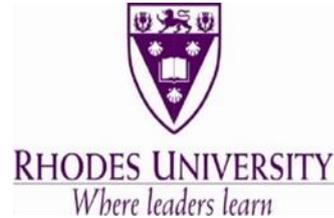




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Rhodes University BANKSETA M&E Chair Research Plan: Project 3

SCOPING REPORT

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List of Abbreviations

ABET	Adult Basic Education and Training
AG	Auditor-General
APP	Annual Performance Plan
ATR	Annual Training Report
CEO	Chief Executive Officer
CET	Community Education and Training
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service Administration
ETDP	Education, Training and Development Practices
FET	Further Education and Training
GTAC	Government Technical Advisory Centre
GWMES	Government-wide Monitoring and Evaluation System
HR	Human Resources
HRDC	Human Resource Development Council
LMIP	Labour Market Intelligence Partnership
M&E	Monitoring and Evaluation
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NSCP	National Career Advice Portal
NDP	National Development Plan
NEPF	National Evaluation Policy Framework
NGO	Non-Governmental Organisation
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS III	National Skills Development Strategy III
NSF	National Skills Fund
PFMA	Public Finance Management Act
PSC	Public Services Commission
PSET	Post-School Education and Training
PSETA	Public Sector Education and Training Authority
QCTO	Quality Council for Trades and Occupations
SDL	Skills Development Levies
SETA	Sector Education and Training Authority
TVET	Technical Vocational Education and Training
WP-PSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan

Introduction

Project 3 within the broader SETA Monitoring and Evaluation programme being implemented by Rhodes University seeks to develop 'Performance Standards' to be used in the assessment and improvement of SETA performance. According to the original project brief "these assessments must enable SETAs and other role-players in the system to be accountable to stakeholders and in equal measure, to learn from the findings in order to increase their positive impact within their sphere of influence" (Rosenberg, 2018 p2). The purpose of this scoping report is therefore closely aligned with the National Evaluation Policy Framework (DPME 2011) in seeking to identify the factors that contribute to or undermine SETA performance. In this regard there is a broad assumption that management has a significant impact on performance. But there are other important factors, often beyond the control of managers, that influence performance. In the context of seeking "to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development" (DHET, 2019 p5) many role-players and contextual factors will influence delivery and performance. This scoping report will thus consider both management performance standards and performance standards in terms of the mandate of SETAs within the broader skills development policies, plans and strategies. It must be noted that as a scoping report this paper seeks to provide a very broad overview of some of the key issues that will then be explored and developed further with stakeholders over the remaining year of the project.

Background

The SETA M&E research chair and its associated programme is contributing towards a national imperative as articulated in the Policy Framework for the Government-wide M&E Systems (South Africa. Presidency, 2007) and the National Evaluation Policy Framework (DPME, 2011). The GWM&E System (Presidency, 2007 p11) requires that government institutions formally adopt an M&E strategy that includes a description of current and future (planned) M&E systems and a capacity building plan detailing how the institution will put in place the human capacity to fulfil its M&E functions. The National Evaluation Policy Framework (DPME, 2011) has the express purpose of improving public policy and programmes, decision making, accountability and the potential for improved performance through learning. This evaluative work takes place within the broader national planning frameworks and both documents stress the importance of a 'line of sight' that traces government strategic priorities across the levels of government. This relationship between the national evaluation frameworks and the skills development policies, plans and strategies is considered in detail in the Project 1 scoping report (Ward and Rosenberg, 2019) of the broader research chair programme addressing monitoring and evaluation (M&E) in a SETA environment (<https://www.ru.ac.za/nalsu/projects/>).

In seeking to develop 'performance standards' the first question that arises is 'which performance?' Two broad areas of performance are referred to in the brief namely '(management) performance' and 'SETA performance'. This appears to suggest performance internal to the organisation (management performance) and a broader performance that is linked to the delivery of the institutional (in this instance SETA) mandate within the national commitment to skills development. These two areas of performance are closely linked and there is a strong premise that improved management performance in terms of HR management, financial management, good governance and strategic management are key enablers of institutional performance (service delivery) in terms of the institutional mandate, strategic plans and delivery agreements. (PDG, 2015)

It is significant to note that in the development of the National Evaluation Policy Framework, it was recognised that these different objects of evaluation (and by implication performance) were both important. However, the issue of 'management performance' was not covered in the National Evaluation Policy Framework as is evident in the table below.

Unit/object	Type of evaluation	Example	Covered/not in this framework
Government-wide	Synthesis + research	10 and 15 year reviews, expenditure reviews	Not covered
Policy/sector plans/ thematic plans	Diagnosis/Synthesis/Design /Implementation/Impact	ECD/Evaluation of National Strategic Plan for HIV/AIDS	Covered
Programmes		Child Support Grant impact evaluation	Covered
Projects			Covered
Organisational/ institutional	Combination of performance audits and process evaluation	State of the public service report by OPSC, performance audits by the Auditor General, MPAT	To be covered in later versions of the policy framework
Individuals	Tests	Annual National (learner) Assessment	Not covered
	Self/supervisor assessment	PMDS	

Figure 1: Types of evaluation. Source. South Africa. DPME 2011 p11)

The exclusion of management performance from the National Evaluation Policy Framework means that the relationship between the internal performance of an organisation or institution and its delivery through its plans, programmes and projects is unclear. There are many assumptions as is evident in the quote below:

“The quality of management practices - how we plan; how we manage staff, finances, and infrastructure; how we govern ourselves and how we account for our performance - has a significant influence on the quality of the outputs our department produces, the outcomes achieved, and ultimately, the impact our services have on society. Therefore, to improve the performance of a department, it is essential that the management practices of a department are assessed and strengthened. Good management practice is a precondition for effective, sustainable service delivery.” (DPME, 2011 p. 8)

However, in an evaluation of the Management Performance Assessment Tool in South Africa (PDG, 2015) the point is made that:

The underlying rationale for MPAT sets out better management performance as a precursor to better departmental performance. How exactly better management performance translates to better departmental performance in terms of service delivery terms is not particularly well explained, nor what evidence links the collective management achievement of the key performance areas to departmental performance. While examining linkages to departmental performance outcomes is beyond the scope of this implementation evaluation, how this is conceptualised is important to the overall design and it appears to be lacking at this time. (p86)

This suggests that there are at least two important areas within which to consider performance standards and a number of relationships that require some clarification. The simple graphic representation in Figure 2 helps to identify these areas and relationships and may be useful for an initial scoping of the field, as well as a tool for the ongoing development of Project 3.

In this scoping report, the two key areas of performance will be considered and some initial implications for the development of performance standards outlined. It is not the intention in this scoping report to develop performance standards, but rather to map key areas that require dialogue, further research and ultimately integration within the broader SETA M&E programme.

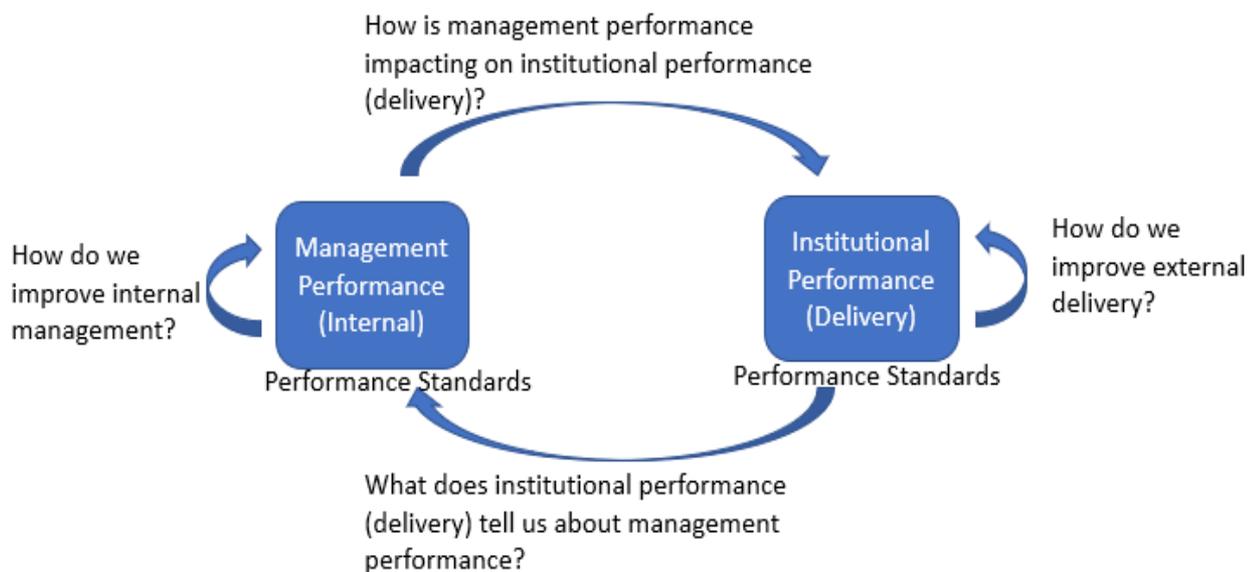


Figure 2: Performance standards. Source: Author

Management Performance Framework and Standards

The commitment to improving management performance within the public sector is located within the Constitution (e.g. Section 195); the National Development Plan (e.g. Chapter 13); and the Medium Term Strategic Framework (e.g. Outcome 12). In 2010 there was a growing recognition that many government departments and institutions were under-performing and that poor management practices were central to this poor performance (PDG, 2015). Two key contributors to this state of affairs were identified as little or no attention being paid to the quality of management practices, and fragmentation in terms of responsibility for assessing management practices.

In response Cabinet, in 2010, mandated the Department of Planning, Monitoring and Evaluation (DPME) to develop a single, coherent framework that provided a snapshot of management practices in a department. Through collaboration with a range of government departments including the Department of Public Service and Administration (DPSA) and the National Treasury, and independent bodies including the Auditor-General and the Office of the Public Service Commission, the DPME developed the Management Performance Framework. This framework was based on a number of similar management performance assessment methodologies used by India, Brazil, Kenya, Canada and New Zealand (DPME, 2012).

Drawing on international literature, country reports and study visits to Canada and New Zealand by a technical committee comprising senior officials from DPME, DPSA and National Treasury, four management Key Performance Areas (KPA) were identified. These were: Strategic Management; Governance and Accountability; Human Resource Management; and Financial Management. These four areas are common across many management performance systems and are “believed to be critical determinants of good performance” (PDG, 2015 p14). An implementation evaluation (PDG, 2015) noted that two additional areas require attention in terms of global best practice: asset management and information management.

Before exploring the performance assessment framework and standards that have been developed by DPME, it may be useful to clarify some points about performance management and performance standards. The first point that is stressed in all of the MPAT documents is that the purpose of the performance assessment system

is not limited to ensuring compliance with specified policies, activities, outputs, outcomes and impact. It should serve as a mechanism to guide the direction of policy implementation, management practices, service delivery and ultimately to ensure that government institutions are doing what matters most in the overall aspirations of our country, as articulated in documents such as the National Development Plan.

Performance management can thus be understood as a systemic effort to improve performance through an ongoing process of establishing desired outcomes and impacts, clarifying a theory of change, setting performance standards, then generating data and using emerging insights to improve practice. The purpose of these processes is therefore to support a continuous process of improving individual, departmental and governmental performance. Performance standards are useful in clarifying different levels of achievement so that participants can better understand what is expected of them, assess their performance relative to other similar individuals or departments, and have a guide on what is required to improve performance.

Despite the positive intentions of performance standards outlined above, there are many examples of “hitting the target but missing the point” (Heckman et al., 2011). Some challenges that will become evident in the following consideration of reviews of the performance of the skills development processes in South Africa are briefly introduced here for consideration as we seek to develop performance standards for the SETAs.

One challenge noted by a number of the reviews, is the potential for managers to learn how to ‘game’ the performance standards. An example of ‘gaming’ is setting the targets at a level that is easy to achieve in order to show outstanding performance. Another challenge is the propensity for designers of performance standards to rely on performance measures that are either compliance based or focused on short term outputs rather than longer term outcomes and impacts. This has the potential to misdirect activities by focusing on easy wins at the expense of long-term value. An example here may be the focus on lower level qualifications in order to achieve learner numbers without considering the need for higher level skills within the economy.

A third example can be described as a kind of tunnel vision where the designers of performance standards focus on only one area of performance, for example internal management, and ignore or marginalise another area, for example external service delivery. This is well captured in the quote from a SETA manager cited in the recent evaluation of NSDS III:

The public in terms of the results of MPAT should be very happy or at least content with the performance of government, yet the converse holds true. For example, service delivery protests have increased in spite of MPAT precisely because MPAT is process driven and not focusing on resolving issues on the ground. Communities are feeling that they are not engaged or at least listened to on issues affecting them. The MPAT has not resolved these problems. It has rather caused us to spend more time chasing paper which is what political leadership say that we are complying on paper but the people out there have a different lived experience (quoted by Mzabalazo and REAL, 2018 p79)

These and other examples of “hitting the target but missing the point” alert us to the fact that in developing performance standards it will be necessary to build in review and revision processes to identify and address inefficient and unintended consequences and at times perverse incentives created by the standards. These processes of review will also be important as the context changes within which skills development is taking place. Consider, for example, the significant impact of the 2008 financial crisis or the impact of climate change.

Despite these challenges there is the potential for performance standards to inform, guide, provide quick feedback on performance, to support change and ultimately to enhance the performance of government. It is these intentions and possibilities that inform the work on the national performance assessment framework and the Management Performance Assessment Tool (MPAT) in South Africa.

In order to support and operationalise the management performance framework, the four KPAs were further broken down into 17 Management Performance Areas (see the diagram below) which were in turn measured against 31 standards.



Figure 3: Management Performance Areas. Source: DPME 2012

The standards are updated annually but significant attention is given to ensuring that it is possible to compare results across years. Although MPAT was designed for National Departments and Provincial Government, there appears to be no reason that the standards used could not be used by SETAs. The standards have been developed to comply with (and support compliance with) national legislation that is applicable to all government entities and is therefore relevant to the SETAs. An example of a standard is given below showing the link to the Management Performance Area (in this case Strategic Planning) and to the relevant legislation and policy.

1.1 A. Performance Area: Strategic Planning
1.1.1: Standard name: Strategic Plans
<p>Standard definition: Extent to which strategic planning is 1) based on analysis, 2) aligned with the MTSF and/or PGDS, and with Delivery Agreements as well as 3) considered on an annual basis in respect of relevance of the strategic plan and performance against the strategic plan.</p> <p>Importance of the standard: A strategy is a systematic plan of action that departments intend to take in order to achieve their objectives. Strategies are dynamic and may need to be modified based on new knowledge, changes in policy or operational circumstances of an institution. Strategic plans must ideally not be changed over the five years of the plan, however can be updated when required during the five year period to address issues in the current operating environment of a department. Such changes should be limited to revisions related to significant policy shifts or changes in the service delivery environment.</p> <p>It is good management practice to consider the strategic plan each year in preparation of the annual performance plan so as to ensure its relevance to the volatile environment.</p>
<p>Relevant Legislation and Policy: Strategic Planning Framework N. Treasury; TR 5.2.1, the strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d),(e), and (f) of the Public Finance Management Act, 1999; TR 5.3 Evaluation of performance [Section 27(4) read with 36(5) of the PFMA; Public Service Regulations: Treasury regulations require strategic plans to comply with Chapter 1, Part III B of the Public Service Regulations, 2001.</p>

Figure 4: Example of a standard showing the link to the Management Performance Area. Source DPME 2015

Associated with each standard are four progressive levels of management performance, in other words the actual performance standard (Figure 5). This allows a department to pinpoint specific areas of management performance while also being able to build an aggregate picture of a single Key Performance Area, and if its overall management practices.

Level	Description
Level 1	Department is non-compliant with legal/regulatory requirements
Level 2	Department is partially compliant with legal/regulatory requirements
Level 3	Department is fully compliant with legal/regulatory requirements
Level 4	Department is fully compliant with legal/regulatory requirements and is doing things smartly

Figure 5: Levels of Management Performance. Source: DPME 2012 p16

A key point that emerges from this four-level standards description is that while compliance is an important consideration, there is a need to move beyond compliance. As the guidelines note, this is important since “A department can be compliant with the regulatory frameworks for a certain management practice, but simultaneously it can be inefficient and ineffective” (DPME, 2012 p16). An example from the SETA environment is that SETAs may comply fully with the regulations relating to disbursement of grants, and yet fail to support small and medium sized enterprises to access the grants. This would have significant impacts in terms of SETA performance and the impact of the skills development system in the South African economy. The guidelines also note that where departments achieve Level 4, “good practice case studies will be developed and disseminated through learning networks” (DPME, 2012 p16). This talks both to the commitment to horizontal learning across departments, and a commitment to organisational learning and improvement.

It is an intention of MPAT that results be ‘standardised’ and comparable across departments. This raises an important area for consideration in this Project 3. Given the extensive work that has gone into developing the management standards within MPAT and the associated Management Performance Framework, and particularly the alignment with legislative requirements of transversal departments such as National Treasury, would it be useful to develop *a separate set of management performance standards for the SETAs*? This issue requires careful consideration with key stakeholders including DPME, DHET and the SETAs before embarking on another process of performance standards development that may be at odds with existing national management performance standards. Even if responsibility for a broad management performance framework were to move out of DPME into, for example, DPSA as some interviews suggest, it still seems more productive to work with a national (transversal) process than to establish a separate set of management performance standards.

As noted above, however, management performance is only part of the picture and departmental (service delivery) performance is another important part of the performance of public institutions. Here the specific mandate of the SETAs, the development of adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development, suggests a need for more specific performance standards. It is to this area of performance that this scoping report now turns its attention.

Performance Standards (Service Delivery)

In order to scope the performance standards of SETAs, beyond the management performance standards covered above, a number of initiatives for reviewing and improving SETA performance should be considered. These include reviews conducted while SETAs reported to the Department of Labour (Grawitzky, 2007; Singisi, 2007; Marock et al., 2008; NEDLAC, 2007). A number of reviews that took place soon after the SETAs had moved to reporting to the Department of Higher Education and Training (Marock 2012; Presidency, 2013) are also considered. Finally, two recent initiatives that comment on SETA performance (NSA, 2017; Mzabalazo and Real, 2018) are considered. This scoping concludes with a brief consideration of the recently gazetted National Skills Development Plan (DHET, 2019).

The purpose of this scoping is to begin to identify persistent performance issues, some of which have been addressed, some of which are mentioned repeatedly but appear not to have been addressed, and some which appear to be persistent despite receiving substantial attention. At this point in Project 3, it is considered sufficient to scope these performance issues without proposing specific performance standards. In the next phase of Project 3, depending on the feedback on this scoping report and outcomes of engagement with roleplayers, a list of performance areas could be developed and the processes and standards collaboratively developed to address these issues, based on the evidence provided within the following reviews.

SETAs – A Vehicle for the Skills Revolution (DPRU study by Grawitzky, 2007)

In the face of persistent criticism of the SETAs, the University of Cape Town's Development Policy Research Unit (DPRU) commissioned a study in 2006 (Grawitzky, 2007) to evaluate the role of SETAs in contributing to addressing the country's skills needs. The study sought to identify the core deliverables and responsibilities of the SETAs; identify the underlying factors impacting on the performance of SETAs; and recommend interventions to improve SETA performance. This study was based on a review of legislation at the time, a number of interviews and three case studies that consider the first five years of SETA operation (2000-2005).

The report is clear that although the SETAs face challenges in meeting their obligations the "situation is not all bleak". The report sets out some of the key challenges, many of which have remained a focus through the subsequent reports on SETA performance. These include:

- The value of the Work Place Skills Plan is often open to question, as in many cases, completing the plan is a compliance exercise rather than a best practice initiative;
- The failure of SETAs to sufficiently align their Sector Skills Plans (SSPs) to their sector needs;
- The inability of SETA boards to agree on priority areas and their failure to take joint responsibility for lack of delivery;
- The drive to meet numerical targets based on the National Skills Development Strategy instead of focusing on quality and impact;
- The introduction of learnerships has proved to be resource intensive. A large number of learnerships had been registered (more than 800) but close to half had not being utilised because many do not have the required curriculum and learning materials, which had yet to be developed;
- Employers have started lower-end learnerships as these were developed first;
- Aside from projects funded through discretionary grants, the process of developing skills for industry has largely been left to companies, with the questionable involvement of organised labour;
- Contestation within SETA boards often focuses on how the discretionary grants should be spent, with each constituency seeking to ensure that it benefits; and
- The National Skills Authority (NSA) was perceived to not have sufficient independence or capacity to influence the Minister of Labour.

During the period covered by this study, the Skills Development Act was amended to deal with a number of emerging issues related to SETA performance. The amendments sought to strengthen the Labour Minister's powers over SETAs and included the introduction of annual Service Level Agreements (SLAs) which included key performance indicators. The SLAs, which came into effect in 2005, governed SETA performance in relation to the Skills Development Act, the National Skills Development Strategy and the Public Finance Management Act.

A useful table is included in the report (Grawitzky, 2007 p10) that provides a summary of NSDS I with three objectives and 12 success indicators. A review of the success indicators reveals that they were predominantly quantitative and had a strong emphasis on access to skills development. The second National Skills Development Strategy (2005-2010) sought to "move away from chasing learner intake targets" and to "look more at the quality of training and its impact." There was also substantial expansion beyond learnerships as the delivery mechanisms, to apprenticeships, internships, bursaries, workplace experiential learning and unit standards based skills programmes. A review of NSDS II (see summary table in Grawitzky, 2007 p15) reveals that other areas of focus included: scarce and critical skills; building relations between SETAs and training institutions including Further Education and Training colleges; and an attempt to begin to measure the impact of SETA interventions".

The section on the NSDS II concludes that: “Whilst some important shifts are incorporated in the latest NSDS, some stakeholders feel that it is too wide and places additional responsibilities on SETAs when they are not meeting their core obligations” (ibid p16).

Key research findings from this report are summarised under the following headings:

- *Governance and Stakeholder Engagement* – the constitution and capacity of SETA Boards as well as the capacity of the NSA are considered in some detail.
- *Measuring SETA Performance* – the focus on the PFMA and the NSDS meant that the sectoral focus of the SETAs was undermined. In addition, the focus was largely on numerical targets “with no measurement on impact or quality of learning”.
- *Operational and Staffing Issues* – non-performance was exacerbated by both leadership and staffing issues. However, it was also acknowledged that there was an “impossibly diverse range of expectations imposed upon SETAs by diverse groupings”.
- *Systemic Issues* – in particular issues related to long delays in the development of learnerships and uncertainty related to quality assurance were highlighted.
- *Research, Monitoring, Evaluation and Planning* – the research capacity within the SETAs and the Department of Labour was identified as a major weakness and SETAs were “yet to put in place systems to ensure proper monitoring and evaluation of interventions”.
- *Differences over interpretation* – a number of issues concerning legislation and regulations related to the SETAs were identified. These include the disbursement of grants, SMME involvement, capacity needed to drive implementation, and expectations of delivery. The last point was summed up with the following statement “SETAs have become all things to all people, hence, whatever they deliver on will be insufficient”.

The report concludes with a number of recommendations including the reconstitution of the SETA Boards, the strengthening and enhanced independence of the NSA, an assessment of the commitment of key stakeholders (business, labour and government), and clarity on grant disbursement processes. Central to Project 3 of the current SETA M&E programme was the recognition of the “need to critically analyse the process of monitoring and assessing SETA performance”. *Key recommendations related to the 2006 reporting structures not measuring actual delivery and output, and the risk that a rules-based reporting system was stifling innovation and the ability of SETAs to respond to emerging sectoral needs as identified in the Sector Skills Plans.*

This report is an early record of some of the successes and challenges faced by SETAs and it is referenced in many of the subsequent studies. Already evident are a number of management performance issues related to governance, staff capacity, M&E capacity, and strategic focus. Successes and challenges related to institutional performance (service delivery) were also highlighted. In particular, the challenge of working with multiple stakeholders meant there were diverse expectations of delivery and thus performance assessment criteria. As Project 3 develops, it will be important to track these issues through subsequent reviews and into the current National Skills Development Plan, to identify key performance areas and associated performance standards.

SETA REVIEW (Singizi 2007 and Marock *et al.*, 2008)

At the same time as the Grawitzky study, Singizi also did a review of the SETA environment and also submitted this study to the DPRU at the University of Cape Town. In March 2008, Marock *et al.* published the executive summary of the Singizi (2007) research study.

The Singizi study and the subsequent overview argued that significant progress had been achieved by the SETAs and the Skills Development system but that a number of challenges have also emerged. Many of these

challenges are similar to those identified by Grawitzky (2007) although no specific reference is made to that study. It must be noted however that the Singizi study provides far greater depth into some of the underlying issues. Due to the significant overlaps with the Grawitzky study many of the issues will not be reiterated here. Rather, the more in-depth work on reviewing SETA performance will be summarised. The recommendations will also be considered, particularly as they relate to understanding and enhancing SETA performance.

As part of the Singizi study, an attempt was made to: (i) develop a performance rating table of the SETAs, and (ii) to conduct a more nuanced review of individual SETAs. Three core criteria were used for both performance reviews; however due to the lack of comparable data, proxies were used for the actual rating while a broader range of factors were used for the reviews.

The criteria used were as follows:

- *Good governance* – the financials of the SETA were used as a proxy for good governance in the performance rating. In the broader review, other factors such as the SETA constitution, levels of participation in structures, and the extent to which there was a shared understanding of the role of the governance structures, were also considered.
- *Ability to plan and achieve the targets* outlined in the plan – three key metrics were used for the performance rating: a review of the planning process outlined in the SSP; Output Achievements, that is an analysis of the extent to which the SETA met its stated targets in terms of scarce skills; and, Broad Based Black Economic Empowerment (BBBEE) Target Achievements – that is the extent to which the SETA met the equity targets outlined in the NSDS. The report notes that since SETAs did not at the time produce a strategic plan for meeting the needs of the sector, it was difficult to assess performance in terms of the SETA's contribution to addressing scarce skills in the sector.
- *Quality assurance* to ensure the credibility of the learner results – here a number of indicators were used relating to record keeping and the validation of learner results.

Beyond the relatively narrow consideration of performance outlined above, the review developed a conceptual framework for assessing SETA performance. This framework firstly locates the mandate of the SETAs within the broader policy and regulatory environment. The review then considers the institutional capacity of the SETAs in terms of their governance dimension and the way in which the SETAs perform their core functions. Finally, the review considers the relevance of the SETAs in terms of the objectives set out in the skills development system (Marock *et al.* 2008, p9). Based on this framework, a number of recommendations were made, many of which have relevance to Project 3.

Recommendations with particular significance for understanding performance of the SETAs are listed below.

- *The need for prioritisation of objectives* – the report made an important point that stakeholders (specifically labour, employers, and business) had diverse and potentially competing expectations with regard to skills development that have shaped the objectives of the Skills Development Act and subsequent legislation and regulations. This led to an extensive list of objectives with little prioritisation and a level of complexity beyond the capacity of the newly formed SETAs and related institutions. Linked to this was an expanding mandate for SETAs against which they were ill-equipped to perform. This suggested a broad systemic failure based on deep-seated structural issues related to contested positions and contested skills development strategies, resulting in a contested and 'creeping' scope of work.
- The contested positions were carried through into the structure of the SETA boards which represented the different constituencies. This resulted in the Boards "operating as a bargaining council" (Marock *et al.* 2008

p20). In addition to the internal governance being dysfunctional in some SETAs, there was also a governance issue in terms of holding the Boards to account by the Minister of Labour.

- The relationship between the NSDS and the Sector Skills Plans (SSPs) was identified as disjointed, with the NSDS containing indicators that carried across into the Service Level Agreements and were thus used to evaluate SETA performance. The more specific SSPs were not given the same weight in the performance assessment processes, thus creating the impression of poor performance from a sector perspective.
- The complexity of skills forecasting was also highlighted in the report, and the expectations related to skills planning were seen to be unrealistic, thus negatively impacting on the perceptions of SETA's ability to address skills mismatches in the economy.
- The final section of the report considered *the need to develop a credible monitoring mechanism for SETAs, based on prioritisation of objectives and the gathering and maintenance of reliable and comparable data*. The report concludes that *"the present systems are incompletely populated and accessing comprehensive information for substantive review has not been possible in this study. The risks associated with the present situation are extremely high and demands urgent remediation."* The study highlights the *"absence of a credible Management Information System (MIS) in the skills development sector"* (p10).

Despite the serious shortcomings identified in the Singizi and Marock et al. reports, they do acknowledge that *"when we compare the audit outcomes of SETAs with those of National Departments and Public Entities, the SETAs compare very well."* Given that this ran counter to the general perceptions at the time, this finding appears to support the recommendation that diverse expectations and the expanding mandate of SETAs required careful attention in the assessment of SETA performance. It also suggests that a focus on management performance linked to institutions such as National Treasury and generic indicators such as those contained in the NSDS were disconnected with the demands in the sectors that the SETAs serviced.

SETA Performance and Functioning (NEDLAC, 2007)

At the same time as the above-mentioned reports (Grawitzky 2007, Singizi 2007 and Marock et al. 2008), and drawing substantially on their findings, NEDLAC produced a review of SETA functioning and performance. The review was partly inspired by the "ongoing public and stakeholder concerns about SETA performance" (NEDLAC 2007). Key areas that were considered in the review were: governance; information disclosure across SETA boards and executive management; roles and responsibilities of SETA senior management; financial management, policies and practices; and performance monitoring and evaluation. There is a strong correlation between these focus areas and the key performance areas in the then not yet developed management Performance Assessment Framework and MPAT.

The issues identified in the NEDLAC report were almost identical to those identified in the studies above. In particular, the section on SETA scope and mandate highlighted the multiple objectives; the fact that these objectives were equally weighted, and that the NSDS increased objectives and targets for SETAs. The NEDLAC review also noted that the focus had shifted to meeting SLA and NSDS targets and had reduced the focus on

sector needs. In terms of SETA performance monitoring and management, the NEDLAC review identified the following challenges:

- The Department of Labour (DoL) SETA scorecard was largely based on numerical targets and measures – it had few impact measures and lacked negative or positive consequences
- There was a conflation of meeting targets with performance management
- There was no standardised information management system
- There was poor board/ governance involvement in performance management
- The model and mechanisms for managing performance in a devolved system were under-developed
- There was a lack of resources and capacity at DoL to support or intervene.

Key responses recommended included:

- Clarify and demarcate roles of DoL, Board, CEO, management, portfolio committees, NCOP, SCOPA and social partners
- Enhance SETA Scorecard measures & indicators
- Establish and implement positive and negative consequences
- Improve and standardise information management systems
- Enhance and support DoL interventions
- Establish a stakeholder structure within NEDLAC to monitor and determine intervention needs
- Provide the above-mentioned body with the power and resources to intervene
- Review the devolved model.

Two key themes were identified that cut across all of the challenges and recommendations: the need to enhance *the capacity to implement in multiple institutions* (Board, DoL, SETAs, NSA); and the need to clarify and *delineate the responsibilities and functions*.

2008 to 2012

During the period 2008 to 2010 a number of special interest groups produced further reviews on the SETA system. Archer (2010) provided a synopsis of these reports as well as a critique of some of their strengths and weaknesses. Given that they tended to be based on a particular perspective, e.g. the Resolve (2009) report for Business Unity South Africa, they have not been considered in detail in this report.

It must also be noted that there were a number of very significant changes in the skills development landscape during this period. These changes include the formation of a new Department of Higher Education and Training (2009) and the transfer of the SETAs and related skills development institutions from the Department of Labour to the DHET. The third National Skills Development Strategy (NSDS III) started in 2010 and was scheduled to be in place until 2016 (later extended to 2018 and then to 2020). The *Green Paper on Post School Education and Training* was released in January 2012 and the *White Paper on Post School Education and Training* was approved by Cabinet in 2013. The National Development Plan was released in 2012. Finally, there was substantial work on both the National Evaluation Policy Framework (DPME 2011) and the development of a Management Performance Framework (DPME 2011). All of these developments are covered in the Project 1 scoping report (Ward and Rosenberg 2019) and are not repeated here.

Five years after the reports mentioned above, another round of comprehensive reviews into SETA performance is evident. Two initiatives in particular provide useful perspectives for the current SETA M&E Project. The first

is a Labour Market Intelligence Partnership (LMIP) working paper entitled *Developing a Framework for Understanding SETA Performance* (Marock, 2012). The second is a report for the Minister of Higher Education and Training by the Ministerial Task Team on SETA Performance (Presidency, 2013).

Developing a Framework for Understanding SETA Performance (Marock, 2012)

The paper was released as a working paper by the Labour Market Intelligence Partnership (LMIP). It considers previous research findings, suggests ways of approaching the performance management and evaluation of SETAs, and suggests alternate frameworks, while recognising the complexity and challenges associated with this work. The paper highlights the fact that in the move from DoL to DHET, a number of changes were introduced to address some of the challenges faced by the SETAs particularly with regard to governance. The paper makes direct links to the emerging work of the DPME and its aspiration to go beyond management compliance and managerial accountability and in so doing, to focus on service delivery and impact. This, the paper suggests, “will help us to track the progress we are making in achieving results and it will help us collect evidence about what worked and what did not, to help us improve our planning and implementation on an annual basis” (DPME, 2010 cited in Marock, 2012 p4).

A key issue raised is the role and mandate of the SETAs. Referencing Singizi (2007), NEDLAC (2007), Resolve (2009) and Grawitzky (2007), Marock (2012) suggests that the objectives outlined in the Skills Development Act and the National Skills Development Strategy are unrealistically long and complex. She notes that:

There is an overwhelming consensus that the lack of clear mandate has been a major contributing factor to the poor performance of the SETAs. The myriad of roles and responsibilities has led to a number of challenges related to planning, setting of targets, the kinds of programmes that are supported, the extent to which quality has been enabled, finance and grant making, as well as governance (Marock 2012, p5).

Marock (ibid) then explores ways in which the performance management system could be applied to SETAs in ways that provide insights into both positive and negative performance and in turn make it possible to “extrapolate the factors that have enabled, or held back, the achievement of the anticipated results” (p8). She suggests that “policy documents released by the Ministry (Higher Education and Training) acknowledge that performance will only be properly managed once there is increased clarity on the scope of SETAs” (p9). She also notes that the *Green Paper for Post School Education and Training* (DHET, 2012) argues for a ‘consolidated mandate’ for SETAs.

As Marock (ibid) notes, however, “even once the SETA mandate has been refined, DHET will still confront the difficult task of monitoring and evaluating SETA performance” (p9). In 2012 the system required that the SETAs report against multiple frameworks including: NSDS III; the Skills Accord; the Human Resource Development Strategy for SA; and performance agreements at multiple levels. Marock neglected to mention other reporting processes outlined in the Project 1 report (Ward and Rosenberg) that includes: stakeholders, line function departments, National Treasury, the Auditor General and *ad hoc* reporting to parliament. As Marock noted, the “above-mentioned frameworks have a myriad of different requirements for SETAs” (ibid. p9). This resulted in a number of challenges including the reliance on numerical reporting in the face of poor data and information systems, and the conflation of performance indicators with roles and performance management of these roles. The latter is illustrated by an example in Marock’s report that will require careful consideration as performance standards are developed going forward:

One example of this offered by SETA CEOs relates to the perceived conflation of placement as a success indicator with placement as an activity. Interviewees in this study suggested that successful placement of learners post training is understood to be an indicator of both accuracy of identified skills demand and quality of training. As a measure of performance, job placement (i.e. employment) post-training has become an activity that SETAs are perceived to be responsible for and contributes to extending the SETA mandate and diverting resources to work that is not core SETA business.

Another challenge identified in terms of measuring performance is the tendency to set targets “as a form of game playing, to enable the SETA to meet their performance targets so as to be pronounced ... to be a high performing SETA, regardless of the extent to which the programmes had impacted on skills required by the sector” (ibid p12). The following graph tracking the performance of SETAs against a five-year target linked to the NSDS II shows that 22 SETAs recorded that they had exceeded their targets. Over half of them achieve double the target set. [A similar graph is provided in the Ministerial Task Team review reported on below.]

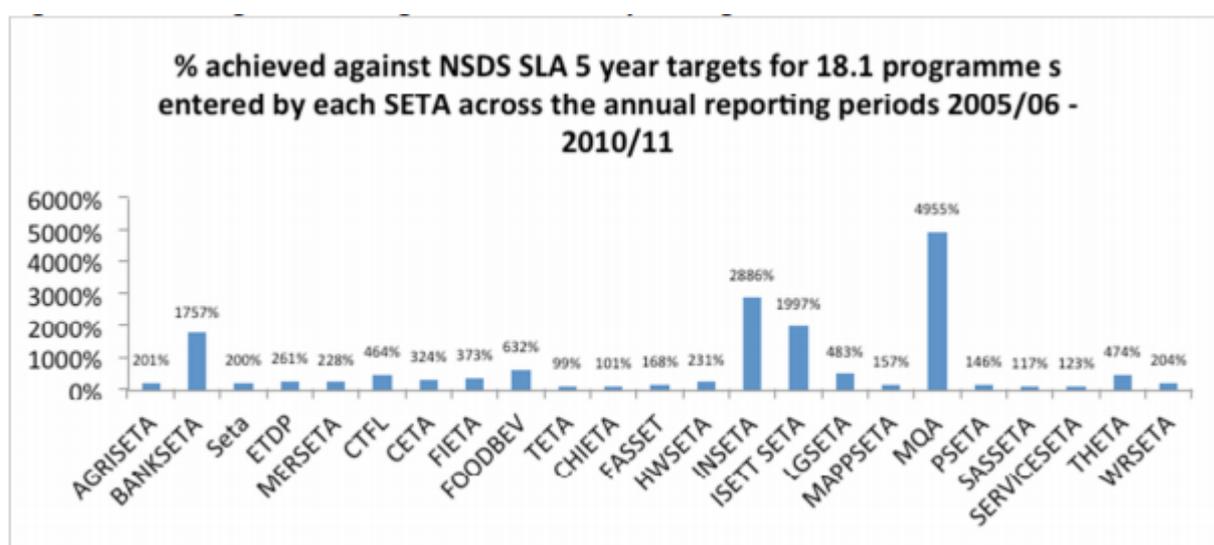


Figure 4: Graph tracking the performance of SETAs against five-year targets. Source: Marock 2012, p12

In the face of the above-mentioned challenges, Marock explores a number of alternative frameworks. In particular, a framework developed by Resolve (2009) is shared and discussed. The discussion examines different levels (orders) of outcomes and the kinds of information needed to assess performance relative to these outcomes. Marock considers the emerging strategies (e.g. NSDS III), policies (e.g. work on the Green Paper for PSET), performance frameworks (e.g. MPAT) and reporting structures (e.g. SLAs between the Presidency and DHET and between DHET and the SETAs). From this consideration emerged a number of key evaluative questions, listed below. It will be important to perform a similar exercise in the current project (Project 3).

At a process level, ask:

- Whether there is a Sector Skills Plan and how credible this plan is, the extent to which it considers demand in terms of short term (immediate shortages), medium term and long term;
- Whether SETAs inform providers about the implications of demand for supply and that providers have the capacity to deliver these programmes;
- Whether SETAs are engaging with workplaces and sector leadership - are SETAs clear about the needs of the sector and the workplaces and are they offering differentiated support to these workplaces?

- And finally, levels of efficiency measured by, for example, the level of expenditure against income and the extent that this expenditure is consistent with plans and is managed in a cost-effective manner.

In terms of intermediate outcomes, ask:

- Whether learners complete programmes in the fields and at the appropriate levels as identified in the sector plan;
- Whether provision is consistent with this demand: are providers actually offering programmes that are relevant to the demands identified in the sector? Are learners enrolling in fields that have been identified as important for the sector? This would also need to consider whether learners are completing programmes in these fields at the relevant level;
- Whether workplaces have a relationship with providers and play a role in assessment as well as offer workplace experiences and placement opportunities to learners.

In terms of impact:

- Can we see if employees that complete programmes increase their income and/or have access to career opportunities and that those learners that were not yet employed access sustainable employment and found to be employable (that is this employment is being sustained)?
- Is employers' "behaviour" changing as a consequence – with respect to recruitment (are they employing these young people), are they able to make different decisions regarding labour versus capital intensive methodologies and can they make appropriate choices about technology that is concomitant with the quality of the skills base?
- And are employers achieving higher levels of productivity because of the level of skills of their employees and stating that skills are no longer an obstacle to growth (and that importation of skills are reduced)?
- Is there an increase in the monies that employers spend on training as they can now see return on investment?
- And ultimately, does the analysis of the economy suggest that skills shortages are less of a constraint to growth than before?

The Marock (2012) report anticipates that there will be a number of challenges in implementing performance assessments based on the above areas. These include the challenge of measuring against the SSPs due to the uncertain data on which these plans are developed. More specifically, the quality of the Workplace Skills Plans (WSPs) and the related Annual Training Reports (ATRs) from employers mean that without significant additional research capacity, the demand data may be significantly compromised as a basis for performance assessment. Even where the data provided by employers improves, there is still significant complexity and uncertainty related to skills forecasting that will have implications for the development of performance standards and subsequent assessments. These concerns suggest that SETAs cannot be the only institution generating the information to inform the SSPs. It also suggests that performance against the SSPs and the various other documents setting out the education and training aspirations in the country will need to be carefully mediated.

A final concern mentioned in the paper relates to the methodological challenges of determining impact and describing 'causality' within open and complex impact webs.

In order to address these challenges a number of research activities are suggested. These include:

- Improving the quality of the data produced by the system
- Improving data collection particularly with regard to the WSPs and Annual Training Plans
- Refining impact evaluation studies that may shape both the level of evidence required and the design of programmes, to focus more on impact and the relationships influencing impact
- Meta-analysis of impact evaluation studies to distil the learning about design and methodological approaches that enhance performance across the systems and is able to inform policy refinement where required.

Ministerial Task Team on SETA Performance (Presidency, 2013)

The Ministerial Task Team on SETA Performance was established by the Minister of Higher Education and Training in 2011. The work of the Task Team was completed in May 2012 and the report was published as a Government Gazette (No 36747) in August 2013. The brief of the Task Team included: assessing the performance of the SETAs, reviewing reports on the impact of the work of SETAs and making recommendations on how to improve the performance of SETAs; and assessing the governance structures and processes to address a range of challenges. Many of these challenges have been mentioned in the previous reports but are listed here as a useful summary.

- Diffused focus and multiple objectives
- Conflation of governance and operational roles and responsibilities. How to strengthen governance, professionalise boards and monitor governance practice
- Uneven strategic sector planning, research capability, operations management, administration and financial management across SETAs
- Poor monitoring and evaluation and inadequate management information in the SETA system
- Inefficiencies in work planning, service delivery and performance management across SETAs
- Difficulties in addressing cross-sectoral development and training requirements
- Negative public perception.

In response to these challenges the Task Team made 17 recommendations. Many of these recommendations are supported by appendices containing useful background information. Only those recommendations most relevant to SETA performance are covered here. However, it must be noted that there is substantial information on, for example, governance [see Appendix 7 of the report] that will be useful for the broader SETA M&E research chair programme.

Recommendation 1: The SETAs need to have a *tighter focus* that must reflect their vision, mission, governance structure and strategy.

Recommendation 9: There needs to be a *national central mechanism/ body* through which skills demands in the short, medium and long-term are analysed. The SETAs would provide sector specific data into this national body.

Recommendation 13: The nature of the instruments used for reporting, as well as the number of, the relationship between, and the timing of the instruments, need to be revised to ensure that they differentiate between long-, medium-, and short-term, that they are logically sequenced, and that duplication is removed. [This section and the associated Appendix 5 provide useful guidance on the relationship between different planning and reporting mechanisms and their potential links to performance management.]

Recommendations 14-17 address a range of *governance* issues: Recommendation 14 is focused on building the capacity of board members and SETA staff. Recommendation 15 emphasises the need for boards to focus on “strategic imperatives rather than operational issues”. Recommendation 17 seeks to streamline the multi-layered stakeholders to whom SETAs are accountable.

There is a large amount of information in the various appendices to support these recommendations. Of particular interest are a number of comments in Appendix 5 and Appendix 7 that highlight *the disjuncture between planning (target setting), impact and performance*. The report notes that “out of a possible 100%, SETAs have received an average of not less than 70% and in cases also exceed the performance targets by well in excess of 100%. This is represented in the graph (poor quality) below.

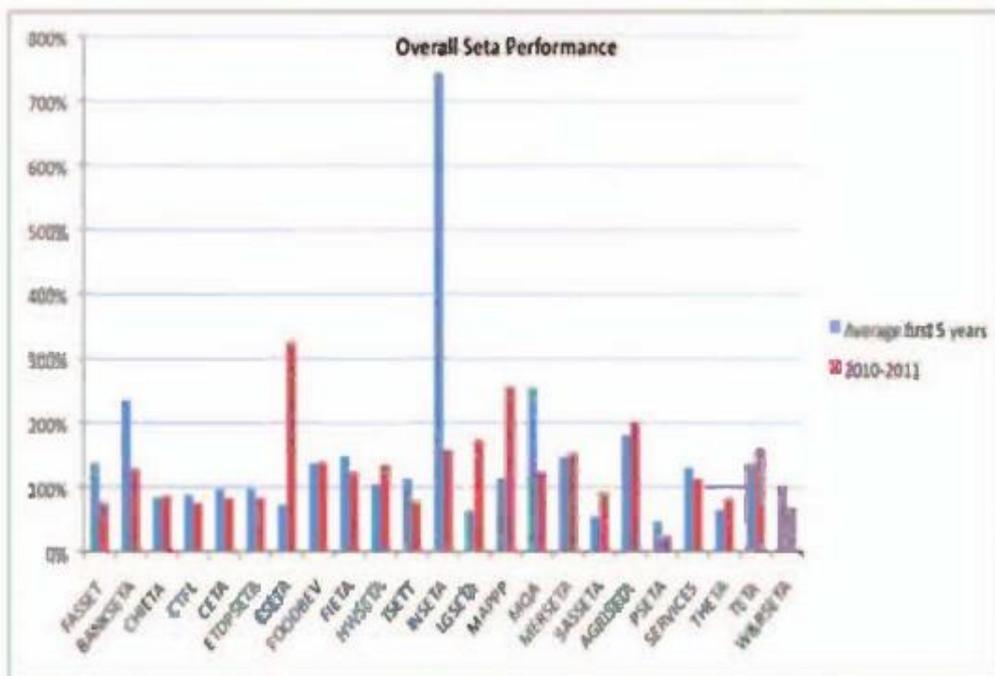


Figure 5: Graph indicating SETA success. Source: Ministerial Task Team Report, 2013, p49

As the report notes “The question is why is there an outcry from all concerned in the media about SETA non-performance?” (*ibid* p56) One possibility noted is that “approved SETA plans have set very low targets which SETAs can meet, and often greatly exceed, suggesting that the targets are entirely unrelated to the reality of delivery” (*ibid* p56) The confusion between where the targets emanate from (NSDS III, SSPs, etc.) was also highlighted (*ibid* p50). These and other issues related to target setting will require careful attention in the development of performance standards.

2013 to 2018

A Skills System Review under the auspices of the Human Resource Development Council (HRDC) (Kraak *et al.*, 2013) identified a number of measures that had been put in place to address some of the challenges identified above. This review noted that:

Smaller boards have been established; independent audit committees are functioning in most SETAs; Auditor General reports are being treated seriously; training has been provided in strategic planning; guidance and support is being given to research and skills planning; and the Portfolio Committee on Higher Education and Training (PCHET) in Parliament is scrutinising SETA performance (ibid, p8).

Kraak *et al.* (2013) go on to note that despite these successes and the achievement of individual SETAs “the system as a whole has been unable to effectively research and identify skills needs, to properly analyse and address the causes of the mismatch in supply and demand, and to put in place programmes that address identified skills needs” (p8).

Recent Reports (2018)

Two recent reviews of the NSDS III provide useful perspectives on the changes that have been introduced to deal with the issues identified above and to illuminate those areas that require ongoing attention. In this section, those areas in these two reviews that relate to SETA performance are summarised as a basis for the development of performance standards in Project 3 and the broader SETA M&E research programme.

National Skills Development Implementation Report 2011-2016 (NSA, 2017)

This report reviews the implementation of NSDS III over the original five years of operation. The report is structured around the eight goals of NSDS III and records both successes and challenges before making a number of recommendations. It acknowledged up front that there were ‘limitations with regards the data received’ (NSA 2017 p19). Given that there are many parallels and continuities between the NSDS III and the recently introduced National Skills Development Plan (DHET 2019), it is useful to understand those areas where there have been performance improvements and where challenges still remain. For this reason, those areas that either address challenges outlined in the reports considered so far, or areas that are particularly relevant to the current NSDP, are highlighted in this summary of the Implementation Report.

Goal 1: Establish a credible institutional mechanism for skills planning.

The Implementation Report lists a number of achievements including:

- The Labour Market Intelligence Partnership (LMIP) was launched in 2012 to develop a more integrated research and information system for matching national skills demand to supply.
- The Sector Skills Planning Task Team was established in 2012 to bring together government, business and labour representatives to focus on mid- to long-term skills planning.
- In 2013 DHET released the *White Paper for Post-School Education and Training*.
- In 2015 DHET developed a new SSP Framework that guided SETAs in gathering, analysing and presenting data and planning for aligning skills supply with employers’ demand for skills in their sectors.
- Also in 2015, DHET established a panel of experts to evaluate and support the improvement of SSPs.

Key challenges listed were:

- The lack of analytical tools for matching national skills demand to supply;
- The internal capacity constraints in some SETAs which undermined the quality of skills planning and reporting.

Goal 2: Increase access to occupationally-directed programmes

This goal had a strong focus on increasing artisanal skills with a particular emphasis on increasing access to skills development programmes.

Key achievements listed include:

- A consolidated report on *Middle-level Skills Needs* was compiled by DHET based on SETA SSPs
- The five-year target of 62 750 trained artisans was exceeded with 67 528 artisans reported to have been trained between 2011 and 2016.
- As part of the SETA/ University Engagement Plan, 150 Research Chairs were established in the five-year period under review.

Key challenges listed related to:

- The disjuncture between the NSDS III targets for artisan training and the needs within the sectors serviced by some SETAs. This resulted in some SETAs not reporting any learners enrolling for artisan training.
- Significant data issues in terms of enrolments, progression and reporting on disaggregated equity targets.

Goal 3: Promote the growth of a public FET College system that is responsive to sector, local, regional and national skills needs and priorities.

[During the period under review the nomenclature of colleges changed from Further Education and Training (FET) to Technical, Vocational and Education Training (TVET). Colleges were also shifted from a provincial to a national function.]

Key achievements listed were:

- The start of a process of converting National Accredited Education Diploma (NADET) Report 190/191 programmes into occupational qualification
- SETAs signed SLAs with the DHET which included the requirement for work-based integrated learning for TVETs and universities of technology students
- The NSF allocated R2.5billion to the TVET College Expansion and Capacity Development Programme

Challenges experienced included:

- Differences in the state of college infrastructure, as well as the variance in skills and expertise of staff of the different colleges
- Aligning programme offerings between SETAs and colleges
- Limitations in the ability of colleges to build relationships with the world of work
- Limitations in the capacity of Lead SETAs to facilitate the development of Cluster SETAs
- Concerns raised about the rationale of the SETA/TVET clustering process
- Lecturer development remaining a challenge, as not all SETAs have fully participated
- TVET sector ensuring that learning programmes are directly linked to scarce skills and employment.

Goal 4: Address the low level of youth and adult language and numeracy skills to enable additional training

[SETA reporting on skills development programmes for youth and the unemployed is included with Goal 4.]

Achievements include:

- The enrolments of unemployed learners in Learnerships rose from 27 679 in 2011/2012 to 67 864 in 2015/2016.

Challenges include:

- Poor enrolment in the Adult Education and Training programmes offered by SETAs
- No conclusive data on the number of unemployed learners registered on Internships that successfully completed.

Goal 5: Encourage better use of workplace-based skills development

The report notes a shift from a focus on existing employees in workplaces to a focus on trainees (particularly unemployed youth) external to workplaces, who need workplace experience. It is also noted that a lack of data makes a conclusive assessment of this goal impossible. However, “of those SETAs who have provided data ... there has been a consistent underachievement of targets versus actual placements in all categories”.

Goal 6: Encourage and support cooperatives, small enterprises, worker-initiated, NGO and community training initiatives.

This target is based on the premise that supporting organisation that are based in communities, and owned and managed by individuals and groups, is an effective and efficient strategy for creating opportunities for, and improving the lives of, marginalised South Africans.

- The report notes that significant successes have been achieved with SETAs achieving 99% of their targets in terms of cooperatives and 107% of their targets in terms of supporting small businesses. SETAs also contributed significantly into providing education, training and employment services to offenders as a way of supporting the reintegration of former prisoners into communities.
- A key challenge noted was extremely low level of support from SETAs to Community Based Organisations.

Goal 7: Increasing public sector capacity for improved delivery and supporting the building of a developmental state.

The report does not refer to the SETAs under this goal. [See case studies in the NSDS III Evaluation, Mzabalazo and REAL 2018 for a better understanding of the successes and challenges in relation to this goal.]

Goal 8: Build career and vocational guidance

Severe data challenges compromised the ability of the authors of the report to comment on this goal. In particular, it appears that “SETAs were not using the same reporting criteria for this goal” (NSA, 2017 p31). The report does however note that the Career Advisory Service (comprising a website, a helpline, a social network, a walk-in centre and social marketing campaigns) and the National Career Advice Portal (NCAP) (under development at the time of the report but comprised of four main components: learning pathways, a learning directory, an e-portfolio function, and an occupational information centre) will be important role-players in the achievement of this goal.

The above provides a broad overview of the successes and challenges in relation to the goals in the NSDS III. What the overview provided here does not reflect, is the extreme variation across the five-year period (2011-2016). Looking at the graphs and figures in the report, one is left with two overwhelming impressions. The first is that there is very little consistency in either the targets set, or the actual achievements. The second is that if there is any correlation, it is that the targets are set based on the previous year’s achievements (i.e. they are set to be achieved, which often involves significant reduction in targets).

Figures 6, 7 and 8 are illustrative of these phenomena.

	Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Target Certification	8020				
Target Certification		5193	-35% Decrease		
Target Certification			21946	323% Increase	
Target Certification				20420	-7% Decrease
Target Certification					18974 -7% Decrease

Figure 6 Yearly Increase/ Decrease in SETA Learnership TARGET Certifications Source: NSA, 2017

	Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Actual Certification	9673				
Actual Certification		14399	49% Increase		
Actual Certification			14508	1% Increase	
Actual Certification				18631	28% Increase
Actual Certification					16051 -14% Decrease

Figure 7 Yearly Increase/ Decrease in SETA Learnership ACTUAL Certifications Source: NSA, 2017

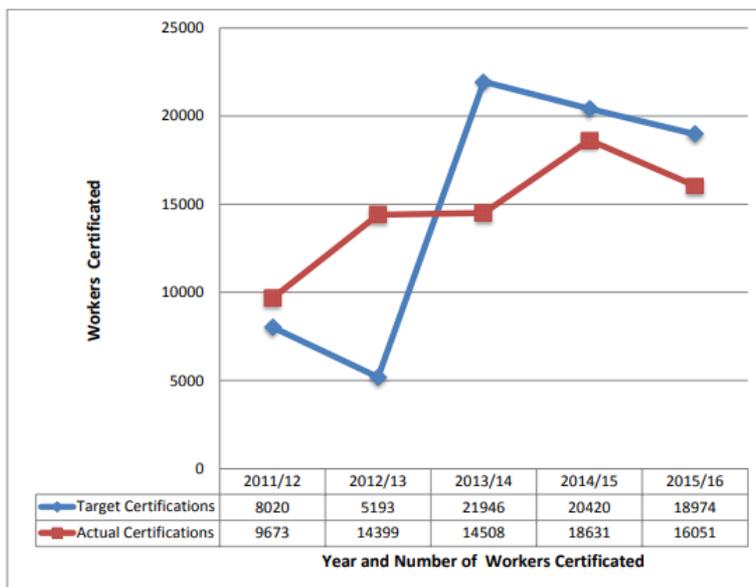


Figure 8: Figures indicating target and actual certifications. Source: NSA, 2017

Even more apparent than the significant fluctuations in the aggregate figures is the huge variation between SETAs and between years for the same SETAs. The table below (Figure 9) summarises the number of workers certificated in SETA Skills programmes in the five years (2011-2016) covered by the report. The significant reduction in targets (e.g. SASSETA from 2011/2012 to 2012/2013) and the consistently low targets relative to actual performance (e.g. AgriSETA) raise the issue of ‘gaming’ within the performance management system, alluded to in some of the earlier reviews. The 2017 NSA report did not highlight this issue, and rather reflected on the high number of SETAs that had achieved over 90% of their targets. These issues will require careful consideration in any performance management standard setting and interpretation. As the report notes “this

kind of inconsistency, both between SETAs and in difference in annual figures, possibly from one SETA, can lead to skewed data, a skewed analysis and finally inconclusive results” (ibid. p.245). The report thus recommends that targets for key programmes be set, against which to measure progress. It goes on to note that “this should not be limited to targets only but be linked to quality delivery, performance reviews and employment targets for economic growth” (p.244).

Table 38: Workers Certificated in SETA Learnerships

SETA	Year																	
	2011/12			2012/13			2013/14			2014/15			2015/16			TOTAL (2011-2016)		
	Target	Actual	% Achieved	Target	Actual	% Achieved												
AGRISETA	400	1039	260%	400	866	217%	500	806	161%	325	1025	315%	621	1249	201%	2246	4985	222%
BANKSETA	0	294	NA	182	58	32%	844	730	86%	1756	534	30%	260	594	228%	3042	2210	73%
CATHSETA	100	352	352%	50	176	352%	750	289	39%	500	506	101%	675	687	102%	2075	2010	97%
CETA	0	122	NA	250	282	113%	2000	442	22%	1000	1053	105%	1250	173	14%	4500	2072	46%
CHIETA	600	625	104%	425	1197	282%	750	1187	158%	800	1626	203%	825	1097	133%	3400	5732	169%
ETDPSETA	300	346	115%	0	119	NA	0	0	NA	0	69	NA	350	72	21%	650	606	93%
EWSETA	250	262	105%	0	983	NA	2000	224	11%	2500	986	39%	550	337	61%	5300	2792	53%
FASSET	222	321	145%	450	111	25%	317	453	143%	307	641	209%	135	275	204%	1431	1801	126%
FOODBEV	220	465	211%	400	827	207%	500	426	85%	300	322	107%	660	732	111%	2080	2772	133%
FP&MSETA	300	356	119%	0	374	NA	500	581	116%	350	352	101%	325	336	103%	1475	1999	136%
HWSETA	600	675	113%	600	730	122%	1600	1664	104%	2000	2246	112%	2064	2068	100%	6864	7383	108%
INSETA	600	168	28%	0	325	NA	48	106	221%	600	185	31%	700	372	53%	1948	1156	59%
LGSETA	495	851	172%	200	2007	1004%	1000	482	48%	1200	819	68%	2000	611	31%	4895	4770	97%
MERSETA	1040	1650	159%	940	2109	224%	2200	2370	108%	700	1568	224%	2500	1847	74%	7380	9544	129%
MICT	0	0	NA	0	0	NA	35	45	129%	100	100	100%	50	75	150%	185	220	119%
MQA	420	1244	296%	480	1488	310%	1500	1689	113%	2200	2101	96%	1440	1845	128%	6040	8367	139%
PSETA	0	0	NA	120	311	259%	50	42	84%	60	78	130%	70	59	84%	300	490	163%
SASSETA	1088	256	24%	65	500	769%	200	271	136%	760	1353	178%	1400	1564	112%	3513	3944	112%
SERVICES	0	132	NA	0	123	NA	5050	0	0%	2525	896	35%	1426	34	2%	9001	1185	13%
TETA	635	61	10%	131	37	28%	250	140	56%	1197	160	13%	833	251	30%	3046	649	21%
W&RSETA	750	454	61%	500	1776	355%	1852	2561	138%	1240	2011	162%	840	1773	211%	5182	8575	165%
TOTAL	8020	9673	121%	5193	14399	277%	21946	14508	66%	20420	18631	91%	18974	16051	85%	74553	73262	98%

NB: In regard to the “% Achieved” columns, where a percentage is calculated the baseline is set at 100%. Also, if a target was not set a % Achieved was not calculated.

Figure 9 Table showing workers certificated in SETA learnerships. Source: NSA, 2017

The report concludes with a number of overarching observations and recommendations, the most relevant of which for this particular project (Project 3) are:

- There is a need to agree on a common monitoring, evaluation and reporting framework for the NSDS III and in particular for the SETAs.
- There is a need to ensure that SETA/ DHET Agreements are aligned to highly prioritised expected outcomes for the next three years (i.e. within the extended NSDS III). [This does raise the question about the relationship between priorities identified in the NSDS and priorities identified by SETAs in their particular sectors.]
- With reference to the above, the report notes that the reporting formats must be aligned to the ‘prioritised expected outcomes for the next three years’. [Again, the question arises as to how these priorities are aligned to sector priorities.]

Evaluation of the National Skills Development Strategy (NSDS III) 2011-2016 (Mzabalazo and REAL, 2018)

The evaluation of the NSDS III (Mzabalazo and REAL, 2018) is a very substantial document running to over 300 pages, built on literally hundreds of interviews, significant data analysis and more than 30

detailed case studies. Even so the researchers realised early in the study that they would have to limit the scope of the evaluation. They attempt to do this by focusing on the relationship between skills development and the economy. While recognising that “there are many aspects of the strategy that go beyond the economy and speak to diverse government development goals” they suggest that “the key focus remains on the imperative of using skills development to achieve inclusive growth” (ibid, p21). They are careful to note that this does not downplay either the broader development goals of government or the diverse contributions that skills development makes to other aspects of people’s lives. However, “inclusive growth” is a complex concept covering both economic growth and social equity and the “lens” was an attempt to provide some focus and thus enable some depth in the evaluation. Even with this focus, the evaluation reveals the extent to which skills development is being relied on to address numerous challenges in our society and the complexity of the relationships required to implement the NSDS.

The evaluation raises questions about the nature of the NSDS III and whether it should be seen as “the overarching strategic guide for skills development [that] provides direction to sector skills planning and the implementation of the SETAs” (NSDS III p.8 cited in Mzabalazo and REAL, 2018) or as an enabling framework that “seek[s] to promote a skills development system and architecture that effectively responds to the needs of the labour market and social equity” (NSDS III p.6 cited in Mzabalazo and REAL 2018). The evaluation suggests that the lack of a detailed Theory of Change, causal pathways, implementation plan and allocation of responsibility leaves the NSDS III open to diverse and potentially expanding interpretations; this has implications both for evaluating impact and for assessing the performance of role players in the skills development landscape.

The evaluation also raises questions around the extent to which the NSDS III is based on sound research and policy analysis. The lack of references within the NSDS III document leaves the evaluation team having to “infer NSDS III’s diagnostic analysis from a study of the text and what it says on its purpose and goals”. While the team were able to make links back to some research at the time, there are numerous comments to the effect that “the commitments seem overly ambitious for a five-year strategy, and this is probably due to the lack of detailed research underpinning this particular goal” (ibid p44) and “the challenge is so extensive (over 3 million young people and growing) that the skills strategy cannot possibly address it in full” (ibid. p44). Despite the fact that this was a political document and not a research report, the lack of a research bibliography left the impression that there was inadequate evidence to support the strategy and “as a result, many respondents in the stakeholder’s interviews did not believe the strategy was sufficiently needs driven” (ibid. p.46). *A telling example is the lack of consideration of the impact of the 2008 financial crisis on the South African economy and the implications for absorption of people into the labour market. This would have significant implications for any performance assessments related to both workplace-based learning opportunities/ targets and absorption into employment.*

In a section entitled “Is the design of the strategy conceptually clear and coherent?” (Mzabalazo and REAL, 2018 p47) explore a number of unresolved tensions, some of which were raised in previous reviews and some of which reveal a level of analysis that goes beyond previous studies. These include the potential for trade-offs between developmental and economic goals; the uncertainty about whether resources should be directed towards the development of low, medium or high skills; the

unresolved debate about ‘narrow occupational’ versus ‘broader vocational’ skills development; supply or demand driven skills development; and current or future skills needs. While the evaluation concludes that “this was not an error in planning but rather a deliberately broad enabling strategy” (ibid. p48), it does have significant implications for planning and performance processes. More specifically, it meant that NSDS III could be interpreted as “a ‘policy framework’ within which different implementers could select aspects and drive them in their sphere of work” (ibid. p48). It also meant that multiple interpretations could be brought to bear on implementing institutions such as the SETAs, creating potentially conflicting demands in the subsequent planning, implementation, impacts and perceptions of performance.

The NSDS III did contain some specific performance targets (e.g. the number of artisans to be trained) but on the whole it provided a broad framework that catered for the inclusion of sector specific targets in the Annual Performance Plans and the Strategic Plans. The tension between providing a broad framework and the need for a clear strategy was not resolved by NSDS III. As the evaluation notes “this is seen as a weakness and the absence of clear guidelines from the NSA/DHET on who would be responsible for what, meant that even after the development of Strategic and Annual plans the strategy as a whole never developed clearly defined indicators and measures which could be used to assess progress” (ibid. p51). This resulted in a number of challenges in the implementation of NSDS III. A key challenge is one that has been mentioned in all of the reports leading up to the NSDS III, namely that the SETAs were expected to be all things to all people, expressed here as “*SETAs seemed to be expected to contribute to all the goals, regardless of their relevance in the sector. For example, some sectors do not employ artisans but were expected to contribute to their training, others focussed on the public service but were expected to support SMMEs etc.*” (ibid, p51). Linked to this challenge was a tension around using the Skills Levy to fund unemployed people and learners in the public education system, thus reducing the funding for upskilling existing workers and in so doing achieve greater productivity. While it is acknowledged that the political environment and high unemployment rates demanded greater inclusivity, there was a concern that “in spreading the net very wide the strategy was trying to do too much and would therefore not have the intended impact” (ibid. p52).

In contrast to the lack of an explicit link to research in the NSDS III itself, the strategy requires that “sector skills plans are professionally researched, provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs” (ibid. p53). Two issues arise here. The first is that most of the previous research had raised concerns about the complexity of this kind of research and the need to separate broader cross sectoral and even PSET level research, from focused sectoral research. The evaluation suggests that:

There is no unit within DHET playing a co-ordinating role and so responsibilities are fractured between different units. For example, sector skills plans are coordinated by “SETA Support”, Strategic Plans and Annual Performance Plans by “Public Entities” within the office of the CFO, whereas quarterly and annual reporting is the responsibility of “SETA Performance” (ibid. p52).

The second issue is that as the SETAs developed deeper understandings into the demand for skills in their sector, there was potential for conflicting priorities between targets set in the NSDS III (e.g. artisan training or work with SMMEs) and skills demands in their sector. It was not clear how these conflicts were to be resolved and thus how performance would be assessed by different role-players.

It is within this broad context that SETA planning and performance was evaluated. With regard to planning, the evaluation notes that the SETAs themselves and support units within the Skills Branch “have done a lot with limited resources”. Significant support has been provided to improve the quality of the Sector Skills Plans. In 2015 DHET established a panel of experts to evaluate all SSPs and the alignment of the SSPs to the Annual Performance Plans. Direct support on the development of SSPs was offered to the SETAs through this panel. This has carried through into the development of Strategic Plans and Annual Performance Plans. The evaluation concludes that while it is recognised that this is an ongoing process of improvement:

There is agreement within the DHET management, SETAs and stakeholders that SSPs 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. There is also agreement that the SPs and APPs are now much more in line with National Treasury and Auditor General requirements and are much easier to understand. It is now possible to find the sector strategy in the SSP and then to see how it will be implemented by reading the SP and APP. It is possible to follow the implementation logic within a common framework of programmes and to monitor their implementation. Annual reports are now broadly written in the same structure and with the same programmes and programme content, and so it is easier for the Department, the NSA and the AG to pick up shortfalls or failures in relation to performance or compliance (ibid, p59).

This is regarded as significant progress and could be an important basis on which to align and develop performance standards related to SETAs.

The evaluation does however make the important point that good SSPs do not automatically translate into good implementation. “There is a need for effective monitoring and evaluation of implementation with the results of M&E being used to inform and strengthen future plans” (ibid, p100). This in turn will require internal capacity to both undertake internal M&E activities, and to engage with and implement findings and recommendations from internal and external M&E.

With regard to performance monitoring, the evaluation notes that, despite training, critical feedback and some improvement in data collection, there remain substantial issues related to performance information and management (ibid, p100). Central to this is the integrity and integration of data. As the evaluation notes: “*The capacity to monitor and manage SETA plans and reports has been strengthened to some extent, but confidence in the monitoring data will not be achieved until a more reliable data collection and management system is implemented and more capacity is built to do these essential monitoring tasks*” (ibid, p60).

In addition to the challenges associated with developing and tracking plans and performance, issues related to governance of the SETAs has been a recurrent challenge. Here the evaluation notes that a great deal has been achieved:

Legislation was amended, and a standard constitution was developed. Board sizes were reduced. Chairs were appointed to each of the SETAs, with a mandate to ensure that they more closely aligned the work of their SETA to national policies and strategies (a key outcome in NSDS III). Independent audit committees were established (ibid, p66).

According to the evaluation, this has led to an overall improvement in Auditor General Reports, improved accountability for funds disbursed by SETAs, and increasing numbers of unqualified audits. In some SETAs there has also been a clear separation of duties with boards focussing on overall governance and strategy, and management being left to focus on operations. Despite these achievements, governance challenges persisted through the period of NSDS III, with seven SETAs being placed under administration. This suggests that there is still substantial work to be done to support the performance of governance structures within the SETA system.

Closely linked to the governance of the SETAs is the relationship between the SETAs and the DHET. SETAs are public entities established in terms of the Public Finance Management Act. The Boards of the SETAs thus determine the strategy and implementation plans. As such the SETAs are not part of DHET, but fall within DHET's responsibilities. This relationship has led to significant tension and frustration, as DHET have sought to ensure that the SETAs align to broader post-school education and training policies and plans. Key to managing this relationship are the Service Level Agreements between the SETAs and DHET. These plans set out specific targets related to the NSDS III and other policies such as the *White Paper on Post School Education and Training*. The evaluation notes that some "SETAs complain that the SLA has replaced the Strategic Plan and APP and that it focuses almost exclusively on numerical targets". The evaluation goes on to note that while this is true to some extent it has also led to greater levels of clarity on what SETAs are delivering and has been an important instrument of accountability. DHET (in the Internal Report on M&E Framework produced by the Skills Branch and referenced in Mzabalazo and REAL, 2018, p.84) notes that while these 'compliance' measures are needed, there is also a need to go beyond narrow quantitative measures.

Two other factors affecting SETA performance are singled out in the evaluation. These are staff and administrative systems. With regard to staff the evaluation notes that "while there are some SETAs that have staff and managers with industry experience most do not, and even less have that expertise and experience across the sub-sectors they represent" (ibid. p68). This is particularly important given the intention of NSDS III (and as we will see, of the recently released National Skills Development Plan) to position the SETAs as intermediaries between employers and education and training providers such as TVET colleges (ibid, p115). This role requires managers and staff with sectoral knowledge, educational knowledge and the ability to manage complex projects involving diverse role players (see ibid, p116). The evaluation concludes that "even SETA managers overwhelmingly agree that capacity is lacking" and that this impacts negatively on implementation. These capacity constraints are exacerbated by the "myriad of differing functions these middle and senior managers have to perform" (ibid, p99). This point is captured in a quote from an interview with a SETA manager:

There are too many obligations placed upon a SETA. The vision and the strategy is overbearing. Just too many focus areas. We have to do stakeholder deliberations, special projects. SIPS, Operation Phakisa, Nuclear, NDP, DHET, all priorities. SETAs do not focus enough on quality, just quantity. The hoops to jump through are too many (cited in Mzabalazo and REAL, 2018, p99).

With regard to the administrative systems the evaluation notes that "if there is one issue that is overwhelmingly agreed upon [it] is that SETA administrative systems are complex and poorly managed". In relation to the need to build relationships between workplaces/ employers and

education institutions, this has had a significant impact on performance. *As is noted in a number of places in the evaluation (e.g. p172), this has had the effect of many employers, particularly those in smaller organisations that lack the skills or resources to navigate the SETA administrative systems, withdrawing from SETA related skills planning and development processes. This in turn results in smaller businesses' skills needs being underrepresented in skills planning and ultimately in smaller businesses subsidising the cost of larger business skills development (ibid, p279).*

Based on a detailed analysis of a range of achievements and challenges associated with the more specific goals of the NSDS III, the evaluation draws a number of conclusions and recommendations. Those that seem particularly relevant to understanding performance standards are summarised below.

In terms of strategy, the evaluation is clear that skills development needs to be located at the interface between the post-school education and training system and the economy. This requires that it have its own strategy and plan and not be subsumed into PSET. “The skills development agenda must be firmly rooted in the needs of the economy, whereas this is not necessarily the case for PSET institutions” (ibid, p303). It must be noted that this focus comes from the initial ‘lens’ used in this evaluation that sought to limit the scope of the evaluation by focusing on skills development in relation to inclusive growth. This focus will have significant implications for the identification of performance standards. If the new National Skills Development Plan (DHET, 2019) were to significantly expand this focus, with the inclusion of “social development” and the rather vague statement “whilst also seeking to address systemic considerations”, it will make standards setting challenging.

Positioning skills development at the interface between PSET and the economy does not automatically mean that the SETAs have to play this role alone. However, in the absence of clarity on who should take lead responsibility for achieving particular outputs, outcomes and impacts, there is a risk that the SETAs again become ‘everything to everybody’. One response to this untenable position appears to have been a retreat into bureaucratic approaches built on complex administrative procedures. The evaluation recommends that SETAs “need to change from being managers or administrators of grant application processes to one of being a proactive agent in the delivery of skills to the economy. The challenge is to transform the SETAs from focusing mainly on administration of grants to being drivers of strategy implementation” (ibid, p313). The evaluation however notes that this will require a broad set of competencies that will need to be built within the SETAs. These are listed in full below as they may well form an important basis for performance assessments that go beyond quantitative targets.

- **Brokerage and partnering** – getting all the relevant actors around a negotiating table and making agreements to alter demand-side conditions – for example, employers’ reluctance to employ first-time entrants into the labour market.
- **‘Translation’ work** – interpreting and analysing complex data and trends in the economy and Education and Training systems for use in planning, strategic decision-making, steering and ‘visioning’ the future of the sector.

- **Engaging the research-policy nexus** – strengthening abilities to use the results of well-executed research to inform policy, planning and implementation.
- **Understanding and managing the interface with the external environment** – learning how to strike training compacts with employers in the wider labour market.

This will require a very conscious process of capacity development as these are exactly the skills that SETAs have struggled to develop, as is evidenced in all of the reviews and reports presented so far in this scoping report. This work will also require good data and tracer studies to track graduates as they move between training and the workplace. This data will be invaluable for the monitoring, evaluation and performance assessments of the SETAs and the broader PSET system. However, it is exactly this data and the related data management systems that are consistently referred to as lacking or unreliable within the SETA system.

The NSDS III evaluation is clear that this role of intermediation will require significant support in terms of understanding the relationship between education and training on the one hand, and the economy, on the other. This work needs to be done at an overarching/cross-sectoral level and will require high level research support. The evaluation authors propose that this work be the focus of a specialised unit within DHET (the Skills Planning Unit proposed by the LMIP) that builds partnerships with universities and other research institutions. In addition, the SETAs would need significant support to translate the finding from this unit into their sectors, while simultaneously developing the capacity to use their relationships with workplaces to research and communicate specific sectoral needs into the overarching research.

National Skills Development Plan (2019)

The National Skills Development Plan (DHET, 2019) was gazetted in February 2019. The mission of the NSDP is:

To improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development whilst also seeking to address systemic considerations.

Within this extremely broad mission, the following outcomes are identified:

- 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 centres.

For each of these outcomes, sub-outcomes and performance indicators are listed. The NSDP notes that for each of these performance indicators, targets will be set for a three-year period and annually determined through the SLAs between the skills levy institutions and DHET.

The relationship between the National Skills Development Plan and the National Skills Development Strategy is not explained in the National Skills Development Plan. It is evident that all the aspirations in the NSDS III and a number of additional ones, appear in the NSDP. This raises the question as to what extent the Plan has taken into account previous studies such as those summarised above. As with the NSDS III, the lack of a reference list makes this difficult to ascertain. What is clear is that this plan sets out a broad set of aspirations based on policy, with the National Development Plan (2012) and the National Growth Path (2011) receiving particular attention. One is left to assume that a National Skills Development Strategy IV will provide greater strategic clarity on how this plan will be implemented. This would make sense in terms of timing, as the current NSDS III has been extended to 2020 and the NSDP is due to be ushered in on 1 April 2020.

The National Skills Development Plan (NSDP) provides detail on the Role and Scope of the SETAs. The plan acknowledges that “the White Paper notes the challenges that relate to the wide role of the SETAs and argues that the development of ‘a tighter, streamlined focus for the SETAs’ is a key step in strengthening them” (DHET, 2013, cited in DHET, 2019, p29). The NSDP then suggests that “central to the role of SETAs is to effectively contribute towards the realisation of the outcomes as laid out in the NSDP, throughout their functions is to focus on building the relationships with workplaces and education and training institutions” (ibid, p29). This role of intermediation between the workplaces and education and training institutions is summarised in the following diagram.

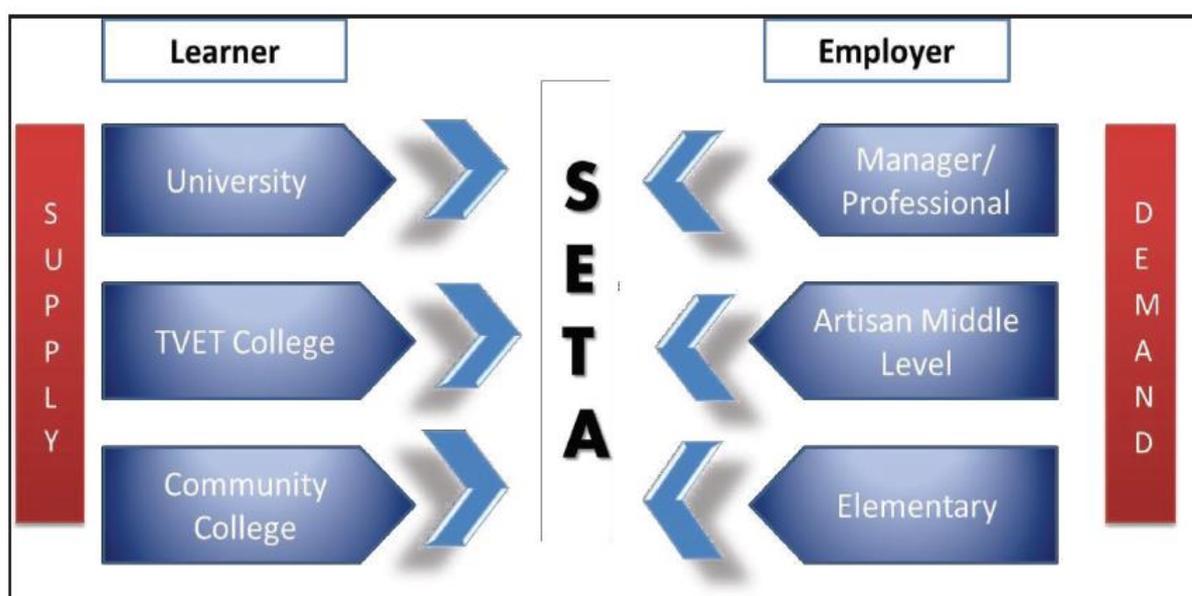


Figure 10: Linkage of education and the workplace through SETAs. Source: DHET 2019 p10

The roles and scope provide important detail on what this intermediation role will entail, and it will be important to refine these responsibilities both in terms of which other institution will be supporting

SETAs in this intermediation, who will take the lead role in particular activities, and who will be responsible for specific outputs, outcomes and associated performance standards. The NSDP provides a very broad framework within which to fill in some of this detail.

Central to a process of developing performance standards for SETAs will be a process of clarifying a theory of change associated with the NSDP and through this, the clarification of outputs, outcomes and impacts that can form the basis of performance standards. By way of example, the role of SETAs with regards the demand side is to conduct labour market research and develop Sector Skills Plans. In the Scope of the NSDP it is noted that SETAs will “support the process of determining and outlining the demand for occupation in their sector through:

1. 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;
2. Engaging stakeholders (including but not limited to employers, labour and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions signals to steer supply of skills, and
3. Continuously exploring the implications of the findings from the workplace data and stakeholder engagement with respect to sector trends and national policy priorities.”

This is potentially an extremely broad scope and one that every review of SETA performance considered above has flagged as extremely complex (particularly if the national policy priorities extend beyond their sector). It is also evident from the reviews that this will require clear divisions of labour, for example the SETAs focussing on their sectors, and high-level research capacity put in place to support this work at a cross-sectoral level. The development of expected, disaggregated outputs, outcomes and impact at various levels may be important, to distinguish areas of responsibility and levels of performance expected.

A key role player in the development of this strategic level detail, according to the NSDP, will be the NSA, who will have an “oversight role of promoting strategy improvement in conceptualization, strategy management, strategy governance, strategy administration, strategy implementation, strategy monitoring, evaluation and reporting”. No specific detail is provided on how the NSA will be capacitated to take on this role, although business plan development by GTAC (Government Technical Advisory Centre) has been undertaken.

Some Emerging Insights

There is a strong commitment to monitoring, evaluation and performance improvement evident in the South African Constitution, the National Development Plan, the Policy Framework for Government-wide Monitoring and Evaluation, the Management Performance Assessment Tool (MPAT) and the recently released National Skills Development Plan. These systems provide recommendations that performance standards be established to guide and enhance levels of performance within a range of outputs, outcomes and impacts linked to management and service delivery. With regard to management, the current management performance framework and the

associated MPAT provide a standardised and thus comparative assessment of performance for government departments in South Africa. A review of the implementation of MPAT (PDG, 2015) suggests that it is closely aligned with best practice globally and that, with the exception of Asset and Information Management, it covers the most important areas of management performance. Given the use of MPAT across government departments and the ongoing refinement of the performance standards nationally, it is suggested that the current management performance standards be used to assess and enhance management performance within SETAs.

In addition to management performance (internal to the SETAs), it is recognised that the performance in terms of the delivery of skills development for economic growth and social development is an important area of focus. This scoping report for Project 3 provides an overview of a number of reviews of SETA performance, from their inception in 2000 to the latest evaluation of NSDS III, which suggest an extensive list of performance achievement and challenges. Some of these challenges sit clearly in areas covered by the management performance framework. These include refinements in governance (board structure and constitutions); HR management and capacity development; strategic planning (improved SSPs, Strategic Plans and Annual Performance Plans), etc. There are however also a number of recurrent issues that appear in almost every report. This includes the challenge of ‘scope creep’ in SETA work. This is closely linked to the long list of objectives in the various iterations of the National Skills Development Strategy and the lack of a clear theory of change, the prioritisation of the objectives and uncertainty about which institutions should take the lead on some of the objectives. While some of these issues may sit within internal management systems, many of them are related to implementation. This suggests that as M&E frameworks are developed for SETAs, it will be necessary to simultaneously develop performance standards related to institutional performance (service delivery). A recurrent example in this regard concerns the development of demand side skills information related to both current and future needs within the sector and within the broader economy/ society. The level of performance for the SETAs requires some clarification, e.g. in terms of who gathers what kind of data. Based on these levels of complexity, corresponding capacity will need to be developed in the responsible institutions. Where these performance standards and levels of responsibility are not clarified, there is a tendency for the scope of SETA work to expand and, without the capacity, the level of performance (relative to the expectation) to decline.

Central to supporting the assessment of, reporting on, and improvement in performance standards is the need to good quality data. Again, this has been a recurrent issue and as data collection systems are developed, it will be important to link the performance standards to data management systems. If performance standards for management and delivery performance is to be compared across SETAs, the information management systems would need to be uniform across the SETAs. While this has been on the cards for many years, it appears to remain a challenge for both the SETAs and DHET. With this being the case, it seems sensible to iteratively develop the performance standards alongside the increasing capacity for data collection and interpretation. This will hopefully also enable early identification of unintended consequences with regard to target setting and implementation within the SETAs.

Where tensions are evident in implementation prioritisation, clearer outcomes and longer-term performance standards may help to focus and improve results. For example, where SETAs are required to work across low, medium and high skills development, broad performance standards that link level of skill development with long-term impact within the economy may help SETAs to clarify their allocation of resources. Similarly, where SETAs are required to address both supply issues (e.g. supporting colleges) and demand issues (e.g. employer skills needs), broad performance standards that guide SETAs would lead to greater focus and enhanced performance.

An area that requires careful consideration in the development of the performance standards for both the management and implementation components, is the relative importance of the different planning, strategic and agreement documents. At present the NSDS, the SSPs, the Strategic Plans and the APPs (and soon the NSDP) all contain targets and potentially performance standards. The reviews reveal tensions related to which of these documents takes precedence in planning and performance assessments. Again, clear performance standards that clarify the relationships between these different documents could go some way to addressing this issue.

There seems to be substantial convergence on the idea of SETAs being understood as ‘intermediaries’ between employers (skills demand) and training institutions (skills supply). In addition to more clearly defining roles and scope within this broad and complex space, the recent evaluation of NSDS III (Mzabalazo and REAL, 2018) provides a set of competencies that may be useful to consider as a basis for some of the performance standards for SETAs. These include brokerage and partnering; ‘translation’ work; engaging the research-policy nexus; and understanding and managing the interface with the external environment. As noted, this will require greater clarity and capacity development within SETAs, and a process of collectively defining performance standards with regard to these beyond-quantitative criteria, may support learning and enhanced performance in SETAs.

In addition to engaging with the management performance standards that currently exist, and developing performance standards that focus on and support delivery, there is a need to consider the relationship between these two areas. This is part of the broader monitoring, evaluation and learning process that is being developed by the SETA M&E Research Chair, but it is worth mentioning it here as it is a key dimension of the overall performance management system. Two examples are given to illustrate the connection and as ‘seeds’ to take into the developing project as a whole.

There are a number of comments to the effect that a focus on management performance standards either had no effect on delivery, or may even have had a perverse impact, as managers focused on internal reporting on management performance and neglected ‘on the ground’ delivery. This suggests the need for careful alignment between management performance standards and institutional performance standards related to delivery. By way of example, all the planning documents (SSPs, SP, APPs and SLAs) may be in place resulting in a high management performance score. However, if the SLAs introduce targets (e.g. artisan training) that is not a sector priority, then there is a very real risk that the perceived performance (delivery) of a SETA is poor (e.g. no artisans trained). This kind of disjuncture needs to be identified and addressed in M&E frameworks.

Similarly, there is the potential for institutional (delivery) performance standards to be at odds with management performance standards. An example raised repeatedly in the reviews was the propensity for SETAs to, in some targets, significantly (between 200% and in one extreme instance 4000%) exceed targets. Where this happens regularly, it must raise issues around the lack of reliable data and the use of this data to set strategy for the SETAs at a management (governance) level. As noted, this suggests the need to develop management performance standards related to information management.

In conclusion, this scoping report suggests two key areas within which performance standards need to be considered in relation to SETAs. It also provides an overview of some of the issues that have been raised in previous research/ evaluations/ assessments of SETA performance. It is the intention that this foundation will be used to support an engagement with key roleplayers on performance standards, and to support the identification of responses to guide and enhance SETA performance.

Way Forward

1. Interim findings from this scoping report will be shared with key role players and used to stimulate and focus discussion during engagement workshops.
2. Insights and recommendations will be progressively refined and discussed during interviews (see 3 and 4 below).
3. Further interviews must be conducted on both management performance standards and institutional performance standards. Given the recurrent finding that the breadth of scope of SETA work has the potential to undermine performance, there is a need to understand and/or contribute to the strategy for the implementation of the National Skills Development Plan. Performance standards have the potential to contribute to this process and interviews need to begin to identify the most important performance areas.
4. This scoping report did not refer extensively to existing performance standards as clarity firstly needs to be gained on the acceptability and usefulness of using the existing performance standards in MPAT, and secondly, on plans regarding the National Skills Development Strategy in relation to the National Skills Development Plan.
5. The draft research questions (appended below) will be modified and reduced.
6. Dates will be determined for the two consultative workshops with stakeholders, where first interim and then final findings will be shared. In the first workshop, a proposal for both management and institutional (delivery) performance standards will be deliberated and mapped out with carefully selected participants.

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Appendices

Appendix 1: Research questions

High Level Research Question

1. Which standards should be used to assess SETA performance?

Sub-Questions

1. Who are the stakeholders in the assessment of SETA (management) performance? By whom is performance assessments conducted and to whom are they reported?
2. What is meant by SETA (management) performance? What is the relationship between performance, management and compliance in the SET environment?
3. What are the current standards and assessment frameworks and how are they being implemented?
4. What associated benefits and challenges are experienced by all role players in the system?
5. With which other standards and frameworks inside and outside of SETAs should the performance assessment be aligned (if any)? Can performance assessments inform broader evaluations and be linked to an integrated M&E framework for SETAs?
6. What efforts have to date been made to improve performance assessments and address challenges, and what can we learn from them? (include research and evaluation reports)
7. What are factors that influence (enable and constrain) SETA performance?
8. How do SETAs and other stakeholders think their performance should be assessed and against which standards?

METHODS	INSTRUMENTS	DATA SOURCES	LOCATION
Desk top research: will be conducted throughout the study but particularly in the early stages to inform the scoping report	Literature will be sourced from the university and DHET library and archives, own publications, online resources.	Literature, policy documents and evaluation and research reports including (but not limited to): <ul style="list-style-type: none"> • Sayer, A. 2011. <i>Why Things Matter to People. Social science, values and ethical life</i>. Cambridge University Press, Cambridge. • The management performance tool and the state of management practices in the public sector. Final Report. DHET, 2014 • Report on the Implementation Evaluation of the MPAT. Palmer Development Group and DPME, 2015. • DPME Guideline 4.1.1. Process for implementing MPAT in National Departments. Updated 2012. DPME. • Guidelines on SETA Grant Regulations 2015, DHET 	Rhodes University, Grahamstown

Appendix 2: Research Report Outline

Title: ***Standards for SETA Performance***

Executive Summary

Acknowledgements and Citations

Chapter 1: Background to the Study, Definitions and Scope

Chapter 2: Research Process

Chapter 3: Insights from the Literature, Past Research and Evaluations

Chapter 4: SETA Performance, Management, Compliance and Associated Theories of Change

Chapter 5: Activity System and Factors Enabling and Constraining SETA Performance

Chapter 6: Role players' Perspectives and Relevant Alignments

Chapter 7: Recommended Performance Standards, Assessment Guidelines (Tool) and Requirements

Bibliography/References

Appendix 3: Other Deliverables

- **Masters Research Plan** – This document will guide the research; details may from time to time be revised in consultation with BANKSETA, if changes are required by changes on the ground or important insights
- **Scoping Report** – details of what will be included in and excluded from the study, and further details of the organisations and individuals to be included in the study; existing and international frameworks to be considered; policy frameworks; and a map of performance assessment in the SETA environment as an activity system.
- **Workshop Report** – Overview of process followed, participants, and key outcomes
- **Performance Assessment Tool** – included in the research report as Chapter 7, but also summarised in a shorter, user friendly 'pull-out' document with diagrammatic outlines.

Appendix 4: Payment Schedule

Tranche	Deliverables	Invoice Date	Amount	Amount inclusive of VAT
1 (25%)	Master Research Plan Approved	23 July 2018		R 81 250.00
2 (25%)	Scoping Report	31 January 2019		R 81 250.00
3 (20%)	Workshop Report	31 July 2019		R 65 000.00
4 (20%)	Performance Standards Tool	31 October 2019		R 65 000.00
5 (10%)	Close out Report	01 Dec 2020		R 32 500.00
	Total Amount			R325 000.00

Appendix 5: Detailed Research Plan

Stage of Research	Activities	Outputs/ Deliverables	Timeframe		Resources Required
			Start	Finish	
1	Finalise Research Plan	Master Research Plan Approved	July 2018	July 2018	Budget for travel during set-up
2	Conduct desk top studies and key informant interviews	Scoping Report	September 2018	January 2019 (Extension to 31 March)	Access to documents and contacts; travel budget; research time
3	Plan and conduct a consultative workshop with relevant role-players and stakeholders	Workshop Report	February 2019	May 2019 (workshop in May 2019)	Access to documents and contacts; travel and meeting budget (venues, catering); research time
4	Analysis of all data, development of standards and guidelines (tool)	Performance Standards Tool	June 2019	October 2020	Research time; feedback on tool
5	Produce and present final report	Close out Report	Oct 2020	Nov 2020	Writing time; travel budget; presentation opportunity; feedback on draft report