FINAL

FASSET TRACER STUDY: THE VALUE OF WORK-READINESS PROGRAMMES

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Research conducted by EE Research Focus

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ABBREVIATIONS AND ACRONYMS

CIMA	Chartered Institute of Management Accounting
DHET	Department of Higher Education and Training
FASSET	Seta for Finance, Accounting, Management Consulting and other Financial Services
FET	Further Education and Training
GTCSS	Guarantee Trust Corporate Support Services
KRIVET	Korean Research Institute for Vocational Education and Training
NSFAS	National Student Financial Aid Scheme
NSDS	National Skills Development Strategy
SAQA	South African Qualifications Authority
SETAs	Sector Education and Training Authorities
SHA	Stanley Hutcheson and Associates
VET	Vocational education and training
UJ	University of Johannesburg
UNISA	University of South Africa

EXECUTIVE SUMMARY

INTRODUCTION

Some of the major socio-economic challenges that South Africa faces relate to inequality, high levels of unemployment, over supply of low or unskilled workers, a shortage of high-skilled workers and large numbers of its population living in rural areas. The biggest economic challenge is unemployment. The official unemployment rate is approximately 25% and even more alarming is the fact that about three-quarters (76%) of the unemployed reported that they have been unemployed for one year and longer. If the expanded definition of unemployment is applied, which includes workers who have given up hope of finding employment and who are not looking for jobs anymore, the unemployment rate is approximately 36%.

One of the strategies that South Africa has put in place to enhance skills development and address employability challenges is the National Skills Development Strategy (NSDS). The country is already in the third phase of NSDS, ie NSDS III. The importance of employability was a very clear message in both NSDS I and II. NSDS III continues with this message.³

Up to now considerable training has been funded by the Sector Education and Training Authorities (SETAs) under different funding models, project types and modes of delivery, in order to meet the objectives set out by the NSDS. One of the interventions of the Finance and Accounting Services Seta (Fasset) to contribute to enhancing the employability of graduates was called Work-Readiness Programmes (now referred to as Bridging Programmes for Access to Employment). The main objective of the Work-Readiness Programmes of Fasset is to develop the skills of unemployed graduates in order to make them work-ready and able to find and sustain employment in the Finance and Accounting, Services sector.

In order to determine the value of the Work-Readiness Programmes, specifically the Bonani and Thusanani Programmes, Fasset commissioned research to gauge the progress that beneficiaries have made since completion of the programmes and to obtain their views as well as the views of employers on the value of these programmes in preparing them for work. It is important to note that this study did not evaluate the Bonani and Thusanani Programmes per se.

OBJECTIVES

The main aim of this tracer study was to determine the value of the Bonani and Thusanani Work-Readiness Programmes. The specific objectives related to beneficiaries of the Work-Readiness Programmes and the

¹ Quarterly Labour Force Survey, First Quarter 2011.

² Ihid

³ Department of Higher Education and Training. 2010. *Framework for the National Skills Development Strategy 2011/12-2015/2016*

employers where the beneficiaries were employed after completion of the training. In terms of the beneficiaries the specific objectives were to:

- Determine the employment status of beneficiaries after completion of the programmes;
- Identify the sectors where the beneficiaries are working;
- Determine the retention rates;
- Gauge the earnings of beneficiaries;
- Determine the usefulness of the intervention to beneficiaries;
- Determine the satisfaction levels of beneficiaries with the work-readiness training; and
- Determine the attitude change towards employment among the beneficiaries.

In terms of employers the specific objectives were to:

- Obtain the views of employers on the usefulness of the interventions;
- Identify gaps in the work-readiness programmes; and
- Determine the attitude change towards employment among the beneficiaries.

Telephonic interviews were conducted with a sample of 1 508 beneficiaries and 148 employers.

PROGRESS OF BENEFICIARIES

The progress of beneficiaries was gauged by looking at their employment status after completion of the programmes, their progress in employment, their earnings and furthering of their qualifications. The value of the programmes was also tested by asking beneficiaries their views about the extent to which the training enhanced their employability skills.

The following results are noteworthy:

Contributing to reducing unemployment

Almost all (89.7%) of the beneficiaries are currently employed. This figure is an indication of the important contribution that the Fasset Work-Readiness Programmes make to reducing unemployment in South Africa. It is also an indication of the willingness of employers to provide employment opportunities and in this way contribute to economic growth.

Progress in employment

Almost half (48.6%) of the beneficiaries have progressed to a higher position since they were placed. If all the trainee accountants are going to finish and progress to the level of accountant, the progress figure will increase to 62.0%.

The majority (88.7%) of the beneficiaries who were placed in an internship or learnership found employment after completion of the internship or learnership, either at the company where they were placed or at another company.

• Beneficiaries who were not placed found employment

The majority (85.4%) of the beneficiaries who were not placed on completion of the programmes, found employment on their own. The in-depth interviews with some of these beneficiaries revealed that the knowledge and skills that they gained through the programmes enhanced their career development (learning to take responsibility for their own learning and work) and did indeed help them to search and find jobs and to conduct themselves favourably in a work environment.

Increase of salaries

Only 2.1% earned R10 000 and more when they started working, compared to 32.0% currently earning R10 000 and more (an increase of 29.9%). This figure is an indicator of financial and presumably occupational progress.

Furthering qualifications

One hundred and sixty-five beneficiaries attained a further qualification; 155 of these qualifications were at a higher level. The progress in terms of the attainment of further qualifications is eminent.

Beneficiaries' overall response was that the programmes enhanced their soft and technical skills to a large extent. The value of skills that pertain to career development or the managing of one's own career is encouraging. It seems that beneficiaries gained skills that can help them with planning and managing of their own lifelong learning and work.

A good indicator of their satisfaction with the programmes is the fact that almost all of them (95.6%) would recommend taking part in a Work-Readiness Programme to their friends and/or family members.

VIEWS OF EMPLOYERS

Employers were asked to what extent the programmes provided the beneficiaries with soft and technical skills that enable them to work efficiently at their organisations. They were also asked to identify the gaps in the programmes, as well as suggestions on how the programmes can be improved. Furthermore, they were requested to give their views on the value of the programmes to the beneficiaries.

The majority of the employers reported that the programmes provide the beneficiaries with most of the soft skills and technical skills that they need to be efficient in the workplace. They further confirmed that: it provides beneficiaries with a positive attitude towards work; it enhances the chances of beneficiaries to be placed or employed; it enhances the chances of beneficiaries to progress after they have been placed and it enhances the chances of beneficiaries to improve their earnings.

The majority of the employers concluded that they prefer to employ people who underwent the Fasset Work-Readiness training. Some of the main reasons for participation are: it is an easy way for employers to recruit people with qualifications and basic soft skills needed in the workplace; employers save time and cost; employers see it as their contribution to build capacity for the sector; and employers see it as their contribution to reduce unemployment.

CONCLUSIONS

The study has found that the Fasset Work Readiness Programmes contribute to: reducing unemployment; matching demand and supply; providing employers with people that are employable; saving employers time and money; providing beneficiaries with employability skills to enter and progress in the labour market; and enhancing the career development of beneficiaries so that they can take responsibility for their own lifelong learning and work.

Contributing to reducing unemployment

The Work-Readiness Programmes serve as an active labour market initiative in so far as it contributes to reducing unemployment. It may look like a small contribution if one compares the number of beneficiaries that have been placed and are currently employed (1 353) to the total number of unemployed people in South Africa. However, it is a major contribution in terms of reducing unemployment of graduates and supplying employable people to the financial sector.

Providing a recruitment and placement service

The training providers of the Work-Readiness Programmes provide an important recruitment and placement service. Candidates are carefully screened before they are accepted to take part in the training. After completion of the training beneficiaries are placed in either employment or in internships and learnerships. Some of the employers have reported that this is one of the reasons why they are willing to take on beneficiaries of the programmes. It means that an important Human Resources function has already been taken care of and that the company does not have to allocate too much time or money in recruiting some of their staff. The training providers serve as an intermediary agent for the labour market; matching the demand with the supply.

Providing employers with employable people

Employers are provided with people who not only hold qualifications, but are also equipped with soft and technical skills that they need to function efficiently in an organisation. The advantage for employers is that they save time and money. They do not have to allocate money or time to train new staff and can count on the efficiency of employees right from the start, as indicated in their feedback.

Providing beneficiaries with employability skills to enter and progress in the labour market

Beneficiaries of the programmes are provided with knowledge and skills that enhance their employability and progress in the labour market once they got the opportunity to enter. This was clearly demonstrated by the

reported progress of beneficiaries in terms of promotion, salary increases and furthering of qualifications. The heartening trend was the fact that even beneficiaries who were not placed on completion of the programmes, found employment on their own by using the skills that they have gained from the work-readiness training. The vignettes of beneficiaries that were in this position speak for themselves.

Enhancing the career development of beneficiaries

The study showed that the programmes enhanced the career development of beneficiaries by teaching them how to take responsibility for their lifelong learning and work. The programmes contributed by teaching them how to plan, make informed decisions, go about in search of employment opportunities, conduct themselves in interviews and then finally how to conduct themselves in the workplace. Even more important than this is creating the awareness that they are in control of their lives. The study presented evidence that beneficiaries have gained skills that enable them to plan and manage their own careers. In the process their self-confidence was enhanced by the realisation that they do have knowledge and skills to offer the labour market and that there are employers who are interested in employing them or offering them internship or learnership opportunities.

Fostering a positive attitude towards work

The majority of employers reported that the training that beneficiaries received provided them with a positive attitude towards work. This may be one of the most important elements of work-readiness programmes in general. If one of the outcomes of such programmes is supplying workers to the labour market that have a positive attitude towards work, much has been accomplished. It means that people are serious about their work and will do their best to be productive and an asset to the companies where they are working.

Recommendation

This report clearly shows that the Fasset Work Readiness Programmes had a significant impact on the lives of the young people who took part in these programmes. It also shows that in general the employers welcome these interventions. Viewed from the perspective of intervening in terms of the demand and supply sides of the sectoral labour market these programmes also made a significant contribution. The programmes not only provided the market with better skilled new entrants, but they also facilitated a placement of beneficiaries in gainful employment in many instances. In view of these findings it is recommended that Fasset should continue with the provision of these types of interventions. It must. however, be noted that in this study the Work Readiness Programmes were not evaluated in terms of their cost effectiveness. Future decisions need to take this into account.

1 INTRODUCTION

1.1 BACKGROUND

Some of the major socio-economic challenges that South Africa faces relate to inequality, high levels of unemployment, over supply of low or unskilled workers, a shortage of high-skilled workers and large numbers of its population living in rural areas. The biggest economic challenge is unemployment. The official unemployment rate is approximately 25% and even more alarming is the fact that about three-quarters (76%) of the unemployed reported that they have been unemployed for one year and longer. If the expanded definition of unemployment is applied, which includes workers who have given up hope of finding employment and who are not looking for jobs anymore, the unemployment rate is approximately 36%.

An important characteristic of South Africa's unemployment crisis is its concentration in the 15 to 34 year age cohort. In aggregate, this age cohort represents a staggering 68% of South Africa's unemployed. Another aspect of the unemployment problem is that it is embedded in structural deficiencies in the economy. Labour absorption tends to be relatively low and the economy is not growing fast enough to absorb new entrants into the labour market. The result is that each year young people exiting the education and training system are added to the pool of unemployed youth. That means that the actual number of unemployed youth in the country grows from year to year and that the unemployment problem becomes more and more challenging. In addition, it is found that potential new entrants to the labour market do not always have the necessary generic (and technical) skills to enter the labour market and progress.

One of the strategies that South Africa has put in place to enhance skills development and address employability challenges is the National Skills Development Strategy (NSDS). The country is already in the third phase of NSDS, ie NSDS III. The major aim of NSDS I was "Skills for productive citizenship for all". The specific objectives that were driving the strategy were to: develop a culture of high quality lifelong learning; foster skills development in the formal economy for productivity and employability; stimulate and support skills development in small businesses; promote skills development for employability and sustainable livelihoods through social development initiatives; and assist new entrants into employment.

The major aim of NSDS II was "Skills for sustainable growth, development and equity". The specific objectives that were driving the strategy were to: prioritise and communicate critical skills for sustainable growth, development and equity; promote and accelerate quality training for all in the workplace; promote

⁴ Quarterly Labour Force Survey, First Quarter 2011.

⁵ Ibid.

⁶ Ibid.

⁷ Department of Labour, Republic of South Africa. 2001. *The National Skills Development Strategy 1 April 2001 – 31 March 2005: Skills for Productive Citizenship for All*. Pretoria: Department of Labour.

⁸ Department of Labour, Republic of South Africa. 2005. *The National Skills Development Strategy 1 April 2005 – 31 March 2010: Skills for Sustainable Growth, Development and Equity*. Pretoria: Department of Labour.

employability and sustainable livelihoods through skills development; assist designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment; and improve the quality and relevance of training. The importance of employability was a very clear message in both NSDS I and II.

NSDS III continues with this message. The NSDS III framework expresses the need for a wider spectrum of, above all, programmes that will lay a broader foundation for decent work in a variety of contexts. The referenced programmes in the framework are *inter alia* programmes to facilitate access, success and progression; professional, vocational, technical and academic (PIVOTAL) programmes; skills programmes and other non-accredited short courses; and programmes that build the academic profession and engender innovation.⁹

Up to now considerable training has been funded by the Sector Education and Training Authorities (SETAs) under different funding models, project types and modes of delivery, in order to meet the objectives set out by the NSDS. One of the interventions of the Finance and Accounting Services Seta (Fasset) to contribute to enhancing the employability of graduates was called Work-Readiness Programmes (now referred to as Bridging Programmes for Access to Employment). The main objective of the Work-Readiness Programmes of Fasset is to develop the skills of unemployed graduates in order to make them work-ready and able to find and sustain employment in the Finance and Accounting, Services sector. ¹⁰

In line with the new Framework for Cooperation in the Provision of Career Development (Information, Advice, and Guidance) Services in South Arica of the Department of Higher Education and Training (DHET)¹¹, the Work-Readiness Programmes also serve an important function in terms of enhancing the career development of people as reported in Chapter 3 of this report. The Chapter provides evidence of how unemployed graduates gained knowledge and skills through the Work-Readiness Programmes that helped them to take responsibility for the planning of their own careers or lifelong learning and work.

In order to determine the value of the Work-Readiness Programmes, specifically the Bonani and Thusanani Programmes, Fasset commissioned research to gauge the progress that beneficiaries have made since completion of the programmes and to obtain their views as well as the views of employers on the value of these programmes in preparing them for work. It is important to note that this study did not evaluate the Bonani and Thusanani Programmes per se.

⁹ Department of Higher Education and Training. 2010. *Framework for the National Skills Development Strategy 2011/12-2015/2016*

¹⁰ The Finance, Accounting, Management Consulting and other Financial Services sector will be called the financial sector henceforth in the report.

¹¹ Department of Higher Education and Training, October 2012, Framework for Cooperation in the Provision of Career Development (Information, Advice, and Guidance) Services in South Arica.

1.2 OVERALL AIM OF THE STUDY

The main aim of this tracer study was to determine the value of the Bonani and Thusanani Work-Readiness Programmes. The specific objectives related to beneficiaries of the Work-Readiness Programmes, the employers where the beneficiaries were employed after completion of the training and the training providers of the programmes.

In terms of the beneficiaries the specific objectives were to:

- Determine the employment status of beneficiaries after completion of the programmes;
- Identify the sectors where the beneficiaries are working;
- Determine the retention rates;
- Gauge the earnings of beneficiaries;
- Determine the usefulness of the intervention to beneficiaries;
- Determine the satisfaction levels of beneficiaries with the work-readiness training; and
- Determine the attitude change towards employment among the beneficiaries.

In terms of employers the specific objectives were to:

- Obtain the views of employers on the usefulness of the interventions;
- Identify gaps in the work-readiness programmes; and
- Determine the attitude change towards employment among the beneficiaries.

In terms of the training providers the specific objectives were to:

- Identify the challenges that the training providers experienced in delivering the training; and
- Obtain their views on how to improve such interventions in future.

1.3 METHODOLOGY

The study consisted of a literature review, two surveys and interviews with the two training providers.

1.3.1 Survey components

a) SURVEY OF BENEFICIARIES

The objectives of the survey of beneficiaries are described in paragraph 1.2.

Sample selection

The training providers provided the databases containing the details of beneficiaries that took part in the Work-Readiness Programmes. This information was used for the sample frame. Table 1 below provides the sample frame, the sample that was selected and the sample that was realised. The sample frame only consisted of 2 954 records. This included beneficiaries that completed the Bonani programme from 2003 to 2012 and the Thusanani programme from 2008 to 2010. Initially a sample frame of approximately 4 000 was anticipated.

Given the fact that the sample frame was only 2 954 the research team, based on their experience with past surveys of this nature, discussed the matter with Fasset indicating their concern that it is highly possible that all 2 954 beneficiaries in the sample frame will have to be phoned in order to realise the sample. Fasset was further warned that it may even happen that the selected sample of 1 500 will not be realised. It was therefore decided that it would not be viable to try to stratify the sample; it was clear from the beginning that the research team would have to phone all of the 2 954 beneficiaries in the sample frame in order to secure interviews with about 1 500.

In spite of the limitation in terms of the size of the sample frame, the research team succeeded in interviewing 1 508 beneficiaries. The proportional sample selection according to programme (i.e. Bonani and Thusanani) could also be met; 26% of the beneficiaries who were interviewed took part in the Thusanani programme and 74% in the Bonani programme.

TABLE 1 BENEFICIARY SAMPLE FRAME, SAMPLE SELECTED AND SAMPLE REALISED

	Sample frame		Sample selected	Sample realised	
	N	%	N	N	%
Bonani	2 155	73	1 095	1 119	74
Thusanani	799	27	405	389	26
Total	2 954	100	1 500	1508	100

Data collection

A structured questionnaire for beneficiaries was designed and tested. Questions covered the objectives specified in paragraph 1.2. Telephonic interviews were conducted with the 1 508 beneficiaries. An interview took approximately 30 minutes. The questionnaires were coded (open ended questions) and the data were captured in electronic format.

b) Survey of employers

The objectives of the survey of employers are described in paragraph 1.2.

Sample selection

Initially it was planned to select approximately 300 employers for interviews. The information on employers was also provided by the training providers (the name and telephone number of the employers where beneficiaries were placed were already part of the beneficiary dataset). A random sample was selected from this sample frame. It became evident after the first couple of attempts that for various reasons, this process was not going to work. Some of the reasons are: the telephone numbers of the employers were wrong or not active; it was difficult to identify a person at an employer who knew about the Work-Readiness Programmes; beneficiaries were no longer working at the employers where they were placed, making it difficult to track down a contact person who could remember them (especially if they were placed during the earlier years); and the supervisors/managers at the employers did not know that the beneficiary who was placed in that specific unit participated in the Bonani and Thusanani Work-Readiness Programmes.

After discussions with Fasset it was decided to follow a different approach. Employers were identified after completion of the beneficiary survey. Following this methodology made it possible to select employers where beneficiaries were currently working. However, this approach did not allow for random sampling; the employers were purposefully selected. Much time was lost in the process of sorting out the employer sample, which had an impact on the number of employers that were interviewed (148 employers). Although it is just less than half of the 300 initially planned, the sample of 148 employers is large enough for analysis on a survey of this nature (a sample of 100 is already sufficient).

Data collection

A structured questionnaire was designed and tested. Questions covered the objectives specified in paragraph 1.2. Telephonic interviews were conducted with supervisors or managers at the 148 employers. The questionnaires were coded (open ended questions) and data were captured in electronic format.

1.3.2 Interviews with training providers

Face-to-face interviews were conducted with representatives from the two training providers (Guarantee Trust Corporate Support Services (GTCSS) and Stanley Hutcheson and Associates (SHA)). The questions related to the process and content of the programmes, as well as the challenges that they encountered running these programmes.

1.4 CHALLENGES AND LIMITATIONS

The risks and limitations linked to a study of this nature were already mentioned and described in the project proposal that the research provider submitted. Some of it was also mentioned in the previous paragraph 1.3. The major risks and limitations linked to this study were threefold:

1.4.1 THE RELIABILITY / RECENTNESS OF THE CONTACT DETAILS OF THE SAMPLES

The difficulties that the research team experienced as described in paragraph 1.3 are not unique. The research team has conducted many large-scale studies for SETAs where the databases containing contact details of training beneficiaries were used as the sample frame. In many instances it was found that the information was not up-to-date. It was often found that researchers or fieldworkers have to exhaust the complete contact list in order to try to realise the specified sample. This exercise usually takes more time than is initially planned. It is also possible that a sample may not be realised. Fortunately in this project the beneficiary sample was realised, although it took great effort.

With the employer survey it was a different scenario. The research team had great difficulty in tracing and contacting the employers. The providers kept reasonably good track of the beneficiaries, but the employers (or the contact people at the employer organisations) moved or were difficult to contact. It was found that the "institutional memory" about the beneficiaries and their progress in the work situation was lost in many cases (especially during the earlier years of the Work-Readiness Programmes).

1.4.2 Research fatigue in the sector

An additional complication with the employer survey was research fatigue in the sector. The timeframe of this project followed directly on the Sector Survey conducted on behalf of Fasset. The Sector Survey was followed by Fasset's regular Customer Satisfaction Survey.

Experience with the Sector Survey has shown that there is resistance by some employers to participate. Employers indicated that they feel overwhelmed as they also have to adhere to the Workplace Skills Plan (WSP) requirements, professional bodies' accreditation requirements and various other legislative requirements (e.g. employment equity reports). It was expected that employers might be reluctant to take part in the tracer study. This had an impact on the realisation of the employers' sample, as well as the end date of the project.

The fieldworkers were therefore trained to clearly explain the objective of this study and the fact that it will be to the benefit of all stakeholders to determine the value of the Work-Readiness Programmes for the sector. The usual communication channels of Fasset with their stakeholders were also used in this regard. A letter, signed by the CEO of Fasset, introducing the study and motivating beneficiaries and employers to participate helped the interviewers to arrange appointments for interviews.

1.4.3 LINKING OUTCOMES TO INTERVENTIONS

The main objective of this study was to determine the value of the Bonani and Thusanani Work-Readiness Programmes funded by Fasset. The areas to be studied included various aspects of beneficiaries' work histories and current work situations. However, these outcomes are in most instances the result of various factors and cannot be ascribed to the training interventions alone.

Great care was therefore taken to formulate questions in such a way that one can determine the progress of beneficiaries in terms of their work and at the same time obtain their views on the usefulness or the value of the programmes. Data of this nature must always be interpreted with great care.

1.5 STRUCTURE OF THE REPORT

Chapter 2 of this report looks at Work-Readiness or Employability Programmes in general. Chapter 3 provides a profile of the beneficiaries, describes their progress and reports their views on the value of the programmes. Chapter 4 provides the views of employers on the value and the gaps of the programmes. Chapter 5 presents the conclusions.

2 WORK-READINESS PROGRAMMES

2.1 INTRODUCTION

South Africa has a sophisticated Financial and Accounting Services Sector by international standards. In the recent Global Competitiveness Index, South Africa's overall efficiency in *financial market development* ranked third, while *strength of auditing and reporting standards* ranked first and the *soundness of banks* second, among 144 countries.¹² There is thus a continuous need for financial skills to maintain standards, adhere to sound financial practices and contribute to skills development in the sector.

It is well known worldwide that graduates do not always have the essential skills needed to be efficient and productive when they enter the labour market. There is agreement that new entrants to the labour market need some basic, generic or key skills to be efficient in the workplace and much research has been conducted on the nature of these skills. ¹³ ¹⁴ ¹⁵ ¹⁶

The importance of work-readiness or employability skills can be demonstrated in the Work Readiness Credential that was published in 2005 in the United States; a guide for trainers and instructors of job seekers. ¹⁷ The purpose of the guide is to provide work-readiness programme trainers and instructors with information on how to help entry-level jobseekers develop the skills and knowledge necessary to meet the standard for work-readiness as defined by the Work Readiness Credential. The standard that was developed, is based on research and consensus across various industries of the knowledge, skills and abilities that are critical to successful performance of entry-level work in the 21st century workplace.

2.2 DESCRIBING WORK-READINESS OR EMPLOYABILITY SKILLS

Numerous descriptions have been put forward of what work-readiness or employability means and entails and which skills are necessary in order to declare a person work-ready or employable. There are views that state that graduate employability is not an institutional achievement, but rather a combination of a number of variables such as students' previous experiences, their extracurricular activities, and their career intentions and

¹² Schwab, K. (ed). (2012). The Global Competitiveness Report 2012–2013. Geneva: World Economic Forum.

¹³ Raftopoulos, M. (2006). Work Readiness and Graduate Recruitment in the Fasset Sector. Pretoria: UNISA (Unpublished Master of Arts Dissertation).

¹⁴ Birt, M., Wallis, T. and Winternitz, G. (2004.) Talent retention in a changing workplace: An investigation of variables considered important to South African talent. *South African Journal of Business Management* 35 (2): 25-31.

¹⁵ Falconer, S. and Pettigrew, M. (2003). Developing Added Value Skills within an Academic Programme through workbased learning. *International Journal of Manpower*, (24) 1, pp. 84-59.

¹⁶ O'Neil, H.F. Jr. (1997). Workforce Readiness: Competencies and Assessment. London: Lawrence Erblaum Associates.

¹⁷ SRI. (2005). Work Readiness Credential: a Guide for Trainers and Instructors of Jobseekers.

networks.¹⁸ Another definition of work-readiness is that it is the appropriate level of skills and attributes that are required for graduates to become employable.¹⁹

Employability is also described as a function of the labour market context with labour supply and demand, determining an individual's employability at any given time. Alternatively, it can be seen as a "psycho-social construct" embodying a range of individual characteristics that facilitates adaptive behaviours necessary to maintain ongoing employment within rapidly changing employment environments. Employability skills per se have been defined as "a set of skills, knowledge and personal attributes that make an individual more likely to secure and be successful in their chosen occupation(s) to the benefit of themselves, the workforce, the community and the economy". 22

The linking of employability to the acquisition of "soft skills" is well researched. The shift to recognising the role that soft skills play, in addition to technical skills, in making a person employable is important.²³ Soft skills relate to the efficiency, abilities and effectiveness of a person and are complex to define, observe and measure, as they are intangible skills.²⁴ What is very clear is that organisations need their employees to possess soft skills in order to work efficiently.²⁵

Considerable research has been conducted on the nature of soft or generic skills. Commonly groups of skills such as the following are mentioned: Communication skills; the ability to analyse data, propose solutions and make decisions; the ability to plan, organise and co-ordinate; and working effectively with others.^{26 27}. Similarly, employability skills are summarised into the following four categories: Basic academic skills; higher order thinking skills; interpersonal and teamwork skills; and personal attitudes (such as self-esteem, motivation and taking responsibility for own actions and growth).²⁸

¹⁸ Harvey, L. (2000). Defining and measuring employability. *Quality in Higher Education* 7 (2): 97-109.

¹⁹ Nabi, G.R. (2003). Graduate employment and underemployment: Opportunity for skills use and career experiences amongst recent business graduates. *Education and Training* 45 (7): 371-382.

²⁰ Forrier, A. and Sels, L. (2003). The concept of employability: A complex mosaic. *International Journal of Human Resources Development and Management* 3(20): 102–124.

²¹ Fugate, M., Kinicki, A.J. and Ashforth, B.E. (2004). Employability: A psycho-social construct, its dimensions, and applications. *Journal of Vocational Behaviour* 65: 14–38.

²² Yorke, M. (2006). *Employability in higher education: What it is—what it is not. Learning and Employability Series* 1. York: Higher Education Academy.

²³ Buhler, P.M. (2001). The growing importance of soft skills in the workplace. *Supervision* 62 (6): 13-16.

²⁴ Sahni, L. (2011). The Impact of Soft Skill Training: Induction Programme on New Entrants. *BVIMR Management Egde* 4 (2): 40-47.

²⁵ Buhler, P.M. (2001). The growing importance of soft skills in the workplace. *Supervision* 62 (6): 13-16.

²⁶ Hughey, A.W. and Mussnug, K.J. (1997). Designing effective employee training programmes. *Training for Quality* 5 (2): 52-57.

²⁷ Nabi, G.R. (2003). Graduate employment and underemployment: Opportunity for skills use and career experiences amongst recent business graduates. *Education and Training* 45 (7): 371-382.

²⁸ O'Neil, H.F. Jr. (1997). Workforce Readiness: Competencies and Assessment. London: Lawrence Erblaum Associates.

Raftopoulos²⁹ indicated that some of the top ten work-readiness skills rated by both organisations and graduates in South Africa include the effective management of resources, effective communication skills, interpersonal skills and effective teamwork. Adaptability, an important skill especially in the South African context, has not been identified as one of the ten most important work-readiness skills.³⁰ Raftopoulos integrated skills important for employment as indicated in the literature, into three main categories: Academic/technical skills, basic/transferable skills and practical experience. There is not always agreement on what constitutes basic / transferable work-readiness skills. She argues that in order to put interventions in place and improve employability, quality data on the skills and skills levels of graduates is required.³¹

2.3 WORK-READINESS OR EMPLOYABILITY INITIATIVES

Internationally there have been some successful interventions to improve the employability of graduates. Information on these endeavours is not always readably available. A case study on employability of engineering graduates in India concluded that training in various non-technical skills has an impact on ensuring the employability of engineering graduates.³² In another study in India it was indicated that soft skills training in India have positive outcomes, but the initial quality of students is a factor that needs to be kept in mind.³³

A study on enhancing employability through industrial training in the Malaysian context found that provisions for students to obtain soft skills outside the classroom should be provided by the university throughout the students' degree programme, so that students can make full use of their university tenure to identify their skill-gap and to develop their employability skills.³⁴ According to the study it is a social and economic responsibility of higher education to at least provide opportunities for students to obtain industry relevant skills throughout their three to four years at university. Inevitably, an institution will be judged by the extent to which its graduates are sought after by industry and also by how soon upon graduation they are employed. The link with industry is therefore highlighted.

In Singapore, the Ministry of Education requires education providers to conduct an annual survey of their graduates to determine which skills are needed to enter the labour market successfully. The employment status and salary levels of graduates are published to assist prospective students in making informed decisions. In Australia the information on graduates' employment activities are included in a *Good Universities Guide*,

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²⁹ Raftopoulos, M. (2006). Work Readiness and Graduate Recruitment in the Fasset Sector. Pretoria: UNISA (Unpublished Master of Arts Dissertation).

³⁰ Birt, M., Wallis, T. and Winternitz, G. (2004). Talent retention in a changing workplace: An investigation of variables considered important to South African talent. *South African Journal of Business Management* 35 (2): 25-31.

³¹ Raftopoulos, M. (2006). Work Readiness and Graduate Recruitment in the Fasset Sector. Pretoria: UNISA (Unpublished Master of Arts Dissertation).

³² Gokuladas, V.K. (2010). Technical and non-technical education and the employability of engineering graduates: An Indian case study. *International Journal of Training and Development* 14 (2): 230-143.

³³ Sahni, L. (2011). The Impact of Soft Skill Training: Induction Programme on New Entrants. *BVIMR Management Egde* 4 (2): 40-47.

³⁴ Pillai, S., Khan, M.H., Ibrahim, I.S. and Raphael, S. (2012). Enhancing employability through industrial training in the Malaysian context. *Higher Education* 63: 187-204.

which serves as an incentive for education providers to pay more attention to finding jobs for their graduates, as youth pick a course or institution according to the graduate outcomes metrics (success in getting a job, skills needed to secure a job, starting salary and positive graduate outcomes).³⁵

In South Korea, the government has established the Korean Research Institute for Vocational Education and Training (KRIVET) to understand which interventions make a difference in improving student learning outcomes by researching human resource development policies; labour market trends; vocational education and training (VET); and disseminating this information, as well as publishing working papers that evaluate the impact of various VET programmes. KRIVET publishes an instruction manual with case studies, a template on how to define the skills required, how to develop textbooks and student assessments, and how to create extracurricular activities.³⁶

McKinsey & Company³⁷ conducted a study where they looked at active engagement between education providers and employers, while both employers and education providers were intensely working with students trying to identify the skills that are needed to make a successful transition from education to the labour market. The most transformative partnerships, according to the study, involved multiple providers and employers at a sector level. It is indicated that sector-based collaborations are critical not only to create widespread industry recognition for the curriculum, but also to enable delivery of training in a more cost-effective manner and provide benchmarks for the skills needed to enter the labour market.

Research on graduate employability in the United Kingdom, Austria, Slovenia and Romania shows that in order to promote business-graduate employability on a pan-European scale, business schools across Europe need to make sure that business graduates are equipped with more than hard business-focused skills and assure work experience opportunities and an ability to utilise softer business-related skills and abilities.³⁸ The researchers conclude that European business schools have a responsibility to promote the employability, work-readiness and mobility of their graduates.

Overall, researchers agree that successful 'education to employment' programmes need to be scaled up to serve as many young people as possible. These programmes need to be cost-effective, have resources in place, provide work experience opportunities, be standardised, but also address specialised skills with a top-up curriculum tailored to the needs of the specific employer. It has been found that it is a challenge to secure

³⁵ Mourshed, M., Farrell, D. and Barton, D. (2012). *Education to Employment: Designing a System that Works*. Washington: The McKinsey Center for Government (MCG). www.mckinsey.com/mcg (Accessed 25 January 2013).

³⁶ Ibid.

³⁷ Ibid.

³⁸ Andrews, J. and Higson, H. (2008). Graduate Employability, 'Soft Skills' Versus 'Hard' Business Knowledge: A European Study1. *Higher Education in Europe* 33 (4): 411-422.

sufficient placements from local employers and it has been suggested to use immersive learning simulations or game-based learning to provide real-world scenarios and interactive learning through multi-user gameplay.³⁹

In South Africa there is also a number of work-readiness or employability initiatives, of which the Monyetla and the Fasset Bonani and Thusanani programmes are examples. The Monyetla Work-Readiness Programme ran in 2008 and was designed to accelerate training for entry-level jobs within South Africa's growing Business Process Outsourcing (BPO). More than three quarters (77%) of beneficiaries were placed in employment. However, Raftopoulos stated that although work-readiness programmes have been run in the country, limited research has been done to determine the success rates of these programmes.⁴⁰

This tracer study attempted to do just that: determine the value of the Bonani and Thusanani Work-Readiness Programmes and work readiness programmes in general.

2.4 BONANI AND THUSANANI

There are a few very successful work-readiness programmes in the country that contribute to productivity of entry-level graduates in the working environment. The main reason for success of these programmes is industry involvement in the design of curriculums and implementation of work-readiness programmes. These programmes determine the real need of organisations with regard to graduates; there are clear job functions for juniors that are linked to skills; a legitimate job shadowing component is included; the organisation ensures that employees buy into the work-readiness programme; and learners are productive in the workplace from day one (Deloitte 2011).

Fasset identifies strategic project interventions according to high skills need, based on the Sector Skills Plans. Two of the very successful development projects are the Bonani and Thusanani Work-Readiness Programmes. Fasset has funded 3 130 learners on the Bonani Work-Readiness Programme and 1 020 learners on the Thusanani Work-Readiness Programme. The Bonani Work-Readiness Programme is delivered by Guarantee Trust Corporate Support Services (GTCSS) and the Thusanani programme by Stan Hutcheson & Associates in partnership with the University of Johannesburg and Deloitte.

The objective of the Bonani work-readiness programme was to create a level of skill within each graduate that made them work-ready and able to sustain employment, while soft and technical skills were addressed with unique simulation modules done via GTCSS Virtual Office modules. The duration of the Bonani Programme was 6 months, after which learners were placed onto learnerships or into employment in both the Fasset sector and other sectors of the economy. A monitoring function of past graduates' progress was built into the standard company processes. The project objectives have been met fully in all respects and it was an effective

³⁹ Mourshed, M., Farrell, D. and Barton, D. (2012). *Education to Employment: Designing a System that Works*. Washington: The McKinsey Center for Government (MCG). www.mckinsey.com/mcg (Accessed 25 January 2013).

⁴⁰ Raftopoulos, M. (2006). Work Readiness and Graduate Recruitment in the Fasset Sector. Pretoria: UNISA (Unpublished Master of Arts Dissertation).

project, as there was 57% female graduate participation; 4% disabled participation; 400 graduates who were selected and made work-ready; and an actual placement rate of 84.5% at 31 March 2012 (Fasset 2012).

Thusanani

The Thusanani (meaning 'help each other') Work-Readiness Programme commenced in 2005 and approximately 1 300 previously unemployed graduates benefited from this training so far. The 12-week programme is a collaborative initiative between Stanley Hutcheson and Associates (SHA), the University of Johannesburg (UJ) and Deloitte. The strength of the programme lies in the public / private partnership. SHA has recently recommended, as part of their planning for the next intake of graduates, to extend the duration of the programme to 16 weeks.

The programme entails a recruitment and selection phase, 10 weeks of theoretical training (hosted at the University of Johannesburg Soweto Campus) and a two week workplace component (hosted at Deloitte). After completion of this phase beneficiaries are placed in either employment or an internship or learnership at an employer. This provides the beneficiaries with additional support to enable them to acquire the knowledge and skills to effectively bridge the gap from an academic environment to a corporate environment.

The recruitment entails advertising in the press, electronic media and through universities across the country. SHA has also built up a strong referral base with new applicants being referred by past Thusanani students. The recruitment process is usually facilitated by Khetho Recruitment Services⁴¹, a division of SHA. The process consists of competency-based interviews, psychometric assessment and validity checks.

The theoretical component covers essential skills that are required in the workplace, as well as the skills that are required to become employable (the training is aligned to the list of critical skills identified by the sector). The training provider makes use of a combination of learning modules that are based on unit standards and other outcomes-based programmes as registered with the South African Qualifications Authority (SAQA). Not only does UJ provide the theoretical training, but also provides access for beneficiaries to the use of the university library and career guidance facilities at the Soweto campus. This is a big advantage for beneficiaries. The practical work experience component is strengthened by a structured mentoring programme managed by Deloitte.

In further support of the project, SHA has developed the Thusanani Project Portal on their website allowing for quick and easy access to information relating to project activities, student details, qualifications, assessment groups, timetables, assessments and assessment results. Graduates can use it as an e-portfolio to prepare and update their CV's online. The system also provides access for employers to fulfil their recruitment needs.

13

⁴¹ Khetho Recruitment Services is a recruitment business, which is a division of SHA and is active in placing staff across many organisations (focusing on Finance, IT and HR).

⁴² SHA (Stanley Hutcheson and Associates). (2013). Thusanani Work Readiness Programme.

An important element of the Thusanani programme is the fact that the recruitment of disabled graduates is encouraged. This can be seen in the profile of the beneficiaries presented in Section 3.2.3.

Bonani

The Bonani Work-Readiness Programme is delivered by Guarantee Trust Corporate Support Services (GTCSS), which was originally formed in 2003 with the sole aim of delivering Work-Readiness Programmes. Since 2003 GTCSS has provided training opportunities to 4 000 unemployed commerce graduates. Many of these graduates have been placed in employment or an internship or learnership. The programme is delivered in the greater Johannesburg area, Pretoria, Cape Town, Durban, Bloemfontein and Port Elizabeth.

The programme entails a phase of recruitment and selection and a training phase of six months, after which beneficiaries are placed. The recruitment phase consists of an advertising campaign in the media. The selection phase includes *inter alia* assessment and interviews, to determine the suitability of applicants. The training phase is conducted over a 3 to 5-month period in the first half of the year and repeated with a second group in the second half of the year. The training covers basic skills or soft skills, as well as technical skills. A virtual office environment is used to provide the beneficiaries with a real company environment where they can apply the skills learned. For example, beneficiaries can test their basic accounting functions by taking a set of transactions through a manual process and later repeating this exercise on Excel and then finally on Pastel.

Once the training has been completed, beneficiaries are placed. Beneficiaries are also placed in one-month free 'internships' at companies to test if they are suitable for the practice in question. Thereafter the organisation is encouraged but not obliged to employ the graduate, for example on a Learnership.

3 BENEFICIARIES OF WORK-READINESS PROGRAMMES

3.1 INTRODUCTION

This chapter of the report provides the analysis of the telephonic interviews that were conducted with 1 508 beneficiaries of the Bonani and the Thusanani Work-Readiness Programmes. The chapter gives a profile of the sample of beneficiaries, looks at their progress in the labour market after they have completed the programmes and reports their views on the value of the programmes.⁴³

3.2 PROFILE OF THE BENEFICAIRIES

3.2.1 PROGRAMME DISTRIBUTION

Of the 1 508 people that took part in the survey, a quarter (25.8%) were on the Thusanani programme and three quarters (74.2%) on the Bonani programme (see Figure 1 below and Table A-1 in Annexure A).

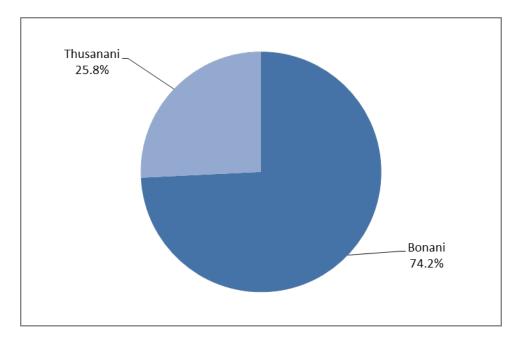


FIGURE 1 PROGRAMME DISTRIBUTION OF BENEFICIARIES

Figure 2 below shows that almost all (99.5%) of the beneficiaries underwent training between 2007 and 2011 (also see Table A-2 in Annexure A). Just over a fifth were trained in 2008 (22.9%), 2009 (23.2%) and 2011 (22.9%) respectively and almost a fifth (19.1%) in 2007. Only a few (0.2%) of the beneficiaries were trained in

⁴³ The term "programmes" will henceforth only refer to the Bonani and Tusanani Work-Readiness Programmes.

the earlier years (2003 and 2005). It has already been mentioned in paragraph 1.4 that it was very difficult to contact beneficiaries that underwent training during the earlier years.

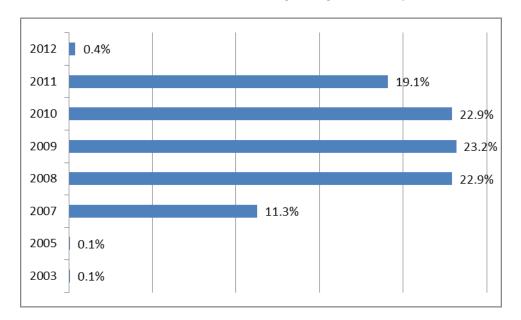


FIGURE 2 DISTRIBUTION OF BENEFICIARIES ACCORDING TO YEAR OF PARTICIPATING IN THE PROGRAMMES

3.2.2 GENDER AND AGE OF THE BENEFICIARIES

Almost two thirds (61.6%) of the beneficiaries were women (Figure 3 below and Table A-3 in Annexure A). This figure is in line with the gender profile of the sector as reported in the Sector Survey report. ⁴⁴ Almost three quarters (71.2%) of the beneficiaries were between the ages of 25 and 29 at the time of the survey (Figure 4, also see Table A-4 in Annexure A). The average age was 27.

⁴⁴ Fasset Sector Survey. 2013.

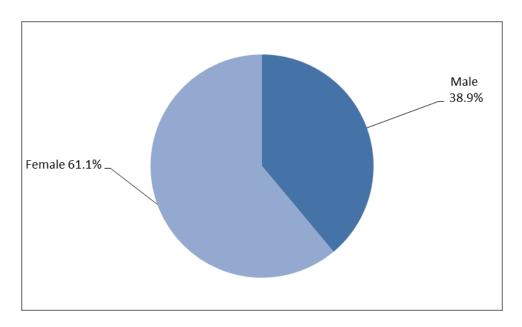


FIGURE 3 GENDER DISTRIBUTION OF BENEFICIARIES

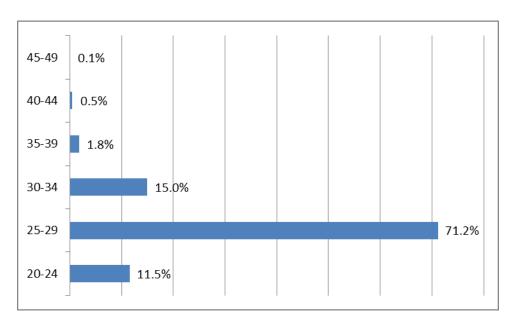


FIGURE 4 AGE DISTRIBUTION OF BENEFICIARIES

3.2.3 DISABILITY STATUS OF THE BENEFICIARIES

One of the questions that was asked relates to the disability status of beneficiaries. Thirty-six (2.4%) of the 1 508 beneficiaries reported that they are living with a disability and 23 of them indicated what the type of disability is: nine mentioned a sight disability; eight a physical disability and six a hearing disability (Figure 5).

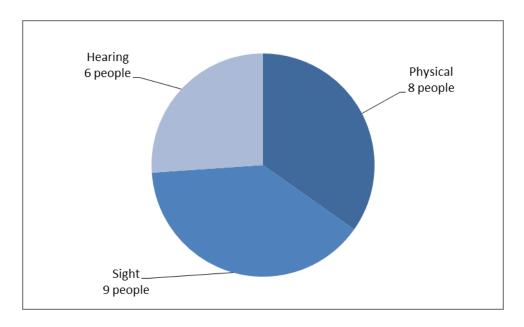


FIGURE 5 DISABILITY PROFILE OF BENEFICIARIES

3.2.4 HIGHEST QUALIFICATION OF BENEFICIARIES WHEN THEY ENTERED THE PROGRAMMES

Figure 6 (Table A-4 in Annexure A) reports that just over half (55.7%) of the beneficiaries held national diplomas (NQF Level 6) and 42.0% national first degrees and/or higher diplomas (NQF Level 7) when they entered the programmes. Only 2.0% held honours degrees (NQF Level 8) and 0.3% national certificates. Table A-5 in Annexure A shows the different fields of the qualifications as indicated by the beneficiaries. The majority of the qualifications are in the accounting and internal auditing fields (85.0% of diplomas, 77.6% of first degrees / higher diplomas and 40.0% of Honours degrees).

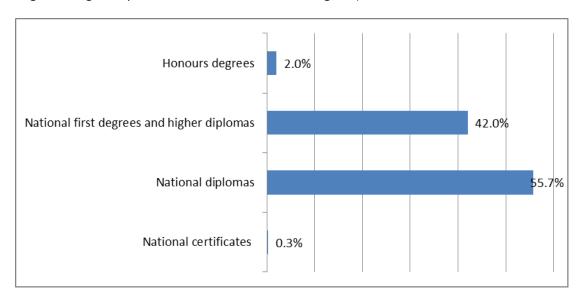


FIGURE 6 DISTRIBUTION OF HIGHEST QUALIFICATION OF BENEFICIARIES WHEN THEY ENTERED THE PROGRAMMES

3.2.5 NATIONAL STUDENT FINANCIAL AID SCHEME (NSFAS) OBLIGATIONS

The beneficiaries were asked if they have an outstanding NSFAS loan, and if so what the current monetary value of their NSFAS debt is. The NSFAS is a loan and bursary scheme operating in terms of the National Student Financial Aid Scheme Act 56 of 1999⁴⁵ which is funded by the DHET. NSFAS has been established to assist academically deserving and financially needy students. If a student passes all subjects in the year that funding is obtained from NSFAS, 40% of the value of the NSFAS loan is converted into a bursary and is credited to the student's NSFAS account during the course of the following year. If a student passes half of the subjects, 20% of the student loan is converted into a bursary and if a student does not pass any subjects, no bursary rebate is given.⁴⁶

Of the 1 059 beneficiaries 811 (76.6%) indicated that they still have an outstanding NSFAS loan. Only 745 estimated the value of their outstanding debt (Figure 7 below and Table A-6 in Annexure A). Approximately a fifth (19.6%) indicated that they still owe more than R50 000, 12.3% between R40 000 and R50 000, and 60.0% between R10 000 and R39 999. Only 8.1% said that they owe less than R10 000.

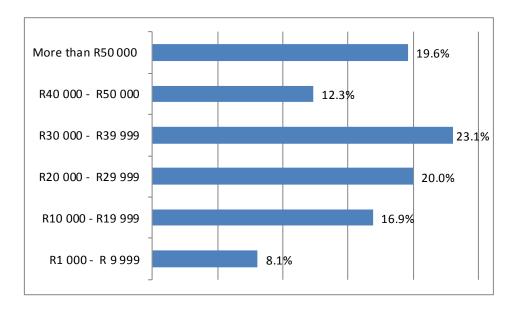


FIGURE 7 NSFAS LOANS

3.3 MIGRATION BEHAVIOUR OF BENEFICIARIES

In order to determine the migration behaviour of the beneficiaries, they were asked in which province they completed their Grade 12 and where they are currently working. Table 2 shows the results of the beneficiaries who are currently employed and provided provincial information. Just over a third (507 or 39.9%) of the

⁴⁵ Government of South Africa, Act No. 56, 1999, National Student Financial Aid Scheme Act

⁴⁶ http://www.nsfas.org.za/ (Accessed 11 March 2013)

beneficiaries wrote their Grade 12 in a province other than Gauteng, but are now working in Gauteng. The migration of work seekers to Gauteng is a well-known trend in South Africa.

TABLE 2 MIGRATION

Province where Grade 12 was completed

Province where working	EC	FS	GP	KZN	LP	MP	NW	NC	wc	Total
EC	18		1	2		1			2	24
FS	1	18	9	1	2	1				32
GP	34	26	328	67	289	45	41	3	2	835
KZN	3	1	4	168	2				2	180
LP			1	2	55		2		1	61
MP			7	2	8	24	1	1		43
NW	2		5	1	9		13			30
NC	1	1								2
WC	18	1	3	2	3		1	1	34	63
Total	77	47	358	245	368	71	58	5	41	1 270

3.4 BENEFICIARIES' PROGRESS AFTER PLACEMENT

After completion of the Work-Readiness Programmes beneficiaries were either placed in employment, an internship or learnership, or they were not placed (Figure 8 below and Table A-7 in Annexure A). Beneficiaries were requested during the interviews to indicate their placement type (placement type for this study was not derived from the providers' databases on beneficiaries). Almost three quarters (71.8%) indicated that they were placed in employment, a learnership or an internship. The target that Fasset sets in terms of placement of beneficiaries of the programmes is 70%.

It is noteworthy to mention the labour brokering role that the training providers fulfil in placing beneficiaries. The training providers serve as the intermediary that links the beneficiaries with the labour market, supplying employable people to the labour market. The providers are therefore a very important agent in terms of matching the supply with the demand.

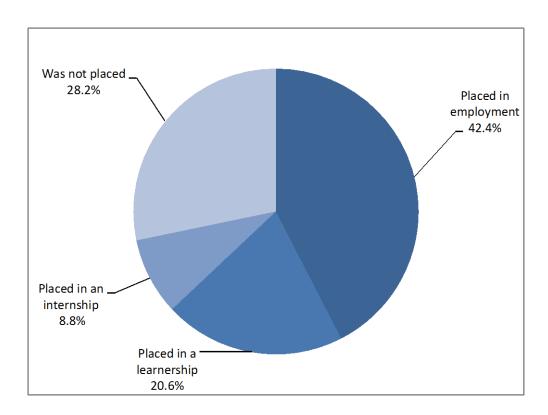


FIGURE 8 DISTRIBUTION OF PLACEMENT TYPE OF BENEFICIARIES

3.4.1 CURRENT EMPLOYMENT STATUS OF BENEFICIARIES

Currently 1 353 (89.7%) of the 1 508 beneficiaries are employed (Figure 9). Table 3 provides a breakdown of the economic sectors they are working in (1 274 of the 1 353 beneficiaries who are currently employed provided sector information). Almost two thirds (62.0%) work in the Finance, Real Estate and Business Services sector while close to a fifth (18.5%) work in General Government. Table 4 shows the employment of beneficiaries specifically in the Finance, Real Estate and Business Services sector. Of the 790 beneficiaries who work in this sector, more than half (57.5%) are employed in the Accounting, Bookkeeping, Auditing and Tax Services field. Just over a tenth (11.4%) work for the South African Revenue Service (SARS) and 10.0% work in Banking.

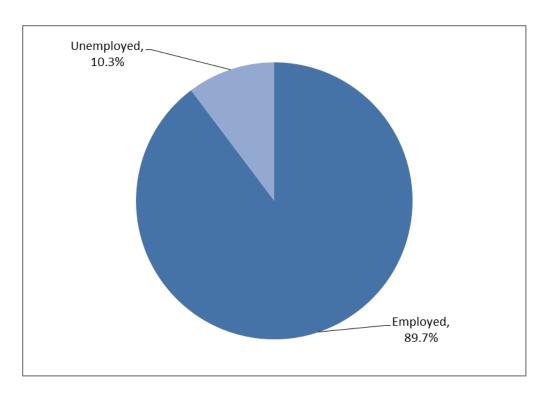


FIGURE 9 CURRENT EMPLOYMENT STATUS OF BENEFICIARIES

TABLE 3 SECTOR OF EMPLOYMENT OF BENEFICIARIES CURRENTLY EMPLOYED

Sector	N	%
Agriculture, Forestry and Fishing	3	0.2
Mining and Quarrying	19	1.5
Manufacturing	51	4.0
Electricity, gas and water	29	2.3
Wholesale and retail trade, hotels and restaurants	41	3.2
Transport, storage and communication	56	4.4
Finance, real estate and business services		
Investment Entities, Trusts, and Company Secretary Services	14	1.1
Stockbroking and Financial Markets	8	0.6
Development Organisations	15	1.2
Accounting, Bookkeeping, Auditing and Tax Services	454	35.6

Sector	N	%
Debt collection	2	0.2
Business and Management Consulting Services	69	5.4
Activities Auxiliary to Financial Intermediation	33	2.6
SARS and Government Departments	90	7.1
Banking	79	6.2
Insurance	26	2.0
General Government	236	18.5
Personal Services	49	3.8
Total	1 274	100.0
Sector not mentioned	79	
TOTAL EMPLOYED	1 353	

TABLE 4 EMPLOYMENT OF BENEFICIARIES IN THE FINANCE, REAL ESTATE AND BUSINESS SERVICES SECTOR

Sector	N	%
Finance, Real Estate and Business Services		
Investment Entities, Trusts and Company Secretary Services	14	1.8
Stockbroking and Financial Markets	8	1.0
Development Organisations	15	1.9
Accounting, Bookkeeping, Auditing and Tax Services	454	57.5
Debt collection	2	0.3
Business and Management Consulting Services	69	8.7
Activities Auxiliary to Financial Intermediation	33	4.2
SARS	90	11.4
Banking	79	10.0

Insurance	26	3.3
Total	790	100.0

3.4.2 SALARIES

The salaries of beneficiaries were used to determine their progress. The group that was placed after completion of the programmes was asked what their salaries were when they started to work and what their salaries are now. Only 766 of the 1 082 that were placed (in employment or an internship or learnership) provided salary information. Table 5 below reports that only 2.1% earned R10 000 and more when they started working, compared to 32.0% currently earning R10 000 and more (an increase of 29.9%). The other side of the coin is that 58.1% earned less than R5 000 when they started working, compared to only 19.8% currently earning less than R5 000 (a decrease of 38.3%). These figures are indicators of financial and presumably occupational progress.

TABLE 5 INCREASE IN SALARIES OF BENEFICIARIES

Salary category	Salary when started working		Salary now	
	N	%	N	%
Less than R 5 000	445	58.1	152	19.8
Between R 5 000 and R 9 999	305	39.8	369	48.2
R 10 000 +	16	2.1	245	32.0
Total	766	100.0	766	100.0

3.4.3 BENEFICIARIES' PROGRESS IN TERMS OF THE ATTAINMENT OF QUALIFICATIONS

Beneficiaries were asked to indicate what their highest qualifications were at completion of the programmes and whether they have attained any further qualifications after that. The following trends were found:

Four beneficiaries held certificates at completion of the programmes. Of these four beneficiaries:

- 3 attained diplomas
- 1 attained another certificate

Of the 840 beneficiaries who held diplomas at completion of the programmes:

- 722 undertook no further studies
- 106 attained first degrees / higher diplomas

- 11 attained honours degrees
- 1 attained a certificate

Of the 634 beneficiaries who held a first degree / higher diploma at completion of the programmes:

- 595 undertook no further studies
- 28 attained honours degrees
- 5 attained master's degrees
- 7 attained diplomas
- 1 attained a certificate

Of the 30 beneficiaries who held an Honours degree at completion of the programmes:

- 28 undertook no further studies
- 2 attained master's degrees

Table 6 below summarises the progress in terms of the attainment of further qualifications after completion of the programmes. One hundred and sixty-five beneficiaries attained a further qualification; 155 of these qualifications were at a higher level. The progress in terms of the attainment of further qualifications is eminent.

TABLE 6 BENEFICIARIES' ATTAINMENT OF FURTHER QUALIFICATIONS

Qualification	Qualification at completion of WRP	Same qualification currently	Attained a qualification	Attained a higher qualification
	N	N		
National certificate	4		4	3
National diploma	840	722	118	117
National first degree and higher diploma	634	595	41	33
Honours degree	30	28	2	2
Total	1 508	1 345	165	155

3.4.4 PROGRESS OF BENEFICIARIES WHO WERE PLACED IN EMPLOYMENT

Table 7 shows the progress of the beneficiaries who were placed in employment after completion of the programmes. Almost half (48.6%) of them reported that they have progressed to a higher position since they

were placed. Just less than a third (30.5%) indicated that they are still in the same position and more than a tenth (13.4%) reported that they were placed as trainee accountants and are still busy with their training. If one assumes that all the trainee accountants are going to finish and progress to the level of accountant, the progress figure will increase to 62.0%.

An interesting trend is that nine beneficiaries decided not to work in the Fasset sector anymore, but rather use their knowledge and skills to lecture or teach. This is important as other studies⁴⁷ have indicated that lecturers in the field (especially at Further Education and Training (FET) colleges) need work experience in order to fully understand the sector. These nine beneficiaries at least gained some work experience before they considered teaching or lecturing.

Sadly, 39 (6.1%) of the beneficiaries who were placed after completion of the Work-Readiness Programmes indicated that they became unemployed.

TABLE 7 PROGRESS OF BENEFICIARIES WHO WERE PLACED IN EMPLOYMENT

Progress	N	%
Progressed to a higher level/position	311	48.6
Same position	195	30.5
Still Trainee Accountant	86	13.4
Became unemployed	39	6.1
Changed to teaching	9	1.4
Total	640	100.0

3.4.5 PROGRESS OF BENEFICIARIES PLACED IN INTERNSHIPS OR LEARNERSHIPS

The majority (88.7%) of the beneficiaries who were placed in an internship or learnership found employment after completion of the internship or learnership either at the company where they were placed or at another company (TABLE 8). The remainder became unemployed.

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⁴⁷ Fasset Sector Survey. 2013.

TABLE 8 PROGRESS OF BENEFICIARIES WHO WERE PLACED IN AN INTERNSHIP OR LEARNERSHIP

Progress	N	%
Employed by the same company	249	56.3
Employed by another company	139	31.4
Became unemployed	54	12.2
Total	442	100.0

3.4.6 PROGRESS OF BENEFICIARIES WHO WERE NOT PLACED

More than a quarter (426) of the beneficiaries that took part in the survey indicated that they were not placed after completion of the programmes (Table 9). However, 364 (85.4%) of them reported that they have found employment on their own. This trend is heartening and two of the vignettes in paragraph 3.6 describe the ways in which some of them found employment. In both of these cases it is encouraging to learn that the knowledge and skills that they gained through the programmes enhanced their career development (learning to take responsibility for their own learning and work) and did indeed help them to search and find jobs and to conduct themselves favourably in a work environment.

TABLE 9 PROGRESS OF BENEFICIARIES WHO WERE NOT PLACED

Progress	N	%
Found employment on their own	364	85.4
Unemployed	62	14.6
Total	426	100.0

3.5 REPORTED VALUE OF THE WORK-READINESS PROGRAMME

Paragraph 3.4 provided information on the possible value of the programmes by looking at how it has contributed to the progress of beneficiaries in the labour market. This paragraph reports the views of beneficiaries on the value of the programmes in enhancing their employability.

3.5.1 ENHANCEMENT OF SOFT SKILLS

Chapter 2 of the report already referred to the importance of generic or soft skills in order to work efficiently in an organisation. Beneficiaries were asked to what extent participation in the programmes enhanced their soft skills. Table 10 gives a summary of their views. The overall indication is that the programmes enhanced all the soft skills mentioned 'to a large extent'. The order of value is: communication (personal and business); time

management; teamwork; job search strategies; networking; career development (management of own career); critical thinking; problem-solving and decision-making.

During the interviews some of the beneficiaries mentioned that the training related to customer care service was very helpful. Interestingly enough, the worth of training related to how to use a dictionary was mentioned by several beneficiaries. It raises the question about the lack of training in this regard at school level. The value of skills that pertain to career development or the managing of one's own career is encouraging. It seems that beneficiaries gained skills that can help them with planning and managing their own lifelong learning and work. Skills formation that relates to job search strategies is also positive. This is demonstrated in two of the vignettes in paragraph 3.6, where beneficiaries who were not placed found employment on their own by using the skills they gained during the programmes.

TABLE 10 BENEFICIARIES' VIEWS ON THE VALUE OF SOFT SKILLS TRAINING

Soft skills	To a larg	e extent	To some	e extent	Not a	at all
	N	%	N	%	N	%
Communication (personal & business)	1371	90.9	129	8.6	8	0.5
Time management	1254	83.2	236	15.6	18	1.2
Teamwork	1214	80.5	282	18.7	12	0.8
Job search strategies	1202	79.7	275	18.2	31	2.1
Networking	1182	78.4	305	20.2	21	1.4
Career development (management of own career)	1168	77.5	319	21.2	21	1.4
Critical thinking	1164	77.2	316	21.0	28	1.9
Problem-solving	1151	76.3	342	22.7	15	1.0
Decision-making	1099	72.9	385	25.5	24	1.6

3.5.2 ENHANCEMENT OF TECHNICAL SKILLS

Beneficiaries were asked to what extent participation in the programmes enhanced their technical skills. Table 11 is a summary of their views in this regard. Similar to the results about the value of the soft skills, the overall suggestion is that the programmes enhanced their technical skills 'to a large extent'. The order of value is: numeracy proficiency; use of Ms Excel; basic bookkeeping/accounting skills; use of MS Word; use of Pastel; Internet use in general; use of MS Powerpoint and email use. Beneficiaries also mentioned that the training related to project management and virtual office was very useful.

It is interesting to note that although beneficiaries reported that the MS Excel training enhanced their skills 'to a large extent', 15.5% of the employers reported that more advanced MS Excel training is needed before beneficiaries can work efficiently. The same applies to Basic Bookkeeping/Accounting skills.

TABLE 11 BENEFICIARIES' VIEWS ON THE VALUE OF TECHNICAL SKILLS TRAINING

Technical skills	To a larg	e extent	To some	To some extent		Not at all	
	N	%	N	%	N	%	
Numeracy proficiency	1244	82.5	222	14.7	42	2.8	
Ms Excel	1239	82.2	243	16.1	26	1.7	
Basic Bookkeeping/Accounting	1220	80.9	222	14.7	66	4.4	
MS Word	1177	78.1	297	19.7	34	2.3	
Pastel	1082	71.8	300	19.9			
Internet use in general	1078	71.5	302	20.0	127	8.4	
MS Powerpoint	1046	69.4	344	22.8	118	7.8	
Email use	1032	68.4	342	22.7	134	8.9	

3.5.3 CONCLUDING VIEWS OF THE BENEFICIARIES ON THE VALUE OF THE WORK-READINESS PROGRAMMES

Beneficiaries were asked to indicate to what extent they gained knowledge and skills to successfully make the transition from education and training to work. Almost all of them (90.3%) indicated 'to a large extent' (Table 12). When asked whether the knowledge and skills they gained during the work-readiness training contributed to the enhancement of their employability, 82.3% affirmed 'to a large extent'. The last question that was asked to determine their satisfaction with the programmes was whether they would recommend taking part in a Work-Readiness Programme to their friends and/or family members; 95.6% answered yes. This serves as a very good indicator of their satisfaction with the programmes.

TABLE 12 CONCLUDING VIEWS ON THE VALUE OF THE WORK-READINESS PROGRAMMES

Concluding views	To a larg	e extent	To some extent		Not	Not at all	
	N	%	N	%	N	%	
Gained knowledge and skills to successfully make transition from education to work	1 362	90.32	123	8.16	23	1.5	
Gained knowledge and skills to enhance employability	1 237	82.03	254	16.84	17	1.1	

3.6 VIGNETTES OF BENEFICIARIES

This paragraph presents a series of short vignettes compiled from in-depth interviews with five beneficiaries, to illustrate the factors shaping individual experiences and perceptions regarding the programmes.

3.6.1 UNEMPLOYED GRADUATES WHO TOOK PART IN A WORK-READINESS PROGRAMME, WERE NOT PLACED ON COMPLETION, BUT FOUND EMPLOYMENT ON THEIR OWN

Take for instance the case of the following two unemployed graduates who took part in the programmes, were not placed by the training providers, but found work by using the knowledge and skills that they gained from participating in the programmes.

Vignette 1

Jonas Phasha, a 28-year old male who grew up in the Waterberg district in Limpopo, had no career counselling at school, but was fortunate to have a cousin who was an internal auditor and inspired him to enrol for a B.Com degree. On completing his tertiary studies, he could not find a job and he enrolled for the Work-Readiness Programme in 2008. He was not placed in employment, an internship or learnership, but eventually found employment in 2009 as an accountant at the Waterberg FET College. He indicated that the programme provided him with skills such as communication skills, interviewing skills and skills on how to compile a Curriculum Vitae(CV). In this way the programme contributed to his success in finding and securing a job. The fact that he "knew the community and was familiar with the area also helped in finding a job on his own". He used the knowledge that he gained about networking to approach people that could assist him in finding employment.

In addition he conveyed that the skills he has gained through the programme not only helped him to find a job, but also helped him to build his self-confidence. He realised that he had skills to offer to the labour market and had learned how to conduct himself professionally in a work environment. The programme also developed his problem-solving skills and he learned to make decisions on his own. Gradually he also became better in managing his time in order to complete tasks on time. Jonas indicated that this interview gave him the opportunity to reflect on his situation; he realised that he has already gained so much work experience the last

couple of years and has made progress as he is now checking and overseeing the work of others. He currently feels that he is ready for new challenges in the auditing field and for greater responsibilities.

Although of great value, the programme can also improve with regard to some aspects according to Jonas. More exercises, as well as more exposure to the working environment need to be included. The time given to perform tasks or exercises should also be addressed. For example, he specifically referred to the insufficient (according to him) number of days allocated to a reconciliation exercise. Familiarity with the working environment and his current work experience improved his self-confidence and he is ready to take on new challenges and responsibilities. In order to improve his chances of getting a position as an auditor, he enrolled for a course at the Institute for Internal Auditing, an international institute, with a branch in Johannesburg. He is currently completing the first part of the course (the course consists of four parts over a period of one year). He is motivated to complete his studies and confident that he will move into an auditing position in the near future.

Vignette 2

Another heartening story is that of Gugu Mngomezulu, which demonstrates that to thoroughly prepare oneself for the work environment is a first step in securing a job and that perseverance is not in vain. Gugu is a 26-year old female from Johannesburg who always wanted to become an accountant. Her grades at secondary school level were not good enough to enrol for a Bachelor of Commerce degree. However, this did not discourage her in pursuing her dream and she decided to enrol for a National Diploma in Accounting instead.

After she completed her national diploma, she searched for a job over a period of two months and could not find one. When she was looking through the job advertisements in the newspapers one day, she spotted the advertisement for the Work-Readiness Programme in The Star newspaper. She applied, was accepted and underwent the training in 2009. After completion of the training she went for one job interview that was arranged for her, but unfortunately she was not placed. It took her another two months of job hunting without success, when she realised she has to follow another approach. She remembered that the work-readiness training emphasised the importance of volunteering in circumstances where it is difficult to secure employment. She embarked on volunteering work at Netcare as a credit controller. Gugu worked for 6 months as a volunteer credit controller when she was appointed as a permanent employee. Her new work circumstances allowed her to enrol for a B.Com Accounting degree at UNISA at the beginning of 2013 and she hopes to complete her studies over the next three years.

Gugu reported that although she did not initially succeed in securing a job, the Thusanani programme taught her to have perseverance and a positive attitude while searching for a job. Both the soft and technical skills that she acquired in the programme, proved to be of value in securing a permanent position. Especially of importance was that she learned "what is expected of me as an employee in the work environment and what can be expected from an employer". Like Jonas, she also indicated that the programme could improve with regard to some aspects. She mentioned that ample time is allocated for practical exercises in computer programs such as Pastel and MS Excel, but one week work experience at Deloitte was too short and a longer period of workplace experience would have been more useful.

3.6.2 UNEMPLOYED GRADUATES WHO TOOK PART IN A WORK-READINESS PROGRAMME AND WERE PLACED

The following vignettes are descriptions of the work-related progress that unemployed graduates made, each in their own unique way, after they completed the Work-Readiness Programmes and were fortunate enough to be placed.

Vignette 3

Tsholo Thomas Masoeu is a 38-year old male who was motivated by his uncle, a Chartered Accountant, to also study accounting. On completing his National Diploma in Cost and Management Accounting in 1998, he could not find a job in the accounting field. He eventually started as a test supervisor at Gold Reef City Casino, where he worked for eight years. He did not give up his dream to become an accountant and continuously tried to find a job related to his field of study, but without success. He was, however, determined to find a job in the accounting field and decided to apply to do the Work-Readiness Programme.

Tsholo reported that the programme provided him with very valuable knowledge and skills regarding job searching (skills such as how to conduct oneself during a job interview and how to compile a CV). On completion of the programme he was immediately placed at an accounting firm. He has enrolled for a B.Com Accounting degree and was promoted to the position of Accountant not long ago. Tsholo said that "the work readiness programme helped me to get off the plane and start running".

He further stated that the knowledge and skills that he gained through the programme definitely helped him to secure a job and he would advise all graduates to first do a work-readiness programme in order to improve skills that are required in the working environment. Especially useful to him was the communication skills and Ms Excel training. The only gap in the programme for him is that the time allocated for the Pastel accounting program was too short and the training was also too basic. "A more advanced Pastel course over a longer period of time would be very helpful", he concluded.

In the next few years he plans to work towards becoming a Professional Accountant and completing a postgraduate diploma in Accounting Science in the business environment.

Vignette 4

Odiet Mathebula is a 25-year old female who went to school in Johannesburg and completed her B.Com Accounting degree at the University of the Witwatersrand. While at secondary school, she found accounting an interesting subject and this was confirmed at career days at her school where she got more information about the work of accountants. After she attained her degree she searched for a job over a period of seven months, but could not find any employment. Although the university offered counselling services, she did not make use of the service. She saw the advertisement about the Work-Readiness Programmes, applied and was accepted. She was placed in 2009 as a trainee at a financial exchange company in Johannesburg for 12 months. After the trainee phase was completed, she was appointed on a full-time basis as an Account Payable Assistant and was later promoted to the position of Account Payable Team Leader. This also meant an increase in salary for her.

Currently she is studying towards a professional qualification at the Chartered Institute of Management Accounting (CIMA).

Odiet reported that she found the work-readiness programme useful, especially with regards to improving her communication, team working, time management and job searching skills. She feels that the technical skills that were taught in the work-readiness programme also came in handy, especially the use of Ms Excel. She pointed out that she needed more training on the Pastel accounting package.

Vignette 5

Christine Gamana is a 30-year old female who grew up in Benoni. Similar to Odiet in the previous vignette, she was also good in accounting at school which inspired her to undertake post-school studies in the field. She completed her B.Com Accounting degree, started looking for a job and became quite disappointed when she realised after six months that it is not that easy to find employment (even if you hold a B.Com Accounting degree). In 2008 she learned about the Work-Readiness Programmes in The Star newspaper and decided to apply. She completed the programme and was then placed as a trainee accountant at an accounting firm for a period of 18 months.

Christina said that during the 18 months she gained valuable work experience, but she knew that she had to start looking for a full-time job. She decided to post her CV on Pinnet, an Internet website, to help her in her job search. Very quickly she was approached by a company in Johannesburg and was appointed as a Financial Controller in the pension funds department. She is currently planning to improve her studies by studying for an honours degree through UNISA.

Christina indicated that the work-readiness programme was of great value to her in many ways. It helped her own career development, her way of thinking about her attributes and vocational interest and how she should take responsibility for planning her learning and work life. The programme also provided her with good communication skills, both professionally and personally. She specifically mentioned how the programme enhanced her networking skills at different levels in and outside the organisation. In the working environment she was able to solve problems better and do proper time management, skills which she also learned in the programme.

According to her the technical skills that she gained in the work-readiness programme definitely helped her to handle her job with more self-confidence. In addition, her critical thinking skills and decision-making skills improved in the workplace and she was ready to take on more responsibilities after working for 18 months as a Trainee Accountant. Currently, as a Financial Controller, she is able to apply many of the skills that she gained from the work-readiness programme.

IN THEIR OWN WORDS....

"Thanks for the financial assistance"

"The Work Readiness programme helps to address unemployment"

"The Work Readiness programme has a very practical approach to teaching skills, enables students to use the skills"

"The soft skills that I gained is a benefit, I can now work much better"

"I learned to deal with private affairs at home and business affairs at work"

"The program was good, it helped me, thanks. Extend the programme to secondary school level and offer it also to others on a wider scale"

3.7 CONCLUSIONS

This chapter presented the results of the part of the study that looked at the progress of the beneficiaries after completion of the Fasset Work-Readiness Programmes. The progress was gauged by looking at the employment status of beneficiaries after completion of the programmes, their progress in employment, their earnings and furthering of their qualifications. The value of the programmes was also tested by asking beneficiaries their views about the extent to which the training enhanced their employability skills.

The following results are noteworthy:

Contributing to reducing unemployment

Almost all (89.7%) of the beneficiaries are currently employed. This figure is an indication of the important contribution that the Fasset Work-Readiness Programmes make to reducing unemployment in South Africa. It is also an indication of the willingness of employers to provide employment opportunities and in this way contribute to economic growth.

Progress in employment

Almost half (48.6%) of the beneficiaries have progressed to a higher position since they were placed. If all the trainee accountants are going to finish and progress to the level of accountant, the progress figure will increase to 62.0%.

The majority (88.7%) of the beneficiaries who were placed in an internship or learnership found employment after completion of the internship or learnership, either at the company where they were placed or at another company.

• Beneficiaries who were not placed found employment

The majority (85.4%) of the beneficiaries who were not placed on completion of the programmes, found employment on their own. The in-depth interviews with some of these beneficiaries revealed that the knowledge and skills that they gained through the programmes enhanced their career development (learning to take responsibility for their own learning and work) and did indeed help them to search and find jobs and to conduct themselves favourably in a work environment.

Furthering qualifications

One hundred and sixty-five beneficiaries attained a further qualification; 155 of these qualifications were at a higher level. The progress in terms of the attainment of further qualifications is eminent.

Beneficiaries' overall response was that the programmes enhanced their soft and technical skills to a large extent. The value of skills that pertain to career development or the managing of one's own career is encouraging. It seems that beneficiaries gained skills that can help them with planning and managing of their own lifelong learning and work.

A good indicator of their satisfaction with the programmes is the fact that almost all of them (95.6%) would recommend taking part in a Work-Readiness Programme to their friends and/or family members.

4 EMPLOYERS' VIEWS ON THE VALUE OF WORK-READINESS PROGRAMMES

4.1 INTRODUCTION

This chapter provides the analysis of the interviews that were conducted with 148 employers of beneficiaries of the programmes. Paragraph 4.2 describes the employers in terms of the sector of their operations, the size of the organisations, as well as their provincial distribution. The paragraphs after that look at the motivation of employers to consider beneficiaries of the programmes for employment or internship / learnership opportunities, and present their views on the value of the programmes. The suggestions of employers for improvement of the programmes are also mentioned.

4.2 EMPLOYER PROFILE

4.2.1 SECTOR

Table 13 provides a breakdown of the economic sectors in which the employers are operating. One-hundred and nine companies (that is almost three quarters - 73.6%) are in the Finance, Real Estate and Business Services sector and 14 (about 10%) in General Government (not including the finance-related departments). Eight companies that were interviewed are in the Personal Services sector, seven in Manufacturing, five in Transport, Storage And Communication, four in Wholesale And Retail Trade, Hotels And Restaurants, and one in Mining And Quarrying.

Table 14 shows the distribution of employers according to the fields of the Finance, Real Estate and Business Services sector. Of the 109 employers in the Finance, Real Estate and Business Services sector, 69 (almost two thirds – 63.3%) are in the Accounting, Bookkeeping, Auditing and Tax Services field, 20 in Banking, nine in different SARS and Treasury locations, five in Insurance, and one each in Activities Auxiliary to Financial Intermediation, Business and Management Consulting Services, and Debt Collection.

TABLE 13 SECTOR OF EMPLOYERS

Sector	N	%
Mining and Quarrying	1	0.7
Manufacturing	7	4.7
Electricity, Gas and Water	0	0.0
Wholesale and Retail Trade, Hotels and Restaurants	4	2.7
Transport, Storage and Communication	5	3.4
Finance, Real Estate and Business Services	109	73.6
General Government	14	9.5
Personal Services	8	5.4
Total	148	100.0

TABLE 14 FINANCE FIELD OF EMPLOYERS

Finance subsectors	N	%
Accounting, Bookkeeping, Auditing and Tax Services	69	63.3
Activities Auxiliary to Financial Intermediation	1	0.9
Banking	20	18.3
Business and Management Consulting Services	1	0.9
Debt Collection	1	0.9
Insurance	5	4.6
Investment Entities, Trusts and Company Secretary Services	3	2.8
SARS and Treasury	9	8.3
Total	109	100.0

4.2.2 SIZE OF EMPLOYER

Table 15 shows the size distribution of the employers. Thirty eight companies (just more than a quarter – 27.1%) are categorised as large, employing 150 or more people. The large category includes companies not only in the Finance, Real Estate and Business Services sector, but also companies in the Manufacturing, Wholesale and Retail Trade, Hotels and Restaurants, Transport, Storage and Communication sectors, as well as Government departments that fall outside the financial sector. One company is in the Mining sector.

Ninety-one companies (almost two thirds -65.0%) are categorised as small (1 to 49 employees), and 11 are categorised as medium (50 to 149 employees). The small category is further subdivided in order to identify the very small companies, a typical prevalence in the financial sector.

TABLE 15 SIZE OF EMPLOYER

Employer size	N	%
1-9 employees	34	24.3
10-19 employees	33	23.6
20-49 employees	24	17.1
50-149 employees	11	7.9
150+ employees	38	27.1
Total	140*	100.0

^{*}Eight large companies were only counted once for the purpose of this analysis

4.2.3 PROVINCIAL DISTRIBUTION

Table 16 reports that 110 (74.3%) of the employers are in Gauteng and 17 (11.5%) in KwaZulu-Natal. There are eight employers in the Western Cape, four in North West, three in the Free State and Mpumalanga respectively, two in Limpopo and one in the Eastern Cape.

TABLE 16 PROVINCIAL DISTRIBUTION OF EMPLOYERS

Province	N	%
Eastern Cape	1	0.7
Free State	3	2.0
Gauteng	110	74.3
KwaZulu-Natal	17	11.5
Limpopo	2	1.4
Mpumalanga	3	2.0
North West	4	2.7
Western Cape	8	5.4
Total	148	100.0

4.3 MOTIVATION FOR EMPLOYER PARTICIPATION

Employers were asked what their motivation was to consider beneficiaries of the programmes for employment or internship / learnership opportunities. The following is a summary of the reasons mentioned by employers:

- Beneficiaries not only hold qualifications, but are also equipped with soft and technical skills that they
 need in order to function efficiently in an organisation
- Beneficiaries already have some basic understanding of the work environment
- Employers save the time and cost of having to train new entrants
- Small businesses benefit in that it provides an extra pair of hands that can almost immediately be productive and contribute to the profits of the business
- Employers see it as their social responsibility to reduce unemployment
- Employers see it as the provision of opportunities for previously disadvantaged individuals to get work experience
- Employers see it as a community service (this is where employers provided opportunities to beneficiaries from their own communities)
- It is an easy way for employers to recruit employees

- Fasset has a good track record of skills development initiatives that are of a high standard and employers eagerly participate to help build capacity in the financial sector
- Beneficiaries were employed, because some companies had backlogs and needed extra pairs of hands
- Employers feel that beneficiaries are motivated by having already shown some eagerness by applying for a work-readiness programme, with the hope to better their employability
- In some instances employers wanted to test the performance of people before deciding to employ them permanently (this was the case where employers provided internship and learnership opportunities)
- Employers feel that beneficiaries already know what the expectations are of employers
- A few employers purposefully recruited beneficiaries to be part of a once-off project
- Employers want to build the capacity for the financial sector

IN THEIR OWN WORDS...

"They have some experience, know what to expect, how to conduct themselves"

"These people are more work ready, Fasset teach them exactly what we need in the workplace"

"They have better awareness about the needs of an employer"

"They are sufficiently trained for the entry levels of the bank"

"They work very well in our organisation. They are qualified and they are functional immediately"

"We tried it as experiment. They are not all that prepared yet; it depends on the motivation of the individual"

4.4 VALUE OF THE WORK-READINESS PROGRAMMES

4.4.1 SOFT SKILLS

a) VALUE

Employers were asked to what extent the programmes provided the beneficiaries with soft skills that enable them to work efficiently at their organisations. Table 17 summarises their views. In general it appears that employers think beneficiaries learned most of the soft skills to either a large extent or to some extent. It further seems that employers think team work skills were the best imparted, while networking, critical

thinking and decision-making skills may be more difficult to learn. The suggestions for improvement in soft skills training in Table 18 reflects this.

TABLE 17 VALUE OF THE SOFT SKILLS TRAINING

Soft skills	To a larg	e extent	To some extent Not a		at all	
	N	%	N	%	N	%
Teamwork	105	70.9	38	25.7	5	3.4
Time management	87	58.8	52	35.1	9	6.1
Career development (management of own career)	86	58.1	52	35.1	10	6.8
Communication (personal & business)	82	55.4	61	41.2	5	3.4
Problem-solving	63	42.6	75	50.7	10	6.8
Networking	62	41.9	66	44.6	20	13.5
Critical thinking	50	33.8	78	52.7	20	13.5
Decision-making	46	31.1	83	56.1	19	12.8

b) GAPS

Table 18 reports the number of employers that mentioned that improvement is necessary in terms of the teaching of soft skills. For example, thirty eight employers said that training providers must focus more on English business and report writing skills, as well as telephone communication skills. Other areas that need improvement are: the teaching of decision-making skills, analytical thinking skills, problem-solving skills and creating the awareness that time is money in the financial sector - therefore the importance of time management skills.

According to some employers the following areas are not covered by the soft skills training: stress management, how to handle large volumes of work, the importance of assertiveness, strategic thinking, initiative (to take the lead), conflict handling, cultural awareness, building of self-confidence and self-discipline.

This corresponds with the findings of a study about work-readiness and graduate recruitment in the Fasset sector. 48

TABLE 18 SUGGESTIONS FOR IMPROVEMENT OF SOFT SKILLS TRAINING

Soft skills	Number of employers indicating improvement is necessary	Suggestions for improvement
Communication (personal & business)	38	English business and report writing skills Telephone communication skills
Decision-making	22	Teach decision-making skills with work-related exercises
Critical thinking	19	Conduct analytical thinking exercises
Time management	15	Create the awareness that in this sector time is money
Problem-solving	15	Teach beneficiaries the steps of decision-making
Networking	10	
Career development (management of own career)	7	
Other	6	Stress handling Building of self-confidence

4.4.2 TECHNICAL SKILLS

c) VALUE

In terms of technical skills, employers indicated that beneficiaries to a large extent have the necessary internet skills and numeracy proficiency to work efficiently at their organisations, and either to a large extent or some extent the necessary basic bookkeeping or accounting skills, and skills to use MS Office applications such as MS Excel and MS Word (Table 19). However, it seems that beneficiaries are not well equipped to use MS Powerpoint in their work. Some of the employers indicated in their responses that the use of MS Powerpoint is important in their businesses and that this is really an area where the beneficiaries lack the necessary skills. The need for advanced MS Excel skills was also raised by employers (Table 20).

⁴⁸ Raftopoulos, M. 2006. Work Readiness and Graduate Recruitment in the Fasset Sector. Pretoria: UNISA (Unpublished Master of Arts Dissertation).

TABLE 19 VALUE OF THE TECHNICAL SKILLS TRAINING

Technical skills	To a larg	To a large extent		To some extent		Not at all	
- Teaminear Skills	N	%	N	%	N	%	
Internet use in general	128	86.5	16	10.8	4	2.7	
Email use	128	86.5	19	12.8	1	0.7	
Numeracy proficiency	103	69.6	41	27.7	4	2.7	
Basic Bookkeeping/Accounting	85	57.4	45	30.4	18	12.2	
Technical skills	To a larg	To a large extent		To some extent		Not at all	
	N	%	N	%	N	%	
Ms Excel	85	57.4	55	37.2	8	5.4	
MS Word	78	52.7	58	39.2	12	8.1	
MS Powerpoint	35	23.6	44	29.7	69	46.6	

d) GAPS

According to some employers the following areas are not covered by the technical skills training: payroll reconciliation, Pastel training, advanced MS Excel, VAT, New Companies Act, interpretation of system reports, ICT systems linkages, eFiling, structure of bookkeeping in government and basic contract law. It is clear from this list that some of the employers expressed their own needs in terms of the focus of their organisations.

TABLE 20 SUGGESTIONS FOR IMPROVEMENT OF TECHNICAL SKILLS TRAINING

Technical skills	Number of employers indicating improvement is necessary	Suggestions for improvement
Ms Excel	23	Advanced MS Excel training
MS Powerpoint	10	More advanced training (NB in this sector)
Basic Bookkeeping/Accounting	9	More intense exercises
Numeracy proficiency	7	More advanced training
MS Word	5	More advanced training

Other	2	Advanced Pastel training

4.4.3 CONCLUDING VIEWS OF THE EMPLOYERS ON THE VALUE OF THE WORK-READINESS PROGRAMMES

Employers were asked to give their concluding views on whether the programmes provided the beneficiaries with most of the soft and technical/practical skills needed to be efficient in the workplace. The majority said yes: 93.2% of the employers think that the programmes provided the beneficiaries with most of the soft skills that they need to enter the labour market and be productive and 89.2% said the same about the technical skills (Table 21). This is a good indication of the satisfaction level of the employers about the programmes.

TABLE 21 VIEW ON THE EFFICIENCY OF SOFT AND TECHNICAL SKILLS FORMATION

Efficiency	Yes		No	
	N	%	N	%
It provides the beneficiaries with most of the soft skills that they need to be efficient in the workplace	138	93.2	10	6.8
It provides the beneficiaries with most of the technical/practical skills that they need to be efficient in the workplace	132	89.2	16	10.8

Employers were also asked what their views are on the value of the programmes for beneficiaries. The majority (83.1%) stated that the training that beneficiaries received provided them with a positive attitude towards work (Table 22). This may be one of the most important elements of work-readiness programmes. If one of the outcomes of such programmes is supplying workers to the labour market that have a positive attitude towards work, it does not only contribute to the success of the individual but also to the progress of the company where the person will be working.

Almost three quarters (73.0%) of the employers thought that the programmes enhance the chances of the beneficiaries to be employed, more than two thirds (68.9%) said that it enhances the chances of beneficiaries to progress after they have been employed, and 62.8% that it enhances the chances of beneficiaries to improve their earnings.

TABLE 22 VIEW ON THE VALUE OF WORK-READINESS PROGRAMMES FOR BENEFICIARIES

Concluding views	To a large extent		To some	To some extent		Not at all	
	N	%	N	%	N	%	
It provides beneficiaries with a positive attitude towards work	123	83.1	20	13.5	5	3.4	
It enhances the chances of beneficiaries to be placed/employed	108	73.0	39	26.4	1	0.7	
It enhances the chances of beneficiaries to progress after they have been placed/employed	102	68.9	44	29.7	2	1.4	
It enhances the chances of beneficiaries to improve their earnings	93	62.8	52	35.1	3	2.0	

The last question that was asked to determine if employers were satisfied with the programmes, was whether they prefer to employ people who underwent the Fasset Work-Readiness Programmes; the majority 90.5% answered yes (Table 23). Employers were also asked to qualify their responses. The box below Table 23 illustrates what some of the employers said.

TABLE 23 PREFERENCE FOR BENEFICIARIES OF FASSET WORK-READINESS PROGRAMMES

	Yes		No	
	N	%	N	%
Prefer to employ people who underwent the Fasset Work-Readiness Programmes	134	90.5	12	8.1

YES...

"They come here with a mind-set of learning which helps in the workplace"

"It save me on training time and cost"

"They have the basics already, how to dress, telephone manners, talk to people, etc"

"People that went through the Fasset work readiness programme is ready to take on the work that is required at an entry level"

"People that underwent the work readiness programme are more familiar with the working environment"

"They come with some skills"

"They are employable with the general basic skills to contribute in the working environment"

"They are prepared and immediately productive"

"They have some background and we save training cost and money"

"They come with a positive work attitude"

NO...

"We prefer our own in-house training programme"

"Not all the people are of good quality"

"The people that were placed with us were not work ready"

"It depends on the person and her/his qualities rather than work readiness programmes"

"Not sure if the programmes makes any difference, as progress of beneficiaries is slow"

"People obtain information during the training on how to efficient in the workplace, but they do not always apply it in the working environment"

Employers were asked whether they thought that the duration of the training programmes was sufficient. The majority of them said yes (81.7%). The employers who indicated that the duration of the training was not sufficient suggested that the length of a work-readiness programme of this nature should be seven months on average. Employers were also asked to estimate the cost of work-readiness preparation of an employee. The estimates revealed the following: to prepare someone coming directly from school it will cost on average

about R76 000, someone from FET college about R57 000, someone from a university of technology about R55 000 and someone from university about R50 000.

4.5 CONCLUSIONS

This section presented the results of the part of the study that looked at the views of employers on the value of the Fasset Work-Readiness Programmes. Employers were asked to what extent the programmes provided the beneficiaries with soft and technical skills that enable them to work efficiently at their organisations. They were also asked to identify the gaps in the programmes, as well as suggestions on how the programmes can be improved. Furthermore, they were requested to give their views on the value of the programmes to the beneficiaries.

The majority of the employers reported that the programmes provide the beneficiaries with most of the soft skills and technical skills that they need to be efficient in the workplace. They further confirmed that: it provides beneficiaries with a positive attitude towards work; it enhances the chances of beneficiaries to be placed or employed; it enhances the chances of beneficiaries to progress after they have been placed and it enhances the chances of beneficiaries to improve their earnings.

The majority of the employers concluded that they prefer to employ people who underwent the Fasset Work-Readiness training. Some of the main reasons for participation are: it is an easy way for employers to recruit people with qualifications and basic soft skills needed in the workplace; employers save time and cost; employers see it as their contribution to build capacity for the sector and employers see it as their contribution to reduce unemployment.

5 CONCLUSIONS

Conclusions that pertain to specific parts of the study have already been made in Chapters 3 and 4. This part of the report presents a synthesis of the value of the Work-Readiness Programmes in terms of the following: contributing to reducing unemployment; matching demand and supply; providing employers with people that are employable; saving employers time and money; providing beneficiaries with employability skills to enter and progress in the labour market; and enhancing the career development of beneficiaries so that they can take responsibility for their own lifelong learning and work.

Contributing to reducing unemployment

The Work-Readiness Programmes serve as an active labour market initiative in so far as it contributes to reducing unemployment. It may look like a small contribution if one compares the number of beneficiaries that have been placed and are currently employed (1 353) to the total number of unemployed people in South Africa. However, it is a major contribution in terms of reducing unemployment of graduates and supplying employable people to the financial sector.

Providing a recruitment and placement service

The training providers of the Work-Readiness Programmes provide an important recruitment and placement service. Candidates are carefully screened before they are accepted to take part in the training. After completion of the training beneficiaries are placed in either employment or in internships and learnerships. Some of the employers have reported that this is one of the reasons why they are willing to take on beneficiaries of the programmes. It means that an important Human Resources function has already been taken care of and that the company does not have to allocate too much time or money in recruiting some of their staff. The training providers serve as an intermediary agent for the labour market; matching the demand with the supply.

Providing employers with employable people

Employers are provided with people who not only hold qualifications, but are also equipped with soft and technical skills that they need to function efficiently in an organisation. The advantage for employers is that they save time and money. They do not have to allocate money or time to train new staff and can count on the efficiency of employees right from the start, as indicated in their feedback in Chapter 5.

Providing beneficiaries with employability skills to enter and progress in the labour market

Beneficiaries of the programmes are provided with knowledge and skills that enhance their employability and progress in the labour market once they got the opportunity to enter. This was clearly demonstrated by the reported progress of beneficiaries in terms of promotion, salary increases and furthering of qualifications. The heartening trend was the fact that even beneficiaries who were not placed on completion of the programmes,

found employment on their own by using the skills that they have gained from the work-readiness training. The vignettes of beneficiaries that were in this position speak for themselves.

Enhancing the career development of beneficiaries

The study showed that the programmes enhanced the career development of beneficiaries by teaching them how to take responsibility for their lifelong learning and work. The programmes contributed by teaching them how to plan, make informed decisions, go about in search of employment opportunities, conduct themselves in interviews and then finally how to conduct themselves in the workplace. Even more important than this is creating the awareness that they are in control of their lives. The study presented evidence that beneficiaries have gained skills that enable them to plan and manage their own careers. In the process their self-confidence was enhanced by the realisation that they do have knowledge and skills to offer the labour market and that there are employers who are interested in employing them or offering them internship or learnership opportunities.

Fostering a positive attitude towards work

The majority of employers reported that the training that beneficiaries received provided them with a positive attitude towards work. This may be one of the most important elements of work-readiness programmes in general. If one of the outcomes of such programmes is supplying workers to the labour market that have a positive attitude towards work, much has been accomplished. It means that people are serious about their work and will do their best to be productive and an asset to the companies where they are working.

Recommendation

This report clearly shows that the Fasset Work Readiness Programmes had a significant impact on the lives of the young people who took part in these programmes. It also shows that in general the employers welcome these interventions. Viewed from the perspective of intervening in terms of the demand and supply sides of the sectoral labour market, these programmes also made a significant contribution. The programmes not only provided the market with better skilled new entrants, but they also facilitated a placement of beneficiaries in gainful employment in many instances. In view of these findings it is recommended that Fasset should continue with the provision of these types of interventions. It must, however, be noted that in this study the Work Readiness Programmes were not evaluated in terms of their cost effectiveness. Future decisions need to take this into account.

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ANNEXURE A TABLES

TABLE A - 1 PROGRAMME DISTRIBUTION OF BENEFIICARIES

Work Readiness Programme	N	%
Bonani	1 119	74.2
Thusanani	389	25.8
Total	1 508	100.0

TABLE A - 2 DISTRIBUTION OF BENEFICIAIRES ACCORDING TO YEAR OF PARTICIAPTING IN THE PROGRAMMES

Year	N	%
2003	1	0.1
2005	1	0.1
2007	170	11.3
2008	346	22.9
2009	350	23.2
2010	346	22.9
2011	288	19.1
2012	6	0.4
Total	1 508	100.0

TABLE A - 3 GENDER DISTRIBUTION OF BENEFICIARIES

Gender	N	%
Male	587	38.9
Female	921	61.1
Total	1 508	100.0

TABLE A - 4 AGE DISTRIBUTION OF BENEFICIAIRES

Age category	N	%
20-24	174	11.5
25-29	1 073	71.2
30-34	226	15.0
35-39	27	1.8
40-44	7	0.5
45-49	1	0.1
Total	1 508	100.0

TABLE A - 5 QUALIFICATION FIELDS

Diploma field	N	%
Accounting	473	56.3
Banking And Financial Service	1	0.1
Commercial Practice	2	0.2
Credit Management	6	0.7
Financial Information Systems	63	7.5
Hospitality Management	1	0.1
Human Resource Management	8	1.0
Information Technology	9	1.1
Internal Auditing	241	28.7
Labour Relations	2	0.2
Marketing Management	3	0.4
Office Management	1	0.1

Public Finance	7	0.8
Taxation	23	2.7
Total	840	100.0
First Degree / Higher Diploma field	N	%
BA General	7	1.1
B Business Administration	1	0.2
BA Communication	1	0.2
BA Industrial Psychology	3	0.5
BA Psychology	7	1.1
BA Public Management	1	0.2
BCom Accounting	401	63.2
BCom Computer Science	4	0.6
BCom Economics	21	3.3
BCom Financial Management	10	1.6
BCom General	41	6.5
BCom Human Resource Management	11	1.7
BCom Information Systems	6	0.9
BCom Internal Auditing	24	3.8
BCom Law And Finance	1	0.2
BCom Marketing Management	4	0.6
BCom Statistics	2	0.3
BSc General	2	0.3
BSc Agricultural Economics	1	0.2
BSc Information Technology	8	1.3
BTech Cost Management Accounting	31	4.9

BTech Internal Auditing	36	5.7
BTech Logistics	1	0.2
BTech Taxation	8	1.3
Higher Diploma in Computer Sciences	1	0.2
LLB	1	0.2
Total	634	100.0
Total	034	100.0
Honours degrees field	N N	%
Honours degrees field	N	%
Honours degrees field Accounting	N 12	% 40.0

TABLE A - 6 NSFAS LOANS

Outstanding NSFAS debt	N	%
R1 000 - R 9 999	60	8.1
R10 000 - R19 999	126	16.9
R20 000 - R29 999	149	20.0
R30 000 - R39 999	172	23.1
R40 000 - R50 000	92	12.3
More than R50 000	146	19.6
Total	745	100.0

TABLE A - 7

Placement type	N	%
Placed in employment	640	42.4
Placed in a learnership	310	20.6
Placed in an internship	132	8.8
Wasn't placed	426	28.2
Total	1 508	100.0