETAs have been positioned as intermediaries between the workplace and the providers of education and training opportunities. This requires that SETAs develop a clear picture of skills demand and signal the implications for skills supply. Central to this process is the use of the Mandatory Grant to solicit information on skills needs in workplaces and skills demand in sectors.

In order to track both the skills needs and the training taking place in and for workplaces, a number of foci for monitoring have been identified along with indicators to measure the extent to which planned outputs, outcomes and impacts are achieved.  A key assumption within this process is that the theory of change is valid, and that priority areas are tracked through appropriate indicators. Indicators can burgeon unrealistically if the outcomes and related principles are not carefully aligned and integrated. A first step is for SETAs to review and refine where necessary the Theory of Change for the Mandatory Grant and logical /results framework proposed here. The indicators proposed for monitoring the Mandatory Grant should be reviewed and agreed upon, among SETAs.

Monitoring data should be reviewed in order to identify successes and contradictions related to the Mandatory Grant. Evaluations need to identify what has or has not worked. In order to bring about improvements, it is also important to probe *why* particular aspects of the grant system have (not) worked and for whom. The Framework presents two broad, but related, evaluative approaches that seem particularly appropriate to answering these questions. These are not the only approaches that can be used to answer these questions, but they are particularly pertinent to the issues raised by a complex, multi-stakeholder and changing system as evident in the Mandatory Grant. Systems approaches are increasingly used to overcome the limitations of narrower approaches to evaluation. More specifically, activity theory approaches provide useful frameworks for identifying the tools, rules and divisions of labour that are in place to achieve particular objects and outcomes. Within and across activity systems, realist approaches on the other hand are valuable for interrogating underlying assumptions i.e. our often unexamined theories about what is going to work and why, e.g. in skills or broader developmental programmes. Realist evaluations present a systematic way to

advance knowledge through a careful consideration of the context within which social change initiatives are implemented, the underlying mechanisms that may or may not operate in a particular context, and the outcomes evident in M&E data. By working through expansive learning processes that are stimulated by the internal contradictions within or between activity systems, SETAs and partners can develop new theories of change and models of activity and embed these in organisational processes and structures. Where these learning processes are also informed by a deeper understanding of underlying mechanisms, the potential for systemic change is substantially enhanced.

SETAs should use this Framework, together with the *Framework for the Monitoring and Evaluation of the Discretionary Grant*; their existing monitoring and quarterly and annual reporting; the Performance Standards; and the tools and templates for Tracer Studies and Cost-Benefit Evaluation; to develop SETA specific M&E Frameworks and Plans for implementation as part of ongoing organisational learning, planning and communication cycles. The implementation guidelines in the Discretionary Grant M&E Framework can also be applied here.

SETAs should furthermore participate in the setting of the annual agenda for the High-level Framework for M&E in a SETA Environment, to be convened by the NSA, and seek synergies and alignment between their organisational M&E, and the collective M&E, in order to be able to 'tell the story' of SETAs' efforts, achievements and challenges, and to find the insights to address their challenges, to the benefit of South Africa's social-economic objectives.

# REFERENCES

AgriSETA, 2017. AgriSETA Strategic Plan for 2015/2016-2019/2020.

Bhaskar, R., 2008. A realist theory of science, Classical texts in critical realism. Routledge, London.

Bhaskar, R., Hartwig, M., 2016. Enlightened common sense: the philosophy of critical realism, Ontological explorations. Routledge, New York.

CATHSSETA, 2018. Technical Indicator Descriptors: Annexure to the Annual Performance Plan 2018/2019.

Daniels, H., Edwards, A., Engeström, Y., Gallagher, T., Ludvigsen, S.R. (Eds.), 2009. Activity Theory in Practice: Promoting Learning Across Boundaries and Agencies. Routledge, Erscheinungsort nicht ermittelbar.

Department of Higher Education and Training, 2017. Appendix 2: Compendium of indicators to monitor the Performance of PSET.

DHET, 2013. White Paper for Post-School Education and Training: Building an Expanded, Effective and Integrated Post-School System.

Engestrom, Y., 1987. Learning by expanding. Orienta-Konsultit Oy, Helsinki.

Engestrom, Y., 2000. Activity theory as a framework for analyzing and redesigning work. Ergonomics 43, 960–974.

Engeström, Y., 2001. Expansive Learning at Work: Toward an activity theoretical reconceptualization. J. Educ. Work 14, 133–156.

Engestrom, Y., 2014. Learning by Expanding: An Activity-Theoretical Approach to Developmental Research (2nd ed.) Cambridge University Press, Cambridge. Engeström, Y., 2015. Learning by expanding: an activity-theoretical approach to developmental research (2nd ed.) Cambridge University Press, New York, NY.

Engeström, Y., Sannino, A., 2010. Studies of expansive learning: Foundations, findings and future challenges. Educ. Res. Rev. 5, 1–24. https://doi.org/10.1016/j.edurev.2009.12.002

ETDP SETA, 2018. ETDP SETA Technical Indicator Descriptions 2018/2019.

EWSETA, 2018. EWSETA Technical Indicator Descriptions 2018/19.

Grawitzky, R. 2007. SETAs – A Vehicle for the Skills Revolution? Development Policy Research Unit

Marock, C., Harrison-Train, C., Soobrayan, B. and Gunthorpe, J. 2008. SETA review. Development Policy Research Unit, University of Cape Town, Cape Town.

Marock, C. 2012. Developing a Framework for Understanding SETA Performance. LMIP Working Paper

MICTSETA, 2017. MICTSETA Sector Skills Plan 2018 to 2023.

Mzabalazo & REAL, 2018. NSDSIII Evaluation: Evaluation of the National Skills Development Strategy (NSDS III) 2011-2016.

McChesney, C., Covey, S. and Huling, J. 2012. The 4 Disciplines of Execution. Simon and Schuster, London.

National Planning Commission, 2011. National Development Plan Vision for 2030. National Planning Commission, Pretoria, South Africa.

NEDLAC. 2007. SETA performance and functioning, final draft report.

Nunez, I., 2014. Critical realist activity theory: an engagement with critical realism and cultural-historical activity theory (CHAT), New studies in critical realism and education. Routledge, London.

Pawson, R., 2013. The Science of Evaluation: A Realist Manifesto. SAGE, London.

Pawson, R., Tilley, N., 1997. Realist evaluation. Changes.

Pawson, R., Tilley, N., 2004. Realist Evaluation.

Research Focus, 2017. Trends in Employment and Training in the Fasset Sector.

Sannino, A., Engeström, Y., Lemos, M., 2016. Formative interventions for expansive learning and transformative agency. Presented at the EGOS, Unpublished, Italy.

Singizi. 2007. SETA Review, research report. The Presidency. South Africa

South Africa. Department of Higher Education & Training (DHET), 2011. National Skills Development Strategy III.

South Africa. Department of Higher Education & Training (DHET), 2013. White Paper for Post-School Education and Training: Building an Expanded, Effective and Integrated Post-School System.

South Africa. Department of Higher Education and Training, 2015. Guidelines on the Implementation of SETA Grant Regulations.

South Africa. Department of Higher Education and Training, 2018a. Investment Trends on Post-School Education and Training in South Africa.

South Africa. Department of Higher Education and Training, 2018b. DHET 105: Enhancement of the Framework for the Monitoring and Evaluation of the Post-School Education and Training Sector (Draft).

South Africa. Department of Higher Education and Training (DHET), 2019. National Skills Development Plan, 2030

South Africa. Department of Planning, Monitoring and Evaluation, 2011. National Evaluation Policy Framework.

South Africa. Presidency, 2007. Policy framework for the Government-wide monitoring and evaluation system. Presidency, Pretoria.

South Africa. Presidency, 2013. Ministerial Task Team on SETA Performance. Government Gazette No. 36747

TETA, 2015. TETA Monitoring and Evaluation Framework.

Virkkunen, J., Newnham, D.S., 2013. The change laboratory a tool for collaborative development of work and education.

Ward, M. and Rosenberg, E. 2019. SETA M&E Project 1: Scoping Report. Rhodes University, Grahamstown.

Ward, M. 2019. SETA M&E Project 3: Scoping Report. Rhodes University, Grahamstown

# Appendix 1: Source Documents

Rosenberg, E. and Ward, M. 2020. Framework for Monitoring and Evaluating the Discretionary Grant: Final Report. Rhodes University, Grahamstown.

Ward, M. and Rosenberg, E. 2020. High-level Framework for Monitoring and Evaluation in a SETA Environment. Rhodes University, Grahamstown.

Ward, M. and Rosenberg, E. 2019. SETA M&E Project 1 (Develop a High-level M&E Framework for SETAs): Scoping Report. Rhodes University, Grahamstown.

Ward, M. and Rosenberg, E. 2019. SETA M&E Project 3 (Develop Standards for SETA Performance): Scoping Report. Rhodes University, Grahamstown.

Ward, M., Rosenberg, E. and Tsotsotso, K. 2019. SETA M&E Project 3 (Develop Standards for SETA Performance): Workshop Report. Rhodes University, Grahamstown.

Ward, M. and Rosenberg, E. 2019. SETA M&E Project 6 (Develop a M&E Framework for the Discretionary Grant): Scoping Report. Rhodes University, Grahamstown.

Ward, M. and Rosenberg, E. 2019. SETA M&E Project 7 (Develop a M&E Framework for the Mandatory Grant): Scoping Report. Rhodes University, Grahamstown.

All Rhodes University - SETA M&E project reports and presentations are available at
www.ru.ac.za/elrc/projects/meinasetaenvironment/publicationsusefullinks/deliverables