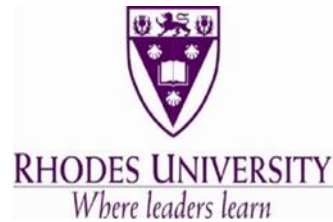




higher education  
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Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



Rhodes University / Bank SETA Research Chair - Monitoring and Evaluation in a SETA Environment

## Project 4 Developing a Cost Benefit Analysis Tool for Evaluating Skills Development Interventions

Report I: The Nature and Scope of Work-based Learning in the SETA Environment

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### Project Overview

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Project 4 aims to develop a cost benefit analysis tool to support SETAs in evaluating skills development interventions. It takes a systems approach to considering costs and benefits associated with and derived from investments in skills development interventions that will include both direct and financial, as well as indirect and non-financial costs and benefits, the latter often being more challenging to identify and quantify.

The project is being approached through collaboration with SETAs, drawing on current practices to explore costs and benefits associated with skills development interventions, for the individual, the economy and society, in keeping with the systems approach. The project plan involves the identification of diverse case studies for evaluating work-based learning to surface associated costs and benefits, both envisaged and incidental.

These costs and benefits will be used as the basis for developing a flexible cost benefit analysis tool that can be applied in respective SETA contexts relative to skills development interventions. A draft of the tool will be piloted with different SETAs to inform its further development. The envisaged output of the project is an online cost benefit analysis tool for evaluating skills development interventions, with associated guidelines to facilitate its use and adaptation in variable SETA contexts.

The project, its intended outcomes and plan were communicated to SETAs through the Collaborative Research Working Group meeting on Friday, 22<sup>nd</sup> June 2018.

## Project Methodology

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Phase I of the project evaluates current work-based learning practices to identify a broad spectrum of mechanisms (approaches) that are applied in varied contexts to achieve specific intended outcomes of work-based learning programmes. It uses a realist methodology to evaluate work-based learning to surface and make explicit costs and benefits associated with skills development interventions that will ultimately come to inform the development of the cost benefit analysis tool, the focus of Phase II of the project.

Realist evaluation is premised on understanding and explaining what approaches work, how and why they work, for whom and under what circumstances, towards an intended outcome. Within this realist framework of evaluation, context is primary in understanding the circumstances under which and contexts within which some approaches to work-based learning work (or not). The evaluation of work-based learning therefore in this project aims to focus on as broad a spectrum of variable contexts as possible, for example:

- work-based learning in different economic sectors
- for different learners (such as unemployed, pre-employed, employed, matriculants, graduates and in-service professionals)
- different approaches to work-based learning (for example career focused work placements, dedicated and perhaps trained mentoring, complimentary structured or accredited training, amongst others)
- different forms of work-based learning (for example internships for qualification, internships for professional registration, internships for transitioning into work, learnerships, apprenticeships, in-service training programmes)
- length of work-placements.

To facilitate the identification of case studies that will provide this broad spectrum of variable contexts, an initial scoping was undertaken of the nature and scope of work-based learning across SETAs.

### Analysing the nature and scope of work-based learning in SETAs

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A questionnaire was developed for collecting data on the nature and scope of work-based learning in different SETAs. Data collected focused on (i) the nature of work-based learning (ie. internships, learnerships, apprenticeships, skills training programmes); (ii) the nature of learners (ie. unemployed, pre-employed, matric, graduate, in-service) and their employer hosts; (iii) the size of programmes; (iv) costs associated with programmes broadly; (v) intended outcomes of work-based learning; (vi) evaluation of work-based learning; and (vii) the impact of these initiatives relative to the intended outcome. The questionnaire is attached as Annexure I.

All SETAs were invited to participate in this scoping exercise and the questionnaire was distributed through the Collaborative Research Working Group Secretariat at the Department of Higher Education

and Training (DHET). Responses were received from nine SETAs, namely (i) BANKSETA, (ii) Chemical Industries SETA (CHIETA), (iii) Energy and Water SETA (EW SETA), (iv) Fibre, Processing & Manufacturing SETA (F, P & M SETA), (v) Health and Welfare SETA (H & W SETA), (vi) Local Government SETA (LG SETA), (vii) Public Services SETA (PSETA), (viii) Services SETA and (ix) Transport SETA (TETA).

Responses from across the nine respondents reflect that:

(i) Most SETAs work across the spectrum of **work-based learning models**, including internships, learnerships and apprenticeships. Two of the nine respondents do not reflect internships as an approach to work-based learning.

(ii) **Learners participating** in work based learning programmes include unemployed, pre-employed and employed individuals, at both graduate and matric level.

The internship model appears to focus mainly on students requiring work integrated learning for completing qualifications (in three cases) and graduates transitioning from learning into work. Two respondents make reference to both employed and unemployed learners, however the survey did not clarify the nature of these employed and unemployed learners, the latter potentially including reference to graduates transitioning from learning to work, who would then technically not be classified as unemployed. This clarity would require further exploration beyond the scope of this study.

Learnerships focus on both employed and unemployed, the nature of employment status also needs clarity, as above. Learnerships, apart from one case, appear to be focused on matriculants and lower qualified individuals.

(iii) **Duration of programmes** for internships and learnerships are mostly 12 months or as defined by learning programmes for qualification, and could be up to 18 or 24 months.

(iv) Internships are **focused** mainly on providing work-based experience for already qualified individuals and supporting the achievement of qualification for others enrolled at universities of technology or Technical and Vocational Education and Training (TVET) colleges. In the case of one SETA internships are focused on enabling registration as required by professional bodies in particular occupational fields, such as the health sciences. One SETA reflects a focus on skills development through internships beyond their core business, to include for example, human resource management, and information technology, in a processing and manufacturing context. Learnerships focus mainly on occupationally directed qualifications of the SETA, predominantly between levels 2 and 5 on the National Qualifications Framework (NQF).

(v) Internship work-based learning programmes vary in **the number of participating learners**, mostly between 250 and 300. In one internship programme noted the numbers are smaller (closer to 150 participants) and in two others, much higher: 900 student interns on a work integrated learning programme and 3000 interns. The number of learners in learnerships is significantly higher than internships, varying from around 1000 to over 3000, 4000 and 12000 in one case. Two cases show a relatively smaller number of learners, fewer than 500, involved in learnerships.

- (vi) Common ***intentions of work based learning*** is to increase the employability of individuals that would facilitate employment, and skills development for increased productivity in a particular sector. Work-based learning for qualifications is a lesser focus in three of the responding SETA cases. Only one respondent references broader socio-economic wellbeing, but this too, is described as facilitated through increased employment.
- (vii) All respondents indicate some measure of ***evaluating the impact*** of investments in work-based learning that appears to be at different levels of development and implementation in SETAs. Most evaluations focus on impact, relative to intended outcomes, which are as indicated above, primarily framed as employment. None of the respondents make reference to evaluating impact of increased and strengthened skills and consequently increased productivity in sectors. This perhaps reflects the challenge of defining longer term benefits of these investments, likely to also affect this study.

In some cases there appears to be a disjuncture between the methodologies used and the intention to evaluate the stated outcomes of the programme.

- (viii) ***Employment and retention*** of learners placed with employers vary quite significantly both within and across sectors. For example, one learnership stream shows an employment rate of 85% and another of 57%. Overall employment and retention of learners appear to be above 50%. In the learnerships, these achievements appear to be expressed as a percentage of completion rates, which also vary significantly within cases and from one case to another. In one SETA, completion rates vary from 50% in one programme to 29% in another. If employment rates are then expressed as 57% and 65% respectively of this completion rate, the rate of employment reduces significantly if expressed as a percentage of the enrolment. In another SETA context, the completion rate of a learnership is as high as 80%.

## Identifying case examples for evaluation

This assessment of the nature and scope of work-based learning reflects much diversity within and across SETA contexts. And in keeping with the intention of this first evaluative phase of the project to gain understanding of as broad a spectrum of approaches (mechanisms) in as many varied contexts as possible, a wide variety of case studies have been identified as the focus for evaluation, in a nested case study design.

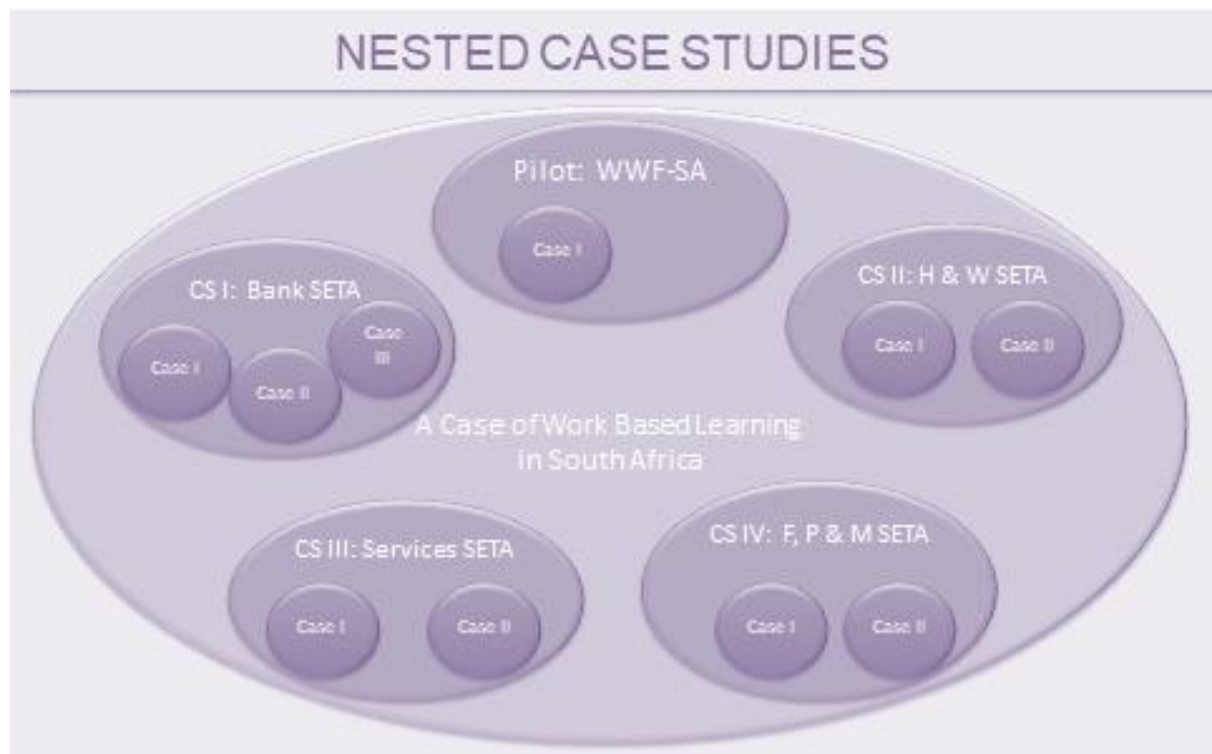


FIGURE 1: NESTED CASE STUDY DESIGN: SEVERAL PROGRAMME CASES ARE NESTED IN FIVE ORGANISATIONAL CASES

The focus of this first phase evaluation is work-based learning programmes and the mechanisms embedded in these, to better understand how they work, for whom and in what contexts. A nested case study approach allows for an exploration of different programmes within the same and different SETA contexts and other organisational contexts within the South African context of skills planning and development. It therefore offers a broader case of work-based learning in the specific socio-economic context of South Africa, individual organisational cases supporting work-based learning, as well as programme cases of work-based learning within these organisations, reflected in figure 1.

WWF-SA, the lead research organisation in this project, runs a post graduate internship programme in an organisational context very different to the SETA environment (WWF-SA is a non-governmental organisation). The WWF-SA case study is being used to develop and test the evaluation methodology which will then be refined and used with SETAs to evaluate their own work-based learning programmes.

The case studies that are being proposed for the evaluation of work-based learning are:

| Organisational Case                                       | Work-based learning programmes   |   |  |
|---|--|---|--|
| Pilot: WWF-SA   | Case I<br>Post graduate internship programme   |   |  |
| Case Study I<br>BANKSETA                                  | Case I<br>Learnership: Matric and Graduates (separate programmes combined)           | Case II<br>In-service Executive Development Programme               | Case III<br>Entrepreneurship Programme |
| Case Study II<br>Health and Welfare SETA                  | Case I<br>Graduate Internship for health professional registration (to be confirmed) | Case II<br>Learnership: Community Health Work                       |  |
| Case Study III<br>Services SETA                           | Case I<br>Management Development Programme   | Case II<br>Apprenticeship: Hairdressing / Welding (to be confirmed) |  |
| Case Study IV<br>Fibre, Processing and Manufacturing SETA | Case I<br>In-service training programme (to be confirmed)                            | Case II<br>Apprenticeship: (to be confirmed)                        |  |

These cases offer variation and diversity in:

- organisational context, ie SETAs and an NGO;
- economic sector, including the environmental sector managing common and public goods and services, financial services as in the BANKSETA, services as in the Services SETA, social services as in Health and Welfare SETA and manufacturing as in Fibre, Processing and Manufacturing SETA;
- models and or approaches to work-based learning as in internships, for work experience post qualification, work experience for professional registration and work integrated learning as part of a qualification, learnerships for both matriculants, graduates, employed and unemployed learners and apprenticeships for both employed and unemployed learners;
- nature of learners as similarly reflected above;
- the nature of programmes and its intentions, for example, focused on increasing employability of unemployed, to developing specific skills that increase the productivity of the sector, to promoting entrepreneurship, supporting transitions from learning into work and facilitating professional registration and qualification;
- the scope of programmes from very small to very large programmes of around 50 to very large programmes of over 1000;
- the length of programmes from 12 months to up to 36 months (to be confirmed);
- the total and unit cost of programmes and the variable costs factored in;

- scope and variety of collaboration for example with TVET colleges, universities and private institutions;
- amongst others that are likely to emerge through the evaluation, for example in practices and mechanisms applied in different contexts, learner interactions with programmes, variability between enrolment and completion rates, employment and retention rates, amongst others.

## Next Steps

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Given the significance of context in this realist approach to evaluation, the next step in this phase I of the project is to develop contextual profiles for each of the work-based learning programmes in the different SETA and other organisational contexts. A questionnaire guiding this process has been developed (Annexure II below, with the pilot response) and will be explored with SETAs as soon as all cases have been confirmed. Through the development of these contextual profiles, the nature of the work-based learning programmes will be probed in more depth to surface the mechanisms and associated costs as well as benefits derived from these investments, which will ultimately come to inform the development of the cost benefit analysis tool.

## Project IV – Cost Benefit Analysis Tool for SETA Activities

*Guided by WWF, South Africa*

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# Questionnaire I

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## Background

Inadequate skills, both quantitatively and qualitatively, is cited as a significant constraint to social and economic development in South Africa. Despite a considerable portion of the fiscus, much effort and goodwill being invested in post school education and training, the outcomes are considered to remain inadequate. SETAs are important roleplayers in the post school education and training, and whereas many other factors play a role in insufficient jobs, high unemployment rates and compromised economic wellbeing, they share the responsibility for improving the effectiveness, efficiency and impact of skills development in South Africa.

Through a DHET, Bank SETA and Rhodes University collaboration, strengthened approaches to monitoring and evaluation is being explored to better understand the outcomes and impacts of SETA activities and investments in skills training and development at post school level.

One of these projects involve the collaborative development of a cost benefit analysis tool for SETA activities, to assess outcomes and consequent benefits of investments in work-based learning and other activities in the SETA environment. It aims to engage with SETA participants to develop a systems-oriented cost benefit analysis tool through which to evaluate financial and direct as well as non-financial and indirect costs and benefits associated with SETA activities towards the ultimate aim of shedding light on efficiency, effectiveness, outcomes and impacts of these activities.

## Request

To facilitate an initial discussion towards the aims of this project, you are kindly requested to please complete the following questionnaire and return it to Rakal Govender, Deputy Director: Research (DHET) by return e-mail at [govender.r@dhet.gov.za](mailto:govender.r@dhet.gov.za) by **Friday, 21<sup>st</sup> September 2018**.

Hoping for your participation in what will be an exciting project and thanking you in advance.

|                                    |  |
|------------------------------------|--|
| <i>Respondent Name and Surname</i> |  |
| <i>Your SETA</i>                   |  |
| <i>Your designation</i>            |  |



| # | Question   | Your response   |              |           |  |
|---|--|---|--------------|-----------|--|
|   |  | Internships   | Learnerships | Bursaries |  |
| 1 | What is the nature and scope of work-based learning and bursaries in your SETA for this current <b>or</b> past financial year? | What is the nature of work-based learning in your SETA – mark the appropriate block with an X.                  |              |           |  |
|   |  | Briefly and generally describe the programme, who are the beneficiaries, where are they placed / studying, etc. |              |           |  |
|   |  | How many learners do you support at each level?   |              |           |  |
|   |  | What is the unit cost of your investment or total cost if unit cost is unknown?                                 |              |           |  |
| 2 | What are the intended outcomes of your investment in these programmes?   |   |              |           |  |
| 3 | How do you evaluate these programmes and their outcomes?   |   |              |           |  |
| 4 | What do your evaluations show? What are you achieving? Etc.  |   |              |           |  |

Annexure II: Questionnaire for developing contextual profiles of cases of work-based learning

| # | Contextual Element                   | Guiding question  | Example - WWF-SA Internship Programme   |                                 |  |  |
|---|--------------------------------------|---|---|---------------------------------|--|--|
| 1 | <b>Sector</b>                        | Which economic or service sector do you serve?  | <i>Environmental sector and associates with policies, practices and programmes that use and / or impact the environment and natural resources</i>   |                                 |  |  |
| 2 | <b>Nature of work-based learning</b> | Mark the appropriate box alongside to indicate the nature of the work-based learning programme  | Apprenticeship  | Learner-ship                    | Intern-ship  | In Service Training  |
|   |                                      |   |   |                                 | X  |  |
| 3 | <b>Nature of the learners</b>        | Who are the learners on the programme - indicate all features of the learners?  | Unemployed  | Matric                          | Graduate   | Employed   |
|   |                                      |   |   | X                               |  |  |
|   |                                      | How are these learners identified and / or recruited - please explain?  |   |                                 | <i>Open advertising through universities and social media, application and normal HR recruitment processes</i> |  |
|   |                                      | What selection criteria are used in the recruitment of learners to this programme?  | <i>Diversity for transformation (race, gender, approaches to environmental management, universities, disciplines, etc).<br/>Passion and interest in working in an environment related career.<br/>New entrant with no work experience.<br/>Southern African citizens.</i> |                                 |  |  |
| 4 | <b>Scope of programme</b>            | How many learners were enrolled at the start of the programme over the last 4 financial years - indicate the number for each respective year. | FY ending Mar 2015  | FY ending Mar 2016              | FY ending Mar 2017   | FY ending Mar 2018   |
|   |                                      |   | 46  | 18                              | 0  | 49   |
|   |                                      | How many learners completed the programme over the last 4 financial years - indicate the number for each respective year.                     | 46  | 18                              | 0  | 49   |
|   |                                      | What if anything defines the variance in the size of the programme from one year to another?  | <i>The programme is dependent on donor funding, and the amount secured ultimately defines the size.</i>   |                                 |  |  |
| 5 | <b>Intended outcomes</b>             | What is the intended outcome of the programme?  | <i>Employment of new entrants where the skills are needed in the sector.</i>  |                                 |  |  |
|   |                                      | To what extent (quantitatively indicated) has this been achieved across the financial years as above?   | FY ending Mar 2015  | FY ending Mar 2016              | FY ending Mar 2017   | FY ending Mar 2018   |
|   |                                      |   | 100% employed   | 74% employed, 12% further study | 0  | 65% employed, 16% further study, 9 in transitioning phase within 6 months of |

|   |                                   |   |   |                                     |                                 |                                     |
|---|-----------------------------------|---|---|-------------------------------------|---------------------------------|-------------------------------------|
|   |                                   |   |   | 14% unemployed or failed to respond |                                 | concluding internship               |
|   |                                   | Why was the programme established / initiated?  | Skills needs identified through a structured skills audit across the sector.                              |                                     |                                 |                                     |
| 6 | Length of placement               | What is the time frame of different components of the work-based learning programme? Please add any detail that might assist understanding the programme. | Structured training (eg. workshops / classes / attending college / etc.                                   |                                     | Time spent in the workplace     |                                     |
|   |                                   |   | 3 x 3 day workshops, at a conference venue approx. 3 months apart across the year                         |                                     | 12 months                       |                                     |
|   |                                   | What is the typical time frame for these components of the work-based learning programmes?  | June, August, November  |                                     | April to March                  |                                     |
|   |                                   | How frequently is the programme run? Once off or regularly and if the latter, how often are learners recruited?   | Regularly and learners are recruited every alternate year (biannually)                                    |                                     |                                 |                                     |
| 7 | Cost of Programme                 | What are the various cost items involved in running the work-based learning programme? Please list all.   | Cost item   |                                     | Approx Unit Cost                | Approx Total Cost                   |
|   |                                   |   | Recruitment   |                                     | R7 500,00                       | R375 000,00                         |
|   |                                   |   | Salaries  |                                     | R120 000,00                     | R6 000 000,00                       |
|   |                                   |   | Capital expenditure (eg. laptops, computers, etc)   |                                     | R10 000,00                      | R500 000,00                         |
|   |                                   |   | Operational expenditure (eg. office infrastructure, desk space, rent, travel costs, workshop costs, etc.) |                                     | Varied                          | Can't be defined due to variability |
|   |                                   |   | Mentoring   |                                     | R86 250,00                      | R4 312 500,00                       |
|   |                                   |   | Conferences   |                                     | R10 000,00                      | R500 000,00                         |
|   |                                   |   | Training  |                                     | R7 500,00                       | R375 000,00                         |
|   |                                   |   | <b>Total</b>  |                                     | <b>R241 250,00</b>              | <b>R12 062 500,00</b>               |
| 8 | Scope and nature of collaboration | Who are your key partners in this programme, eg. training institutions, employers etc.  | Partner   |                                     | Role                            |                                     |
|   |                                   |   | Employer organisations in the sector and associates   |                                     | Host and mentor interns         |                                     |
|   |                                   |   | All universities  |                                     | Advertise call for applications |                                     |
|   |                                   |   |   |                                     |                                 |                                     |