BUSINESS TRUST

# An evaluation of the Monyetla Work Readiness Programme using a Case Study approach

Presented to the Business Trust by G' Lab (Pty) Ltd

March 2008

LAB

The Growth Laboratory (Pty) Ltd

**Growing ideas, people, solutions**

**BUSINESS TRUST**

# CONTENTS

# DEFINITIONS

**Lead Member (Signatory**): Refers to the consortia member who signed the Business Trust/Jobco contractual agreement.

**Lead Member (Project Management and Administration):** Refers to Consortia member who the consortium members referred as being a lead member and who drove the project internally for that consortium.

**Lead Employer:** Refers to employers who participated in the programme and engaged in contractual agreements with learners that saw them being placed in a host company where they worked under contractual obligation and supervision of the lead employer. In this project, the term referred mostly to staffing solutions companies who contracted learners but placed them at another company for work.

**Host Employer:** Refers to employers who actually hosted learners at their work premises during the programme.

**Consortium:** A grouping of two or more companies under contractual obligation or MOU in order to carry out a common objective.

**Wave:** Refers to a training and placement programme rollout that had a start and finish date and a defined number of learners that participated.

# ACRONYMS

**List of Acronyms**

| | |
|---|---|
| AsgiSA | Accelerated and Shared Growth Initiative for South Africa |
| BPO&O | Business Process Outsourcing and Offshoring |
| BPeSA | Business Process Enabling South Africa |
| BEE | Black Economic Empowerment |
| CSI | Corporate Social Investment |
| CC | Contact Centre |
| DoL | Department of Labour |
| DTI | Department of Trade and Industry |
| FET | Further Education and Training |
| FDI | Foreign Direct Investment |
| NLRD | National Learner Records Database |
| NSF | National Skills Fund |
| NSDS | National Skills Development Strategy |
| NQF | National Qualifications Framework |
| PDI | Previously Disadvantaged Individuals |
| PMBOK | Project Management Body of Knowledge |
| PSC | Project Steering Committee |
| RFP | Request for Proposals |
| SSP | Sector Support Programme |
| SETA | Sector Education and Training Authority |
| SMME | Small, Medium and Micro Enterprises |
| SSF | Sector Support Facility |
| VAT | Value Added Tax |

# EXECUTIVE SUMMARY

The rapidly expanding global market of business process outsourcing that are increasingly located off-shore, presents an opportunity to create up to 100,000 jobs over the next four years by encouraging the location of these businesses in South Africa.

Capitalising on this opportunity was identified as a priority of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the Cabinet approved a comprehensive programme of Government Assistance and Support (GAS) for the sector in December 2006 and launched by the Department of Trade and Industry in 2007.

In order to support the development of the sector, a BPO&O Sector Support Programme was established, and it is designed to:
- Support the effective marketing of SA as a competitive BPO&O destination;
- **Develop and deepen a pool of internationally competitive talent;**
- Create an enabling environment of infrastructure and incentives;
- Assure the quality of the SA offering;
- Mobilise industry to be increasingly competitive in the promotion of South Africa as a centre for value based off-shoring; and
- Optimise the impact on the second economy.

Research into cross-sector skills conducted for the Sector Support Programme led to the formulation of a skills development strategy. The strategy comprised three objectives for focused, rapid development of talent to attract investors, together with a medium-term strategy to build a globally competitive talent pool.

The three objectives are:
- **to increase the pool of entry-level employable people** through a targeted, customised skills training programme aimed at 30,000 young unemployed people from disadvantaged backgrounds for the period 2006-2010 to meet the anticipated growing demand for staff from local and foreign companies.
- **to accelerate the development of home-grown supervisors and managers** to lessen the country's dependence on foreign managers. Such development would be achieved by reimbursing company-specific training for new jobs through a DTI/Department of Labour (DoL) skills support programme and funding from SETA discretionary funds for 5,000 supervisors and managers. The training and development of supervisors and managers is also vitally important in order to prevent any **bottlenecks** at the supervisory and management level occurring in the workplace.
- **to ensure the ongoing development of a globally competitive talent pool with the requisite skills at all levels of employment** for effective service delivery and operation of the National Skills Development Strategy (NSDS).

The Monyetla Work Readiness Programme was borne out of the skills development strategy. The programme targeted at 1,000 unemployed young South Africans to undertake a 60-credit skills programme to prepare them to enter work in the BPO&O sector; and to ensure that a minimal 70% of the learners were employed in the sector at the end of the training.

The following are the headline results of the project as at 31 December 2008:
- 1,325 learners allocated to consortia and participated in the work readiness programme.
- 1,307 learners actually started the training.
- 1,129 learners (86.4%) competent.
- 1,016 learners (89.99%) placed in employment (as a percentage of competent learners).
- 120 learners (10.6%) completed the programme successfully but not employed.

- 178 learners (13.6%) not successful in learning.
- 368 supervisors trained at a ratio of 1 supervisor to 3 learners.
- 148 learners put through the full Contact Centre Level 2 Learnership.

A review of the Programme found the following

## Project Management

- The Project Office's 'lean and mean' project management approach played a big role in ensuring optimal project rollout and the current success rates achieved. The evaluation found that a passion to see the project succeed, a flat communication structure, pro-activeness, project transparency, quick responses to inquiries, expert project management skills and an acute understanding of the project at ownership and governance level by the Project Managers instilled confidence in Consortia members and contributed to their passionate involvement and the current success rates.
- The processes involved in the implementation of the project are well documented and clearly show each and every step of the process and what should be in place. From these documented processes, it would be possible to follow each necessary step required to implement a similar programme in future.

## Piloting the Employer-Led Consortium Model

- Employer led consortia achieved high placement rates. All the consortia that had a100% placement rate were employer led. Of these, 71% were led by host employers and 29% by lead employers. The participation of host employers lead to more favourable placement outcomes and this increased when the host employers played a participatory role in the recruitment of learners. Therefore, a major requirement to the success of such a programme is an employer-led consortia model.
- The participation of host employers in consortia arrangement should be encouraged as it has shown to commit these employers to employing higher percentages of learners.
- Training provider participation at the current budget has been high and the training providers have indicated a willingness to train more numbers dependant on Employer participation.
- The role of training providers should be slightly expanded going forward to include the provision of them playing a project management and administration services role. The evaluation found that this role tended to be ceded to training providers by contracted employers. By recognising the broader role that training providers could play, it is envisaged that their commitment will be increased significantly thereby giving them an incentive to drive higher placement rates with employers.
- The participation of companies that provided administrative and project management services also contributed significantly to successful placements. One hundred percent (100%) of the consortia that achieved a placement rate of over 80% had training providers leading them from a project management and administrative perspective.

## Placement of 70% of Learners in Employment on Completion of the Skills Programme

- Key to the success of the model is the requirement that 70% of learners be placed in employment on completion of the skills programme. Again, the evaluation found that training providers that kept their involvement going with learners in terms of providing them support while they are hosted by employers had the most successful learners that were given longer-term contracts because they employers found them to be the most work-ready after the project's allocated time frames.

## Programme Budget of R13,650 per Learner

- The model proved that the budget was sufficient enough to carry out the programme.

- The amount of R13,650 budgeted for each learner was adequate with the balance allocated to the administration and management of the programme. A total budget of R17.1million was originally allocated for 1,000 learners to participate in the programme. This amount included VAT at 14% which was subjected to all line items including learner stipends.
- It was later realised that VAT was not enforceable on the stipend line item, thereby yielding funding for an additional 99 places. A ruling by SARS not to enforce VAT on the entire grant yielded another 154 places. A total of 253 places were added to the pool at a net cost of R13,650 VAT per learner at the original budgeted total of R17.1million. This was as a result of savings from money in the original R15,000 per learner net of VAT budget that had been allocated.

### Programme Timeframe
- The programme timeframe of 16 weeks was adequate in introducing learners to the call centre industry in particular and the services industry in general, it also got them to introductory state of work readiness. The short duration was especially well received by training providers and also played a huge role in continuous learner participation with very few drop-outs during this part of the training.
- Programme distinctions need to categorise and quantify Outbound, Inbound and Offshoring work readiness needs. The Outbound sector needs a further timeframe to get learners practically ready for employment. The practical aspects of the programme would need to be extended and be more directed at product training and all participating companies should be required to conduct an induction process with the new learners.

### Enabling Successful Learners to Enrol in the Contact Centre Level 2 Learnership
- Employers have been slow in heeding to the call for a continuation of the skills programme to a full learnership for the Monyetla learners. This is mainly because it is not a mandatory requirement of the programme and entails either applying for funding from relevant SETAs or privately funding the initiative.

### Development of One Home Grown Supervisor for Every Six Monyetla Learners
- This is one area that has worked very well, despite most funding for this having been obtained privately. The programme should however encourage that at least one of the supervisors should be trained from the Monyetla Programme itself. This has shown to bring motivation amongst other learners as they also feel confidence in the possibility of rising through the ranks.

### Provision to Unemployed South Africans with Entry Level Skills to become Agents in the BPO&O Sector
- There is a difference in the types of skills required for the Outbound and Inbound call centres. Employers operating on the Monyetla Programme who recruited for the Outbound call centres mainly recruited from in-house databases that had already been pre-screened prior to those learners' participation in the Monyetla programme. The screening process increased the participation of learners with some previous call centre experience in the programme.

### Role of Training Providers
- The importance of training providers however needs to be recognised going forward. This can be done by including them as signatories for the provision of project management and administration services. This role has been shown to be ceded to training providers by contracted employers. By recognising the broader role that training providers could play, it is envisaged that their commitment will be increased significantly thereby giving them an incentive to drive higher placement rates with employers.

**Nature of Employment Contracts Entered into by Learners**

- Learners who are not employed within the Monyetla programme need to be tracked to ascertain if they find employment in the BPO &O sector or elsewhere. This study should be conducted within 6-9 months of programme completion.
- The general perception is that the call centre industry has high attrition rates, and this perception is what could be driving the employers to give short term contracts, and also for agents to be consistently looking elsewhere. It needs to be established as to who drives the attrition, that is; employers or employees. Once established, policy or guidelines can be formulated on how to counter this, so as to seek for stability in the call centre environment. The call centre industry also needs to be marketed in schools as a stable and opportunistic primary career path rather than as a secondary employment option.
- Further research also needs to be done to establish the portability of the full learnership, as it is disturbing to notice that most of the Consortia that facilitated the full learnership for their learners had some of the lowest placement rates.

**Sectorial Differences**

- Programme distinctions need to categorise and quantify Outbound, Inbound and Offshoring work readiness needs. The Outbound sector needs longer timeframes to get learners practically ready for employment. The practical aspects of the programme would need to be extended and be more directed at product training and all participating companies should be required to conduct an induction process with the new learners.

**Replicability**

The evaluation found that the model can be replicated, however, project management and governance is a critical issue in ensuring success in the delivery of the project. The 'lean and mean' project management approach and turn around times is very important in ensuring similar project are delivered in the prescribed timeframes.

# 1   BACKGROUND TO THE CASE STUDY

## 1.1   Introduction and Context

The industry-defining McKinsey Report (2004) on the Business Process Outsourcing and Off shoring (BPO&O) sector supplemented by studies by Deloitte and Letsema Blueshift Consulting concluded that the South African BPO&O and Contact Centre (CC) industry has the potential to grow, deliver a significant contribution to gross domestic product (GDP) and to generate a **significant** number of jobs in a country that has a high rate of unemployment.

Other research commissioned by the Department of Trade and Industry (DTI) and the Business Trust has also established that "South Africa is ideally placed to take advantage of an opportunity that will, if appropriately managed, contribute significantly to the social and economic development of the Southern African region and the continent" (Business Trust, 2006)[1]. Since 2002, the domestic industry has grown by an average of 8% per annum, and now employs approximately 80,000 people. Already the effects of the growth in the BPO&O sector are discernible at provincial and local economic level (Deloitte, unpublished research for the Business Trust, 2006). The McKinsey Report estimates that by 2009, the BPO&O sector in South Africa could be worth $800 million, create between 65,000 and 100,000 jobs and attract between $90 million and $175 million in foreign direct investment (FDI).

Established BPO&O locations such as India, China, Ireland and the Philippines currently dominate the sector but, according to the McKinsey Report, they are not expected to be able to meet the growing skills and infrastructure demands in the near future. These unmet demands will offer exciting opportunities for South Africa to become a significant player in this sector.

## 1.2   Opportunities in the South African BPO&O Sector

Research conducted for the BPO&O Sector Support Programme by McKinsey & Associates during 2005/06 suggests that a concerted and focused national intervention would accelerate growth of the sector, and expand employment.

While the BPO&O sector currently contributes almost 0.92% of GDP, the McKinsey research suggests that effective international marketing of South Africa as a BPO&O destination, attractive incentives and focused talent development could lead to the creation of an additional 25,000 direct jobs and 75,000 indirect jobs resulting in an additional GDP contribution of 0.5% (McKinsey & Associates, unpublished research, 2006).

The growth of the BPO&O sector in South Africa would result in other positive spinoffs including:
- *Social benefits*: improved quality of life as a result of development and job creation within the local economy;
- *Knowledge enhancement:* as a result of the increase in the pool of skilled labour and the capacity of public and private training providers to service the industry;
- *Building the South Africa brand:* by promoting the country as a leading player in the knowledge economy; and
- *Improving infrastructure:* in information technology and related services and utilities.

Various studies confirm that South Africa is emerging as a great contender for Tier 2 offshore destination services (Africa Analysis Team, 2005). The Africa Analysis Team study also reports that for security reasons most multi-national companies do not want to put all their offshore business in one country and that as a result, South Africa is attracting more business for Tier 2 operations.

---

[1] From an unpublished Business Trust Document: "Requirements of a Sustainable Talent Development Model for the BPO&O Sector", June 2006.

The following is a brief outline of the different Tiers in the BPO&O sector[2]:

**Tier 1:** Mature and technologically advanced, these markets are reaching saturation point and are beginning to experience minimal growth. Tier 1 service is focused on specialist near shore activities reserved for high value customers.

**Tier 2:** Less mature than Tier 1, these markets are generally experiencing more than average growth. Tier 2 offers a value-based solution where quality and cost are important considerations for activities of medium-level complexity.

**Tier 3:** Still immature, but experiencing solid growth, Tier 3 destinations are cost focused and are ideal for high-volume, low-cost activities.

### 1.3    Challenges

The McKinsey Report showed that South Africa needs to focus on six priority areas in order to become a premier Tier 2 BPO&O and Contact Centre player. These areas are:

  i.    A comprehensive talent development programme
  ii.   Incentive schemes
  iii.  Target marketing initiatives
  iv.   Set-up assistance
  v.    Regulatory initiatives
  vi.   Stakeholder mobilisation initiatives

On top of that, research and consultation conducted by DTI/Business Trust revealed some challenges in addressing talent development needs including:

- to make South Africa appealing by developing a globally competitive talent pool;
- to attract international investors with an already developed talent pool;
- to develop talent with a focus on the needs of the modern workplace;
- to align talent development with career path progression in the workplace;
- to provide skills development which has wider applicability than BPO&O; and
- to ensure that talent development enhances equitable representation of previously disadvantaged individuals (PDIs).

### 1.4    The BPO&O Sector Support Programme (SSP)

Through AsgiSA, a number of initiatives have been developed to address the constraints on accelerating and sharing growth. These include Customised Sector Programmes. For the BPO&O sector, the government and the private sector developed a joint project, the dti/Business Trust BPO&O Sector Support Programme (SSP), whose aim is to remove obstacles and refine incentives to grow the sector.

The BPO&O Sector Support Programme provides a focal point for a concerted effort to enhance South Africa's competitiveness in this sector. Various streams of work were identified as part of the sector business plan that was approved in August 2005 and the initiation of those plans commenced soon thereafter.

The Sector Support Programme for BPO&O consists of the following five workstreams:

  i.   *Support the effective marketing of South Africa as a competitive business process outsourcing location*: South Africa's Value Proposition for BPO&O has been developed and a targeted marketing campaign launched.
  ii.  *Develop and deepen the pool of internationally competitive talent*: A work readiness programme for talent development is being piloted to test the talent development model and the pilot programme is nearing completion.

---

[2] www.callcenter-international.eu

iii. *Support second economy linkages*: A strategy for addressing the needs of the second economy, with a particular focus on rural areas, has been developed and the programme is still in progress and going well.

iv. *Create an enabling environment of incentives and infrastructure to support the sector*: An incentives programme known as GAS and designed to support the BPO&O sector was developed and launched in 2007 by the dti. Processes aimed at securing competitive telecommunications costs are in progress but moving very slowly.

v. *Develop an industry body capable of mobilising and representing the key stakeholders*: An industry association, Business Process enabling South Africa (BPeSA), is up and running.

## 1.5   A Skills Development Strategy for the BPO&O Sector

As mentioned in the dti/Business Trust proposal for funding for the Monyetla Programme submitted to the National Skills Fund (NSF) in November 2006, research suggests that the availability of work-ready talent is one of the key factors considered by prospective investors. Research into cross-sector skills conducted for the dti/Business Trust Sector Support Programme led to the formulation of a skills development strategy. The strategy comprised three objectives for focused, rapid development of talent to attract investors, together with a medium-term strategy to build a globally competitive talent pool.

The three objectives are:

- **to increase the pool of entry-level employable people** through a targeted, customised skills training programme aimed at 30,000 young unemployed people from disadvantaged backgrounds for the period 2006-2010 to meet the anticipated growing demand for staff from local and foreign companies.

- **to accelerate the development of home-grown supervisors and managers** to lessen the country's dependence on foreign managers. Such development would be achieved by reimbursing company-specific training for new jobs through a dti/Department of Labour (DoL) skills support programme and funding from SETA discretionary funds for 5,000 supervisors and managers. The training and development of supervisors and managers is also vitally important in order to prevent any bottlenecks at the supervisory and management level occurring in the workplace.

- **to ensure the ongoing development of a globally competitive talent pool with the requisite skills at all levels of employment** for effective service delivery and operation of the National Skills Development Strategy (NSDS).

The proposal also clarifies talent development as broader than just skills development. Talent development refers to the development of not only knowledge and skills, but also of career paths and aptitudes and attitudes appropriate for the world of work.

The talent development model adopted by the BPO&O Sector Support Programme will be discussed in more detail later in this report.

## 1.6   This Report

The purpose of this report is to present the findings of the evaluation of the Monyetla Work Readiness Programme that was piloted as part of the implementation of the BPO&O skills strategy.

# 2 THE MONYETLA WORK READINESS PROGRAMME

## 2.1 Introduction and Background

Research conducted by Deloitte on the skills development strategy for the BPO&O sector resulted in a talent development programme for the sector known as the Monyetla Work Readiness Programme. The programme is aimed primarily at developing Entry-Level/Agent Work talent to achieve the first of the three objectives of the BPO&O skills strategy, which is to increase the pool of entry-level employees in the sector.

As stated in the original funding proposal to the DoL and the NSF in 2006, the five objectives of the Monyetla Work Readiness Programme contribute significantly to South Africa's value proposition to prospective investors. These objectives are:

- to build on the foundation of South Africa's niche BPO&O industry;
- to co-ordinate the supply of talent at all levels;
- to develop talent at the pace of the anticipated demand;
- the use of public funding to support the unemployed; and
- linking training directly to work opportunities and aligning it with training for supervisors and middle managers.

## 2.2 The Case for a Work Readiness Programme[3]

In the funding proposal the following case for a work readiness programme was made:

### 2.2.1 Responding to Increased Demand for Work Ready Entrants

South Africa's BPO&O sector is growing at approximately 20% per year. At current growth rates, South African BPO&O players would probably create up to 48,000 jobs (12,000 direct and 36,000 indirect jobs) by 2009, a shortfall of 52,000 jobs to reach the target of 100,000 jobs in the same year. The additional jobs must be created either by new entrants into the market or acceleration in the growth of existing players. Although the local industry has been growing to date and already has an estimated 55,000 to 60,000 employed agents, only 5,000 of the current industry employees work for foreign companies. This is where there is an opportunity for major growth.

The growth in jobs in the sector has been accompanied by above-inflation salary increases and a small rise in the attrition rate through job hopping, which indicate increasing competition for skills. The current overall attrition rate in South Africa is estimated to be between 15% and 20%, slightly below the international norm. But, in the event of significant job growth in the foreseeable future, especially as a result of FDI, notable skills shortages are increasingly likely because foreign companies are more likely to poach employed (and therefore well trained) staff, rather than invest in the training of new staff. Poaching will only aggravate staff and skills shortages within local and locally established companies.

### 2.2.2 Meeting the Expectations of Investors

The availability of quality talent is one of the core considerations of investors looking to establish operations in any country. The BPO&O Sector Development Strategy identified the inadequate supply of skilled entry-level and middle management personnel as one of the key challenges facing South Africa in its quest to become an attractive destination for foreign BPO&O investors.

---

[3] This section on The Case for a Work Readiness Programme is taken from the original proposal submitted to NSF: Business Process Outsourcing and Off Shoring, an initiative of the dti and the Business Trust: "The Monyetla Work Readiness Programme" 2 May 2006, p 16-18.

While foreign companies would expect to finance the training of entry-level employees in company-specific business processes, systems, policies, products/services and corporate culture, for example, they would expect employees to possess the basic skills to work in BPO&O. But evidence shows that learners, especially those Previously Disadvantaged Individuals (PDIs) leaving secondary school and even tertiary education institutions are not adequately equipped with life- and other skills. This can be attributed to the legacy of the Apartheid-era schooling system. Although the government is working to normalise the situation, aiming to implement a new curriculum by 2009/10 to produce learners with requisite life and workplace skills, the Monyetla programme is designed to close the skills gap over the next four years to enable South Africa to respond to short term-opportunities offered in this sector.

### 2.2.3 Meeting the Challenges of the Previously Disadvantaged and the Disabled

The BPO&O industry is particularly well-suited to developing employment opportunities for the previously disadvantaged and the disabled. But, these learners face many challenges in the South African workplace. Experience gleaned from other work readiness programmes and research conducted by the University of Johannesburg and Deloitte on skills development programmes developed for the financial services sector and the wholesale and retail sector, has identified a number of challenges in respect of school-leavers and trainees adapting to the workplace environment. These are particularly serious in the knowledge/ICT/services industries, including the BPO&O sector and include the following:

- Grooming (particularly appropriate attire), behaviour and communication skills.
- Lack of a driver's licence.
- Lack of equipment/tools necessary for career advancement, such as access to a car or to internet/e-mail.
- Poor financial management skills, resulting in the accumulation of debt soon after employment.
- Poor spoken and written English. Training in this regard is crucial because an inability to communicate effectively and clearly in English can retard a person's career and contribute to lower self-esteem.

Research by BPO&O Sector Support Programme prioritises skills development for the South African BPO&O sector as follows:

- Developing a skills pipeline – from entry level to senior management level;
- Creating awareness at secondary school level of career opportunities in the  sector;
- Affording more employment opportunities for the disabled;
- Overcoming institutional factors that limit the supply of skills in the sector;
- Acknowledging that a bridging programme (or work preparedness/readiness skills programme) can significantly contribute towards improving learner employability and would ultimately:
  - Equip learners, particularly those previously disadvantaged or disabled , with appropriate life and technical skills to enhance success in the business environment and to bridge the gap between school and the modern world of work; and
  - Enhance opportunities for further learning and ultimately life-long learning.

### 2.2.4 Meeting the Needs of the Unemployed

BPO&O has been selected as a priority sector because of its ability to contribute to the broad objectives of growth, development and transformation enabling up to 100,000 unemployed people become active in the modern economy.

The training of unemployed people to take up employment in a knowledge/technology-based economy is an important part of the overall BPO&O talent development initiative. The Monyetla programme is arguably the biggest intervention of its kind in South Africa and it aims to skill 30,000 unemployed matriculants and graduates for employment at entry-level in the BPO&O sector and the broader services sector.

## 2.3 The Role of the Work Readiness Programme

The primary objective of the Monyetla programme is to lay the foundation for the development of an adequate entry-level talent pool suitable for the BPO&O sector. It seeks to address the specific challenges facing the industry by:

- building the skills of new entrants into the sector to meet expected demand;
- closing the gap between school and the modern world of work;
- encouraging learners and employers to adopt a culture of life-long learning;
- expanding the provision of education and training in the sector through sound public-private partnerships;
- supporting the objectives of the Employment Equity Act, the Skills Development Act and the South African Qualifications Authority Act;
- supporting the principles and objectives of the National Skills Development Strategy 2005-2010;
- supporting and contributing to the objectives of the BEE Charters relevant to the various sectors;
- enhancing access to skills development opportunities in the sector;
- positioning BPO&O as the 'sector of career choice' for prospective learners and new entrants into the labour market;
- building the capacity of public (especially the Further Education and Training colleges) and private training providers (including SETA-accredited employers) by encouraging public private partnerships; and
- building the capacity of Black Economic Empowerment (BEE) and Small Medium and Micro Enterprise (SMME) service providers by encouraging partnerships between these emerging service providers and those more established.

The Monyetla programme is structured to address some of the anticipated challenges through:

- the curriculum, which includes modules on grooming, budgeting and business communication skills (both verbal and written);
- the delivery model: the process through which the Monyetla programme will be implemented, from the selection of participating companies, to the selection, training and placement of those learners in employment opportunities;
- the proposed payment of a learner allowance;
- the approach to learner support; and
- the funding model.

The evaluation in this report seeks to test whether these issues were appropriately planned for and incorporated in the structure of the programme.

## 2.4 The Scope of the Programme

The scope of the programme is outlined as follows:

- Provide 1,000 unemployed South Africans from the NSDS target groups with entry-level skills appropriate for the BPO&O sector;
- Place 70% of learners in employment on completion of the skills programme;
- Enable successful learners to enter the Level 2 Contact Centre learnership with 60 credits of the 128 credits required;

- Increase the pool of developed BPO&O talent by ensuring that one home-grown supervisor is developed for every 6 Monyetla learners, using the levy-grant system that is managed by Sector Education and Training Authorities.

## 2.5 Programme Beneficiaries (Learners)

The target group for entry-level work skills development comprises young unemployed people. Priority is given to:

- unemployed young people with either Grade 12, diplomas or tertiary level graduates;
- those under 35 years of age;
- South African citizens (meeting NSDS requirements of 85% black, 54% women and 4% disabled people); and
- people from poor areas.

The Umsobomvu Youth Fund (UYF) database is used to identify unemployed graduates.

## 2.6 The Curriculum

The Monyetla programme curriculum was compiled with the assistance of the Services SETA. The programme yields 60 credits of the 128-credit Contact Centre learnership at Level 2 on the National Qualifications Framework (NQF). It is designed to cover the essential skills required within the BPO&O sector and various other services industries such as banking, insurance and tourism. It makes use of a number of outcomes-based modules incorporating whole or partial unit standards (specific outcomes).

The programme is aligned to NQF Level 2 & 4 Contact Centre learnership unit standards and provides training in soft and technical skills initially aimed at the Contact/Call Centre industry, such as:

- Life/soft skills
- Computer literacy
- Communication skills
- Customer service skills
- Basic Financial skills
- Business Acumen skills

It was envisaged that Monyetla learners who found employment on completion of their work readiness training could enter into learnership agreements that required them to gain a further 68 credits in order to complete the qualification. The 60 credits covered by the unit standards are outlined in the table below:

**Table 1: Training Curricula**

| | ID | UNIT STANDARD TITLE | Level | Credits |
|---|---|---|---|---|
| Core | 10348 | Identify and respond to customer needs in a Contact Centre (10348 / 2.1) | 2 | 12 |
| Core | 10353 | Meet performance standards within a Contact Centre (10353 / 2.6) | 2 | 6 |
| Core | 13872 | Instil in myself a personal Contact Centre culture (10357 / 2.10) | 4 | 4 |
| Core | 13874 | Work as a member of a Contact Centre team (10356 / 2.9) | 4 | 5 |
| Fundamental | 8963 | Access and use information from texts | 2 | 5 |
| Fundamental | 9009 | Apply basic knowledge of statistics and probability to influence the use of data and procedures in order to investigate life related problems | 2 | 3 |
| Fundamental | 7480 | Demonstrate understanding of rational and irrational numbers and number systems | 2 | 3 |
| Fundamental | 8962 | Maintain and adapt oral communication | 2 | 5 |
| Fundamental | 8967 | Use language and communication in occupational learning programmes | 2 | 5 |
| Fundamental | 7469 | Use mathematics to investigate and monitor the financial aspects of personal and community life | 2 | 2 |
| Fundamental | 9007 | Work with a range of patterns and functions and solve problems | 2 | 5 |
| Fundamental | 8976 | Write for a wide range of contexts | 4 | 5 |
| **TOTAL NUMBER OF CREDITS: 60** | | | | |

Much of the learning undertaken in the Monyetla programme is meant to be generic to the world of administration and customer service and prepares learners for work in a range of service industries.

The Monyetla programme is delivered over 80 work-days, which is approximately 4 months or 16 weeks.

### 2.7    Services SETA Involvement
The Services Seta has a statutory duty to register learnerships, accredit providers and certify learners in the BPO&O sector. The Services Seta has established a BPO&O strategic project and provided support to the Monyetla programme during the planning stages.

The Services SETA revised and improved the Monyetla curriculum, prepared learning materials, assessment tools and a portfolio of evidence (PoE) guideline for the programme. At the planning and inception stages of the programme, the Services SETA was responsible for:
- providing continuous quality assurance;
- providing curriculum, learning materials and assessment tools where required; and
- ensuring that assessment, moderation and certification occurred.

### 2.8    Project Governance and Management
An Adjudication Panel was established to adjudicate the Monyetla Work Readiness Inception Programme. The Adjudication Panel included representation from:
- DoL
- the dti
- Business Trust
- BPeSA
- The adjudication panel also had representation from Umsobomvu Youth Fund from February 2008.

An MOU between the dti and Business Trust described the project management arrangements and modalities for the disbursement of funds. The project management role of the Business Trust included:

- overall management and administration;
- monitoring and evaluation; and
- reporting to DoL/NSF, the dti, the BPO&O Sector Support Programme Steering Committee and Partnership Committee.

## 2.9    A Description of the Model

It was envisaged that the programme would include a comprehensive learner support programme and a progressive formative and summative assessment process in line with SAQA and SETA guidelines. The programme management team would continuously and rigorously monitor the quality assurance process.

To participate in the programme, employers must commit to employing 70% of the learners for a specified period. This is to ensure that learners are provided with opportunities to consolidate their learning on the job.

The training delivery model is one in which employers; public and private training providers and recruiting agencies form a consortium and collaborate in the selection, training and placement of learners.

The model also makes provision for alternative job placements for learners who are not immediately employed in the BPO&O sector. These could include further training and learnership opportunities.

The relationships between the various stakeholders is illustrated below:
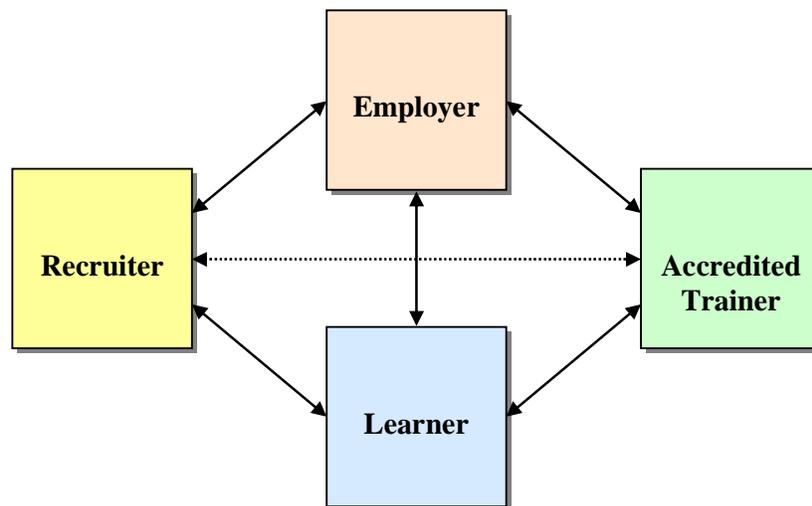


Public and Private Partnerships (PPPs) specifically aimed at the inclusion of FET Colleges are encouraged to broaden geographical reach. Consortia in each of the major provinces (Gauteng, KwaZulu-Natal, Western Cape and the Eastern Cape) work in conjunction with the Contact Centre regional industry bodies in these provinces to facilitate the implementation of the training programme.

In accordance with NSDS principles, the consortia procurement process includes criteria to ensure the selection and accreditation of black-owned recruitment companies and training providers to support Broad-Based Black Economic Empowerment (BBBEE) and SMMEs. Only accredited training institutions and individuals may provide training on the Monyetla programme.

### 2.10 Evaluating the Model

The approach to this evaluation is based on the following indicators with the assumption that if these criteria were met, then the model would be viewed as a recipe for success and could be replicated by the sector for future talent development programmes.

The following indicators/criteria were used for the evaluation:
- The model of an employer-led consortium that guaranteed the employment of 70% of successful learners;
- The efficacy of a short, quality-assured skills programme (half Learnership) based on the Level 2 Contact Centre Learnership unit standards;
- Testing the costing of the programme per learner, was it sufficient to deliver work-ready learners?
- Identifying if the 1:6 learner/supervisor ratios were achieved and the required number of supervisors or team leaders were trained for the programme at the expense of the employers and through the levy-grant system.

Some of the key issues probed in the evaluation and outlined in the original Monyetla programme proposal include:
- Testing the effectiveness of the 60-credit Monyetla Work Readiness concept to ascertain whether it meets the requirements of employers, that they found the new entrants work-ready and that they would be willing to employ them.
- Evaluating the training by considering the cases of learners who have not found work within the BPO&O sector and assessing if their training was of a nature that they could find work in other sectors.
- The Monyetla programme proposed a budget of R15,000 per learner to cover training costs, recruitment, selection and placement of learners; learner allowances, learner administration and the recording of learner achievements. The initial rollout would ascertain if this allocation was appropriate and highlight any areas which required more or less funding.
- Assessing learners from two different target groups – unemployed graduates and unemployed Grade 12s – to establish whether there are any clear differences between the groups and their ultimate employability and ability to follow a career path in the sector.
- Evaluating how many supervisors and team leaders were trained by employers through the SETA-administered levy-grant system.

### 2.11 The Funding Model

To determine the cost implications of developing a pool of talent for the South African BPO&O sector it was necessary to set yearly targets for each level of employment – from entry-level to senior/executive management – and aligned to the overall number of people to be trained in accordance with the Business Trust BPO&O SSP business plan. According to this business plan, about 35,000 people need to be trained by 2010. Yearly targets have been developed as follows:

**Table 2: Level of Employment and Training Targets (2006-2010)**

| Level of Employment | 2006/7 | 2007/8 | 2008/9 | 2009/10 | Total |
|---|---|---|---|---|---|
| Entry-level agents | 6,000 | 6,600 | 9,200 | 8,200 | **30,000** |
| Supervisor /Team Leader | 0 | 1,000 | 1,250 | 1,250 | **3,500** |
| Middle Management | 0 | 300 | 350 | 350 | **1,000** |
| Senior Management | 0 | 100 | 200 | 200 | **500** |
| **Total** | **6,000** | **8,000** | **11,000** | **10,000** | **35,000** |

The following ratios were used to determine the number of people to be trained at each category/level of employment:
- 1 senior manager to 2 middle managers
- 1 middle manager to 3,5 supervisors/team leaders
- 1 supervisor/team leader to 6 agents

### 2.11.1 Factors that could Impact on Training Costs of Monyetla Programme for the Period 2006-2010

In developing the funding model it was acknowledged that the costs were subject to change and could be influenced by the following variables:

- Recruitment and selection costs
- Learner allowances or salaries
- NQF Level of the learning intervention
- Skills requirements – ITC/Management Development training is more costly
- Method of delivery– such as learnership, skills programme or short course
- Learning model – such as e-learning/distance learning, facilitated/personal contact learning, part-time or full-time
- Delivery agent – public providers vs. private providers
- Any other conditions/requirements of SETAs
- Number of learners per intervention (Economies of scale)
- Customisation of programmes
- Duration of programmes
- Assessment methods – such as examinations, role-play, assignments and simulation
- Availability of training material and/or trainer in to meet training need
- International component– such as international study modules and overseas visits
- Crucial learner/learning support/bridging programmes, will increase costs
- Learner administration/management systems

### 2.11.2 Sources of Funding

A wide range of sources were identified as possible funders of the Monyetla programme for the period 2006-2010. These were found both locally and internationally and include:

- the dti
- Dept of Labour – National Skills Fund (NSF)
- Sector Education and Training Authorities – SETAs
- Umsobomvu Youth Fund
- FET colleges – student financial aid
- National Empowerment Fund (NEF)
- UK Department for International Development (DFID)
- US Agency for International Aid (USAID)
- World Bank
- European Union (EU)
- United Nations Development Programme (UNDP)
- Danish Development Co-operation (Danida)
- Swedish International Development Co-operation Agency (SIDA)
- German Technical Co-operation (GTZ)

### 2.11.3 Funding Approach

During the process of the identification of sources of funding, consultations were also held with the Department of Labour and these consultations indicated that the NSF Window 1 would be the only readily accessible source of funding for a work readiness programme, and that it can only be accessed by applications to the provinces.

It was also indicated that access to the Strategic Fund[4] could be achieved through the provinces once the criteria for accessing this fund had been established. There was a concern that access to these funds through provincial applications would also limit flexibility in that the criteria for provincial deployment of funds would likely require utilisation of learners and jobs from the dispensing province.

It was recognised that a nationally coordinated drive to capture a share of the global BPO&O business for South Africa would require an integrated and co-ordinated action for which the assistance of the DoL and the NSF would be required and for which mechanisms would be required that were to be responsive to the nature of the challenge faced.

It was in this context that a proposal was submitted to the DoL/NSF for the funding of the pilot phase of the Monyetla programme.

The proposal aimed to distinguish what could be achieved with the available funding, systems and structures ("business as usual") and where an extraordinary effort would be required ("business unusual"). This was done after various alternative sources of funding had been considered and took into account:

a) the fact that the BPO&O sector support programme is one of a small number of extraordinary initiatives chosen to accelerate and share economic growth over the next five years and as such it will require an extraordinary effort and extraordinary funding.

b) the established sources of funding under the NSDS.

c) the need for extraordinary funding over and above that available from established sources under the NSDS.

d) The distinction between funding required to build the talent pool in South Africa and skills development funding required as an incentive to attract investors.

The Department of Labour approved the funding for the programme with the money coming from the NSF. A total of R17, 1 million was approved by the DoL and the funding that was availed to consortia is categorized in Table 3.

**Table 3: Per Capita Funding Apportioned to Consortia**

| ITEM (all budget line items are inclusive of VAT @14%) | COST (Rand) |
|---|---|
| Training costs | R7,500 |
| Recruitment and selection | R1,500 |
| Learner administration | R1,500 |
| External moderation | R500 |
| Learner stipend @ R50 per day for 80 days | R4,000 |
| Maximum cost of Monyetla programme per learner | R15,000 |

Source: Monyetla Report 1 July to 31 December 2007

The R17, 1 million was for 1,000 learners and originally included VAT at 14% on the whole amount as well as learner stipends. How the money was eventually spent is discussed in the findings chapter of this report.

The cost of project management, publicity and evaluation was covered by Business Trust and is categorised in Table 4.

---

[4] At the time of the planning for the Monyetla programme, the strategic fund to the vale of R1bn was expected to be available from savings in the National Skills Fund. These savings were to be allocated to provinces for deployment in accordance with provincial objectives.

**Table 4: Business Trust Funding on the Monyetla Programme**

| ITEM | COST (Rand) |
|---|---|
| Evaluation | R825,000 |
| Publicity | R150,000 |
| Project Management | R2,050,000 |
| **Total** | **R3,025,000** |

*Source: e-mail correspondence from Monyetla Project Office*

# 3   APPROACH TO THE CASE STUDY

### 3.1   Introduction

The case study approach is aimed at collecting optimal data using the most relevant sources to test the training model used for the Monyetla programme. As a result, the evaluation covers issues relating to project planning, implementation and control, and the subjects are comprised of employers, trainers, recruiters (the consortia), the manager of the programme and a review of project documentation.

To meet the objectives of this endeavour, information was collected to:
- determine whether the Monyetla programme, particularly the training model, worked and can be replicated;
- evaluate the project management approach used by the Monyetla project management office;
- Determine the key elements required to replicate the programme.

### 3.2   Research Tools

For the project management aspect of the evaluation, a review of project and other relevant documentation was conducted to get a broad understanding of the programme. Thereafter, project documentation was reviewed and compared against PMBOK best practice to eliminate subjectivity and to ensure that the evaluation of this documentation was consistent throughout.

A discussion document was compiled based on information gleaned from the document review and the evaluation of the project documentation. This discussion document has questions that were used to prompt interview respondents from the consortia that participated in the pilot. There are different questions for the different roles that members of consortia played, that is, questions were developed that were specific to employers, recruiters and training providers.

Questions in the discussion document were structured to address the following issues:
- Structure of Consortia (to get an understanding of how consortia members structured themselves and to get a view of whether that structure was according to the requirements of the training delivery model);
- Overall view of the Monyetla Programme (to get consortia members' perceptions of the programme and the training delivery model and how it worked in practice);
- Employment and Placement of candidates (to find out the placement rates of successful learners);
- Further training towards a full qualification/learnership (to get an understanding of how consortia dealt with the issue of learners being exposed to further learning beyond the half learnership);
- Training prior to Monyetla (to see whether there were differences in how companies conducted training outside of the Monyetla programme);
- Retention Strategies (to see whether employers had put plans in place to retain learners from the programme);
- Accreditation and Quality of Training (to see how training providers ensured that the training was of the required standard);
- Stipend distribution/allocation (to see how stipends were distributed taking into account that the majority of the targeted learners were from poor backgrounds and needed stipends to ensure that they could get to training centres and places of employment);
- Training of supervisors (to see whether and how this was done);
- Recruitment process and methodology (to gain an understanding of how learners were recruited and selected);

- Quality of candidates (to get a view of consortia's perceptions of the quality of candidates that were eventually selected for the programme and also to get their thoughts generally on whether the country has the depth of talent required for the sector).

### 3.3 Data Gathering

Documentation for the project management evaluation aspect was provided by the Monyetla project office and included:

- Quarterly reports
- Notes on adjudication of consortia
- Project circulars
- RFP documentation
- Quality Management Systems documentation
- Contract agreements between Business Trust and Consortia
- Background research conducted prior to the development of the Monyetla programme

These documents were used for the project management evaluation of the programme.

One on one interviews were then held with individuals from each consortia to probe them on the project using the discussion document mentioned above. The interviews were typically an hour long and the approach allowed for the respondents to give their honest views on the programme and the role their organisation played in the implementation of the project.

The data was then collated, coded and captured for analysis.

# 4 FINDINGS

This section presents the findings of the evaluation. It evaluates the Monyetla programme by probing the following issues:

- The testing of an employer-led consortium that guarantees employment of 70% of successful learners;
- The efficacy of a short, quality-assured skills programme (half learnership) based on a Level 2 Contact Centre learnership unit standards;
- Testing the costing of the programme, particularly the amount spent per learner;
- Identifying if the 1:6 learner/supervisor ratio was achieved and whether the required number of supervisors or team leaders were trained for the programme at the expense of the employers and through the SETA managed levy-grant system.

The evaluation of the programme was based on the issues raised above which were then unpacked to enable the exploration of other factors that impacted the implementation of the programme. In this regard, the findings section follows a 'build-up' approach emanating from the unpacked issues. As a result of this approach, certain topics are unpacked under headings that reflect key areas that had the biggest influence on project outcomes.

The first section of the chapter presents the findings of the evaluation of the project management approach adopted for the programme. The findings are based on a review of project documentation and are discussed under the heading bulleted below.

- Project Management Evaluation (this evaluates issues pertaining to how the project was planned, implemented and controlled particularly by the Monyetla project office);

The other section of the chapter discusses the findings of the evaluation of the programme based on interviews with consortia members. The discussion on these findings is presented under the following headings:

- Consortia Structure (which tests the employer-led model and how the roles that consortia members assumed in the implementation of the project);
- Training and Placement of Unemployed Learners (this evaluates issues pertaining to the recruitment, selection and placing of learners, the quality of learners that were selected for the programme, issues around accredited training and supervisor training);
- Evaluation of the Funding Model (which evaluates issues around the project budget and whether it was sufficient to deliver the objectives of the project. The evaluation also touches on issues around payment of stipends to learners and payments to consortia members).

## 4.1 Project Management Evaluation

### 4.1.1 Project Process Evaluation

The evaluation of the project process focused on the project management processes of the Monyetla project office and stakeholder participation and engagement in the planning, implementing and control of the Monyetla programme. A combination of desktop evaluation, focusing on documented project information, and stakeholder interviews were used to obtain the findings, which are presented in the following table.

**Table 5: Project Management Evaluation**

| Evaluation of Project Management | Comments |
|---|---|
| **Project Scope**<br>• Was the project scope clearly outlined?<br>• Were project deliverables, objectives and any supporting detail clearly outlined? | • The scope statement was clearly communicated and focused on talent development and placements of learners. From this, clear project objectives were spelt out. |
| **Scope Definition**<br>• Were major project deliverables clearly subdivided and outlined to effect a favourable outcome of project delivery? | • Project deliveries stemming from objectives were clearly outlined in terms of focus areas, outputs and activities and captured in a "Scheme of Work" document. Although detailed timeframes were provided in the original project proposal, no such evidence could be found in the "Scheme of Work" document. But again, records of meetings do indicate the various timeframes that were scheduled for completion before the quarterly Adjudication Panel meetings. |
| **Project Plan Development**<br>• Was the project plan consistent and coherent?<br>• Were the Monyetla programme objectives consistent with AsgiSA and NSDS objectives in terms of the Skills Development Act?<br>• Is this information clearly stated in the original project proposal and plan?<br>• Were partnership roles clearly stated? | • The project plan showed high consistency with overall gap analysis results, project objectives and background information pertaining to the need for this kind of intervention.<br>• The objectives were linked to national priorities as identified in AsgiSA, the requirements of existing and potential investors, the McKinsey research and various other research studies into the BPO&O sector in South Africa.<br>• The project was designed to comply with relevant legislation, such as the Skills Development Act, the Employment Equity Act, among others.<br>• Partnership roles between the dti, DoL, Business Trust, BPeSA and other partners were assigned and clearly spelt out. |
| **Project Initiation**<br>• Was a feasibility study undertaken?<br>• Was a project manager assigned to the project prior to execution and during planning stages?<br>• Were project constraints, such as contractual provisions and budgeting indentified? | • Since this is a pilot project, no feasibility studies were undertaken, but, current research studies in the South African BPO&O sector were used extensively to inform the structure of the project.<br>• A project manager and technical advisor were assigned to manage the implementation of the programme.<br>• Project constraints tended to be dealt with as they arose and this was mainly because of the pilot status of the project – the fact that the approach was being tested; For example, consortia had to be flagged (using colour codes) in respect of their state of readiness to deliver the programme. Where consortia were struggling to deliver, interventions had to be made.<br>• Another constraint that delayed the commencement of project activities was the legalities surrounding contractual arrangements and in-house bureaucracy. In some instances legal opinion had to be sought to clarify certain contractual issues. |
| **Resource Planning and cost control**<br>• Was adequate planning undertaken to determine what resources (people, equipment, materials) and would be required to perform project activities?<br>• Were the costs allocated to the project sufficient for the delivery of the project to completion?<br>• Did the project office have enough resources to manage all consortia, to attend to all their concerns on time and to address those successfully within the agreed turnaround time?<br>• What was this turn-around time? | • Sufficient planning as reflected in the initial 2006 project plan was undertaken to determine resources required to implement the project. Available meeting documentation also reflect a high degree of planning prior to programme initiation. The project office employed a manager and one high-level technical advisor. Feedback from consortia indicated that the two human resources personnel were sufficient and dealt with all project issues timeously and adequately. Feedback indicated that a smaller project office with no departments was more efficient for fast paced projects with limited time frames for delivery, such as Monyetla. This was in sharp contrast to the bureaucratic barriers encountered by all the consortia members interviewed in their dealings with SETAs. |

| | |
|---|---|
| | • Cost estimates were undertaken, and responses from consortia indicated that the budget was sufficient despite instances of employers subsidising the stipend allocation for their learners. The success of 1,129 learners indicates that this budget was sufficient.<br>• The implementation project budget was maintained throughout, with no departures from the original. Controls were put in place to ensure consortia adhered to the stipulated budget. |
| **Organisational Planning and Team Development**<br>• Were roles, responsibilities and reporting relationships identified, documented and assigned?<br>• Were individuals and group skills developed to enhance project performance? | • Project management roles, responsibilities and relationships were clearly stated and subdivided between the project manager and the technical advisor who formed the project management team for the Business Trust. Their roles were clearly documented. Where outsourcing of particular projects was required, it was done through a bidding process ensuring the optimal selection of outsourced project teams.<br>• Skills development at this level was not necessary because the core project management team members were highly skilled in their respective areas. |
| **Quality Planning, Assurance and Control**<br>• Were quality standards identified and ways to administer them imposed?<br>• Was project performance evaluated on a regular basis to provide confidence that the project would adhere to the relevant standards?<br>• Were specific project results monitored to determine if they complied with relevant quality standards and ways to eliminate causes of unsatisfactory performance identified? | • Quality planning was undertaken. Standards were adequately identified and communicated to consortia members through a quality checklist. Project quality was ensured through monitoring visits at appropriate scheduled project intervals and through circulars circulated to consortia members. The circulars also informed consortia of their legal obligations pertaining to the project, such health and safety standards.<br>• Provision was made to adequately evaluate performance on a consistent basis through regular monitoring site evaluations by the project management office.<br>• Provision was made for external moderators and a portfolio of evidence was collected by consortia to ensure quality learnership. The portfolio of evidence was checked and verified by the project managers before the second tranche payment was made. This quality assurance approach ensured that causes of unsatisfactory performance were identified timeously. |
| **Risk Identification and Control**<br>• Were risks likely to affect the project identified and the characteristics documented?<br>• Did the project/project team respond well to changes in risk over the course of the project? | • Project risks and constraints were clearly identified and outlined at every stage of the project.<br>• The risk control approach was largely one of negotiated problem solving and putting in place mechanisms to deal with the risks as they arose. The project team, however, effectively managed to limit project risk. |
| **Project Procurement Planning**<br>• Was proper planning undertaken in determining procurement needs?<br>• Were service level requirements and potential sources documented and a bid evaluation criteria put in place?<br>• Were proper sourcing procedures and regulations followed (advertising, proposals, informational sessions)?<br>• Was the screening stage efficiently managed and contracts awarded to deserving training providers? | • Procurement needs were well addressed and documented at project integration and planning stages. They stemmed from Project objectives and the identification of the resources necessary to fulfil these.<br>• A bid evaluation criterion was well formulated and documented enabling the screening of bids. Service level requirements were communicated to bidders in a circular requesting proposals and also through briefing by the project manager.<br>• Sourcing procedures and regulations were well followed. Requests for proposals were advertised in the public domain, briefings were held before the closing date for information purposes.<br>• The screening stage was efficiently managed ensuring that only deserving applicants were awarded contracts. Screening criteria was developed and put in place beforehand and proposals were scored against this. A review meeting that included project stakeholders was |

| | |
|---|---|
| | conducted to verify the screening. |
| **Project Plan Execution**<br>• Was the project executed as prescribed by the plan? Where corrective action had to be taken, was it well prescribed enabling consistency of final outcomes as per plan?<br>• Did the skills and knowledge of the project managers conform to project requirements?<br>• Were status review meetings held strategically and frequently as required by the project plan?<br>• Was a work authorisation system in place and functionally consistent? | The project plan was excellently executed with the project office playing a vital role in the success of the project. Ninety-four percent (94%)of the consortium members interviewed felt that the success of the project could be attributed to the project management approach, in particular:<br>• the proactive management: tools and templates were disbursed in advance of site visits;<br>• the QMS approach: a total of three highly interactive site visits were conducted;<br>• circulars; communication on important topics.<br>• general communication: the project office could be reached at any time for clarification on any issues.<br>• commitment to the project: the project office showed immense commitment in making the programme a success through frequent telephonic, e-mail or personal interactions with consortium members. This approach had a positive effect on consortium members;<br>• skills: the project office demonstrated high levels of knowledge and skill with regards to the talent development approach<br>Subsequently work authorisation and completion of payment documentation was done interactively. This fostered a spirit of project ownership among consortium members. |
| **Scope Verification (Project Implementation Phase)**<br>• Were all necessary stakeholders involved in formalising acceptance of the project scope through inspection? | • Consortia representatives were involved in the formalisation and acceptance of the project scope. This was an interactive process, Consortia completion checklists and payment requests were made with the "on site" participation of consortia representatives. This ensured a highly transparent intervention. |
| **Overall change control**<br>• Were any changes that occurred beneficial to the project, and were these changes reflected in the project plan and quantified in terms of time, cost, risk, quality, staffing and the lessons learnt documented? | • Changes did occur. For example, when it was realised that there was going to be a VAT surplus, those funds were used to allocate more places to learners. SARS stipulated that VAT would be waivered on the entire project grant freeing more money for additional learner places. The project was able to absorb these changes comfortably. |
| **Management of Time and Achievement of On-time Deliverables**<br>• Were the work periods necessary to complete individual activities properly estimated?<br>• Were scheduled activities delivered on time? | • Dates were stipulated for activities and their delivery dates, however, problems were encountered because certain deliverables were not completed on time because of problems within consortia themselves. There is evidence of circulars sent to consortium members detailing how contracts had to be completed and other administrative issues.<br>• The bulk of time lost in the project was in the contracting phase because of the legalities involved in having a number of relatively large companies involved in contractual issues and agreements.<br>• A lesson learnt from the contracting process was that sufficient time needs to allocated for this purpose and members of consortia have to be taken through the contracting procedure in detail (perhaps in a short workshop) to ensure that they understand what needs to be done and what the broad objective of the programme is. |
| **Communication and Information Distribution**<br>• Was planning undertaken to determine information and communication needs of stakeholders: who needed what information, when was it needed and how was it to be given to them?<br>• Was information provided timeously to stakeholders? | • An elaborate communication channel was initiated with consortia regularly receiving electronic circulars on important topics.<br>• The project manager delivered quarterly status reports to the Adjudication Panel. |
| **Contract Administration** | • All interviewed consortia members felt that the |

| | relationship between consortia and the project office had been well managed. They indicated that the relationship was professional at all times and had been one of the strongest points of the programme. They stated that the project office had been extremely pro-active, helpful, strict but accommodating and that it contributed to a feeling of overall project ownership among consortium members. |
|---|---|
| • Were relationships with training providers properly managed? <br> • Were payments made timeously? <br> • Was the project office able to handle consortium issues timeously and efficiently during the implementation of the project? | • Payments were made timeously within 3 days of invoicing. <br> • Issues and complaints were responded to within 24 hours if addressed by e-mail, and immediately if addressed telephonically or in person. |

## 4.1.2 Additional Comments on the Findings

From the documentation reviewed, there is a lot of evidence that shows that the project was well managed and the process well documented. Every detail of the processes undertaken, issues raised and decisions taken is documented in proposals, circulars, contracts and reports that were discussed in project steering committee meetings and circulated to project stakeholders.

The Monyetla programme opted for a "lean and mean" approach and model and this is a factor that was highlighted by each consortium that was interviewed. They all said that the quick turnaround times worked great and most importantly, that the information circulars were the most useful in terms of guiding them through the various steps of project implementation.

In terms of the risks, although the original project proposal outlines possible risks that could be encountered during the project and also suggests ways of mitigating those risks, the project documentation suggests that the risks encountered were more process related rather than risks that could have threatened the continuation of the project.

The only risk identified that was inherent to the existence of the project is the issue of funding. Without the various identified funders not meeting their commitments, then the project would have not been able to continue. So outside of funding issues, the evaluation found no other inherent risks that could have stopped the project and the risks encountered were more like hurdles that needed a slight change in approach rather than a fundamental change to the approach and design of the project.

The review and analysis of the documentation and interactions with consortia suggests that there is a need in the market for such a programme and that nobody or no institution said this is a waste of time. The original project objectives still stand and are as relevant now as they were when the project was conceptualised. It should be highlighted also that an extensive research process was undertaken prior to the design and implementation of the programme and a lot of issues and bottlenecks identified by the research were taken into account in the design of the programme.

The programme prescribed to consortia exactly how much they would get and what they would spend it on. Looking at the completion and placement rates, it could be said that the budget was indeed sufficient. This issue is further looked at in the section on the evaluation of the funding model.

This section discusses the findings of the evaluation of the programme based on the analysis of interviews that were conducted with consortia members.

## 4.2   Structure of Consortia

### 4.2.1   Institutional Arrangements

The model for the Monyetla programme stipulates that participating consortia should comprise an employer, a training provider and a recruiter. A total of 17 consortia participated in the pilot project.

The Monyetla adjudication panel originally selected 19 consortia to participate in the programme and two fell out of the process. The Call Centre Nucleus consortium, which consisted of offshore companies, withdrew its contract offer indicating that its service offering required very high quality standards and it was of the view that having learners interacting with their clients would be risky and detrimental to its business.

The Eastern Cape-based Coega Development Corporation, which led the consortium that ended up not participating, had its contract rescinded because of its inability to meet the programme start deadline. This was because it was unable to procure a training provider within the province.

The remaining 17 consortia comprised of 15 employers, 9 training providers and 14 recruiters as reflected in the table below. In several cases, the same employers, training providers and recruiters were represented in more than one consortium.

By having training providers participating in more than one consortium, the Monyetla consortia structure illustrates the supply capacity of these training providers to train sufficiently large numbers of learners for the call centre industry. All the training providers interviewed for this evaluation also indicated that the demand for training is very high in the call centre industry. The assessment indicates that the limiting factor (in terms of numbers that can be absorbed) for learner training in the Monyetla programme model would be the participating employers' ability to place these learners in employment given that the programme advocates for a 70% placement rate.

**Table 6: Consortia Members**

| No. | Consortia | Recruiter | Training Provider | Employer |
|-----|-----------|-----------|-------------------|----------|
| 1 | Blake Holdings | Blake Holdings | People Solutions | Blake Holdings (Host Employer) |
| 2 | Call Centre Nucleus | | Withdrew | |
| 3 | Capital Outsourcing Group | Capital Outsourcing | BEMT | Capital Outsourcing (Lead Employer) |
| 4 | Coega Development | | Cancelled | |
| 5 | Deloitte | Deloitte | RIMS | Direct Channel Holdings (Host Employer) |
| 6 | Digital Solutions | i-fundi | i-fundi | Digital Solutions (Host Employer) |
| 7 | Direct Axis | Contact Centre Dynamics | Contact Centre Dynamics | Direct Axis (Host Employer) |
| 8 | Direct Channel Holdings | Direct Academy | i-fundi | Direct Holdings (Host Employer) |
| 9 | TL Consulting | Empilweni Management Solutions (Later Withdrew) | TL Consulting | Innovation (Host Employer) |
| 10 | eThekwini Municipality | Empilweni Management Solutions (Later Withdrew) | TL Consulting | EThekwini Municipality (Host Employer) |
| 11 | First Rand | First Rand | People Solutions | First Rand (Wesbank & Card Division) (Host Employer) |
| 12 | Kelly | Kelly | People Solutions | Kelly (Lead Employer) |
| 13 | Matlejoane Staffing Solutions | Matlejoane Staffing Solutions | i-fundi | Matlejoane (Lead Employer) |
| 14 | RIMS | Deloitte | RIMS | RIMS (Lead Employer) |
| 15 | Credit Management Solutions | CMS/MBD | Mind The Gap | CMS (Host Employer) |
| 16 | Quest/Channel life | Quest | Learnsys | Quest (Lead Employer) |
| 17 | Quest Medscheme | Quest | CCX | Quest (Lead Employer) |
| 18 | SA Post Office | Prodigy | Mind The Gap | CFGRP (Host Employer) |
| 19 | Teletech | Teletech | Contact Centre Dynamics | Teletech (Host Employer) |
| **Total** | **17** | **14** | **9** | **15** |

The totals at the bottom of the table show that there were a total of 17 consortia consisting of 14 recruiters (this is the consortia member that did the recruitment of learners. This consortia member could have been an employer, a training provision company or a company specialising in recruitment and placements), 9 training providers and 15 employers.

### 4.2.2 Consortium Leadership

The Request for Proposals (RFP) specified that the invitation was extended to employers, in partnership with accredited training providers and recruiters, to submit proposals for the funding of the training of entry-level people for the BPO&O sector.
The project design was intended to pilot an employer-led consortium model for talent development in the BPO&O sector.

A requirement stemming from the Business Trust/Jobco Contract Agreement document was that consortia should consist of:

- *an employer* to act as the signatory to the BT/Jobco contract, lead the consortium and provide on-the-job experience to learners.

- *a recruiter* to place learners who were able to complete the training programme and obtained the required credits; and
- *an accredited training provider* to train, assess and moderate the training of the learners.

The lead (signatory) members of the 17 participating consortia can be categorised into 7 distinct groups as follows:

i. training providers X 2;
ii. recruiter X 1;
iii. host employers X 6;
iv. specialised staffing solutions agencies X 4;
v. municipality X 1;
vi. international investor X 1; and
vii. Two consortia administered by companies not involved in the core consortium roles of recruitment, training provision or employment. These companies were appointed to provide primarily project management and administrative support to their respective consortia.

**Table 7: Lead (Signatory) Member in Each Category**

| Categories/Groups of Lead (Signatory) Consortia Members | | | | | | |
|---|---|---|---|---|---|---|
| Training Providers | Recruiters | Employers | Specialised Staffing Solutions | Local Government /Municipality | Off shoring International Investor | Project Managers |
| TL Consulting | Deloitte | Blake Holdings | Kelly | eThekwini | TeleTech | Prodigy/ |
| RIMS | | Digital Solutions | Quest | | | Lankon/CMS |
| | | Direct Axis | Matlejoane | | | |
| | | Direct Channel Holdings | Capital Outsourcing | | | |
| | | First Rand | | | | |
| | | Direct Axis | | | | |
| 2 | 1 | 6 | 4 | 1 | 1 | 2 |

The table shows that the majority of consortia were led by employer members followed by staffing solutions companies who, in most cases, also acted as lead employers in the programme.

The in-depth interviews conducted with consortium members sought to establish what the actual role was that was played by the organisation that assumed the role of being a lead (signatory) member; to ascertain which consortium members acted as signatories to the Business Trust/Jobco contract; and which consortium member played the administrative and project management role.

The evaluation found that in some cases, consortium members had organised themselves as follows:

i. At contract signatory level as per the RFP and BT/Jobco contract agreement, one consortium member took the lead, and the name of that member was used by the Monyetla project office to refer to that consortium ; and
ii. At the project management and administration level, a different consortium member would play the role of project manager and would manage the day-to-day delivery of the project.

Table 7 shows that lead members at the contract signatory level comprised of:

- 6 Host employers,
- 4 Lead employers (with 1 lead employer representing 2 consortia),
- 2 Training Providers (with 1Training Provider representing 2 consortia),
- 2 Project Managers that were neither recruiters, employers nor training providers, but provided project management support to the consortia, and
- 1 recruiter.

Lead members who also operated at the project management and administration level of work comprised of
- 2 Host employers;
- 2 Lead employers (with 1 lead employer representing 2 consortia);
- 3 training providers (with 2 training provider representing 3 consortia and the other training provider representing 2 consortia),
- 1 recruitment agency representing 2 consortia; and
- 2 project managers.

**Table 8: Consortia Leadership and Roles that Other Members Played**

| No. | Name of Consortia | Lead Member/Signatory | Project Management & Administration |
|---|---|---|---|
| 1 | Blake Holdings | Blake Holdings (Host Employer) | People Solutions (Training Provider) |
| 2 | Call Centre Nucleus | Withdrawn | |
| 3 | Capital Outsourcing Group | Capital Outsourcing Group (Lead employer) | Capital Outsourcing Group (Lead employer) |
| 4 | Coega Development | Contract Cancelled | |
| 5 | Deloitte | Deloitte (Recruitment) | Deloitte (Recruitment) |
| 6 | Digital Solutions | Digital Solutions (Host employer) | i-fundi (Training provider) |
| 7 | Direct Axis | Direct Axis (Host employer) | Direct Axis (Host employer) |
| 8 | Direct Channel Holdings | Direct Channel Holdings (Host employer) | i-fundi (Training provider) |
| 9 | TL Consulting | TL Consulting (Training provider) | TL Consulting (Training provider) |
| 10 | eThekwini Municipality | TL Consulting (Training provider) | TL Consulting (Training provider) |
| 11 | First Rand | First Rand (Host employer) | People Solutions (Training provider) |
| 12 | Kelly | Kelly (Lead employer) | People Solutions (Training provider) |
| 13 | Matlejoane Staffing Solutions | Metlajoane Staffing Solutions (Lead employer) | i-fundi (Training provider) |
| 14 | RIMS | RIMS (Training provider) | Deloitte (Recruitment) |
| 15 | Credit Management Solutions | Lankon (Project managers) | Lankon (Project managers) |
| 16 | Quest/Channel Life | Quest (Lead Employer) | Quest (Lead Employer) |
| 17 | Quest Medscheme | Quest (Lead employer) | Quest (Lead employer) |
| 18 | SA Post Office | Prodigy (Project managers) | Prodigy (Project managers) |
| 19 | TeleTech | TeleTech (Host employer) | TeleTech (Host employer) |

Table 8 shows that;
- Four out of five consortia that recruited through signatory lead members were either host or lead employers.
- In three out of the five cases, the training provider was People Solutions. People Solutions also provided consortia leadership and performed project management and administration in all the consortia that it participated in.

- In three out of the five cases, learners were recruited from in-house databases. These databases had already conducted a level of pre-screening.

The interview with People Solutions revealed that the training provider was au fait with the project. It communicated a deep understanding of the learnership and also placed a heavy emphasis on the need to support learners to ensure that the transition from the learnership to work readiness was easier. The observation that it represented multiple consortia, both in Gauteng and KwaZulu Natal, also reflects its experience and reputation in the sector.

Evaluation of the data shows that 65% of consortia were led by employer companies that signed the contract agreement with the Monyetla project office, and only 29% had employers playing an administrative and project management role. On the other hand, 18% of consortia were led by training provider companies, and 47% of the training providers played an administrative and project management role. Two consortia (12%) had members who were not employers, recruiters or training providers, but played a purely project management role.

An interesting case worth mentioning is that of the two members who led the Credit Management Solutions and South African Post office consortiums. These two companies, Lankon and Prodigy respectively played leading roles in these consortia as contract signatories and also as administrators and project managers. Lankon did not get involved in the recruitment, employment or training of learners, while Prodigy, which is not a recruitment company, stepped in to do the recruitment of learners. The impact of these 'additional' consortium members is analysed later in the report.

The withdrawal of the Call Centre Nucleus consortia left TeleTech as the only offshore investor that participated in the programme. Call Centre Nucleus's rationale for withdrawing, as it turned out, was in sharp contrast to the results achieved by Teletech.

The insert below illustrates the TeleTech experience of the Monyetla programme. TeleTech was chosen for this illustration because:
- it is a new international player in the South African call centre market;
- it is the only off shoring employer in the project; and
- it achieved success by participating in the model.

**Insert 1: The TeleTech Experience**

| **"Offshoring International Investor" The TeleTech Experience of Monyetla** |
|---|
| Teletech is a new investor in the South African BPO&O sector operating in Cape Town. It is a global BPO&O company operating in Europe and the United States, and off shores BPO&O services from these countries.<br><br>The company is relatively new in South Africa but has already experienced phenomenal growth, and is, according to Luke Mills, its CEO, currently the largest offshoring company/investor in South Africa,<br><br>The company employs 220 people and aims to employ a further 7,000 that will drive investment of up to R300 million in the country over the next 3 -5 years. TeleTech has already begun expanding its premises in Cape Town to prepare for this growth.<br><br>The company relies on grants from the Monyetla programme and also explores other avenues drive its expansion. Mills said that the Monyetla grants were key to the success of the company and "if not for the grants, we wouldn't be able to hire so many unemployed people".<br><br>Participation in the Monyetla programme has seen TeleTech being awarded a total of 422 learners in 6 different intakes. The company achieved an 87% success rate in terms of learners found competent and placed all of them (100%) in employment, and also trained 170 supervisors at an average ratio of 1:2 for all its intakes. Some of these supervisors were trained from the Monyetla intake of learners.<br><br>In the mid- to long-term, the company plans to provide its own training by launching "Teletech University". |

### 4.2.3 Provincial Spread

The Monyetla programme consisted of 17 consortia spread across Gauteng, KwaZulu Natal and Western Cape. The table below illustrates the provincial spread of the programme. The Monyetla provincial spread closely resembles the current spread of call centre activity in the country.

Coega Development Corporation, a government-owned parastatal, would have represented the Eastern Cape had its contract not been rescinded by the Monyetla programme adjudication panel.

**Table 9: Provincial Spread of Monyetla Programme**

| Province | Current Spread of Call Centre Activity | Original Monyetla Allocation | Current Monyetla Allocation |
|---|---|---|---|
| Gauteng | 63% | 61% | 54.9% |
| KZN | 10% | 15% | 17.7% |
| Western Cape | 16% | 13% | 27.4% |
| Other (incl. Eastern Cape) | 11% | 11% | 0% |

## 4.3 Training of Unemployed Learners

### 4.3.1 Recruitment Process and Methodology

Newspapers, internal databases of recruiters and community outreach processes were the predominant communication and advertising tools used by consortia to identify and target learners for the Monyetla programme.
- Thirty five percent (35%) of consortia representing the four participating specialist recruitment agencies and one host employer made use of internal databases to identify and recruit learners.
- Twenty nine percent (29%) advertised in daily newspapers and this method was mostly used by host employers.
- Twelve percent (12%) advertised in community newspapers and also handed out brochures in areas in which the targeted learners were likely to be found. This was the method of advertising used by consortia in the Western Cape.

Recruiters in the Western Cape had difficulties in targeting and identifying learners who suited the profile required by the Monyetla programme and resorted to handing out fliers at train stations. The methods of advertising in community newspapers and direct marketing in township communities achieved better results, particularly in respect of recruitment in poorer communities of people with matric certification and limited or no working experience.
This perhaps shows that learners from these communities either do not have the means to approach placement agencies for assistance or that they are not aware that such services are available.

Other recruitment methods, particularly the use of internal placement agency databases, resulted in a higher incidence of people with previous call centre experience being recruited.

Generally, the methodologies used for the selection of learners were predominantly similar across most consortia. Typically, after the screening of CVs, the following processes were carried out:
- Short listing of candidates from CVs
- Telephonic interviews and further short listing
- Numeracy and literacy tests, including computer-based assessments, administered to short-listed candidates
- Face-to-face interviews with short listed candidates
- Final selection.

Consortia used different selection tools as listed below:
- SPEEX

- Select SACS
- Quizes
- Shadow Match
- Other in-house selection tools.

From discussions with consortium members, it was clear that the tools were designed to test various aptitudes required for work in a call centre environment, with each tool placing more emphasis on particular aptitudes than other tools, depending on what aptitudes particular companies emphasise for their operations.

### 4.3.2   Involvement of Employers in the Selection Process

All lead and host employers in the programme were involved in the selection of learners with only one exception. In some cases, the entire process was handled by the employer, using either an in-house or proprietary tool. In other cases, the recruitment was done either by a recruiter or training provider and the employer was presented with a screened and short listed group of learners to interview for final selection.

Both these approaches were said to increase employer commitment to the learners as prospective employees. The employer checks for "company culture fit" and other criteria identified as likely to ensure a good hire. The employer also feels responsible for making the final decision, and is more likely to take on the learners at the end of the learning process.

### 4.3.3   The Quality Management System (QMS)

The approach to quality assurance of the Monyetla programme is of a developmental, supportive and challenging nature that ensures that all the roleplayers find themselves richer and stronger and better prepared for similar programmes.

- **Developmental:** the approach acknowledges that training for the BPO sector is still at an early stage in South Africa and that both employers and training providers are gaining experience in training with every group of learners they train and employ. The Monyetla monitors' role was to assist employers and providers to maximize learning opportunities during the course of the project.
- **Supportive**: the Monyetla monitors supported employers and providers in trying to improve implementation approaches, solve problems and train more effectively.
- **Challenging**: the Monyetla monitors challenged employers and providers on issues which either failed to comply with quality assurance requirements or which fell short of the desired standards.

In summary, the approach is about ensuring continuous quality improvement in each consortium and in training in the sector more generally. All procedures are planned to be reviewed annually and changes will be recorded, communicated to the role players, and then implemented.

All members of consortia that were interviewed mentioned the importance of developing and maintaining high quality standards and were satisfied with the quality management system of the programme. Special mention was made by all consortia interviewed that the well-documented QMS communicated through the circulars was very helpful for them in understanding exactly what they had to do, how and to what level of quality. There was no ambiguity as to what the required levels of quality for the programme were and the monitors' approach to site visits was complimented particularly in terms of the preparation that providers and employers had to do before the site visits. Again, they said that the two-week notice period gave them time to prepare and the developmental, non-policing approach added more value to the site visits.

### 4.3.4 Accreditation and Quality of Training

A condition for participation in the Monyetla programme was the requirement that all training providers be SETA-accredited. The evaluation process however, sought to establish current attitudes and practices of companies in the sector with regards to accreditation.

Seventy six percent (76%) of training providers interviewed indicated that companies in the sector insisted on training providers being accredited before they would make use of them. Twenty four percent (24%) indicated that only government departments insisted on accredited training providers. But these 24% also said that with some private companies this varied depending on the reputation of the training provider, and also based on prior and good business relationships.

All the training providers believed that having SETA-accreditation was most advantageous because it provides them access to SETA-funded learners, maintains industry standards and adds value to learners by ensuring that they get an accredited qualification. They also pointed out that SETA accreditation reduces the incidence of fly-by-night trainers entering the sector and exploiting learners.

The issue of the portability of SETA accredited qualifications within the context of the South Africa contact centre industry seems to play a major role in the advocacy for SETA accreditation. Placement agencies and lead employers pointed out that their databases are flooded with unemployed learners who have had training that is not SETA accredited or recognised, but is however marketed as being internationally recognised. These learners were often difficult to place. They stated that local companies are more interested in recruiting learners who have a SETA-compliant qualification.

Training providers also said that there were no unique differences in learnership curriculum and quality standards among different training providers, because the content had to be approved by SETAs and invariably ended up being similar.

The accreditation of training providers by relevant SETAs is therefore seen as important to maintaining industry standards and ensuring that learners benefit from a qualification that is recognised by different companies and that learners can use to market themselves in companies operating in the services sector generally.

### 4.3.5 Quality of Learners

The minimum requirement for employment set by 67% of employers interviewed was previous call centre experience. Thirteen percent (13%) of training providers said they required passion and 7% stated that it varied from client to client; however, all the training providers said that most clients were looking for previous call centre experience.

All employers and recruiters said that previous call centre experience is usually a requirement in outbound environments, and the majority of employers who indicated that this was a requirement either dealt exclusively in outbound or both inbound and outbound services. The evaluation found that the outbound environment, especially sales, as opposed to debt collection, placed a heavy emotional burden on new agents, and that most left employment of their own volition because they could not withstand the pressure in outbound environments. An example of how the outbound environment impacted on entry-level learners with no prior experience is highlighted in the Medscheme insert below.

**Insert 2: The Medscheme Experience**

| The Medscheme Experience |
| --- |
| Medscheme started a new outbound insurance business unit and placed 46 Monyetla learners in that unit. Kevin Pillay, the head of business development in the Call Centre sales department indicated that of the 46 learners from the Monyetla programme who were initially offered temporary positions at Medscheme's call centre, only 6 currently remain. |

Pillay indicated that 10 of the agents resigned of their own free will and 30 had to be dismissed due to inability to meet sales targets. He indicated that a number of factors had led to Medscheme's failure to achieve a better retention rate. Among these are;
- The business unit is still new and needs experienced agents to get it going.
- In outbound sales, agents are measured against results and a new business cannot afford to keep underperforming agents.
- Learners who were placed with Medscheme had only undergone simulation training and once exposed to the real thing felt overwhelmed.
- The learnership does not prepare recruits for in-depth product knowledge, and in situations where clients knew more about the product than the agent, the agent would be unable to effectively deal with the client.
- There were no support structures provided for agents placed with Medscheme by the lead employer and this made the environment hostile to the agents.

Pillay further stated that the absenteeism rate for agents during the first week was very high because agents expressed fear of dealing with irate clients. Most learners indicated that they thought the experience would be fun and had not been prepared for the reality. Pillay was adamant that learners destined for outbound sales needed at least 12 to 18 months of training.

A few lessons can be learnt from the Medscheme experience:
- Entry-level agents should not be placed in an outbound environment until they have been in a work environment for some time;
- The outbound environment requires a certain type of personality and agents must be carefully selected;
- The Monyetla programme should make it a point to place learners in established centres in which on-site coaching and support is available;
- It is important for employers to ensure that new agents are thoroughly familiar with the product before setting them loose in the call centre. Learnerships do no teach product knowledge;
- Medscheme did not have a full understanding of what Monyetla was about, the merits of the programme and what it sought to achieve. This respondent even recommended that in future, there should be a thorough briefing session of all consortium members about the programme before members start with implementation.

Another finding was that host employers tended to be more comfortable with learners to whom lead employers played a supportive role. This was done by placing support teams in the call centre to deal with agents' problems, queries and any HR issues. This was particularly true in cases where there was a strong and long-founded relationship between the host and lead employer. This relationship influenced the chances of learners being placed with host employers by lead employers.

A Monyetla experience that illustrates this is the Matlejoane Staffing Consortia which is discussed in the following insert:

**Insert 3: The Matlejoane Staffing Experience**

| The Matlejoane Staffing Experience |
|---|
| Matlejoane Staffing Solutions, a specialist placement agency partnered with Multichoice South Africa, a host employer in that consortium. Matlejoane recruited learners from an in-house database and selected qualifying candidates using an in-house computer based assessment called Quiz. |
| |
| Multichoice was involved in the final selection of the learners. The Learners who were subsequently recruited for the programme were those who exhibited high levels of passion as opposed to skill. |
| |
| Multichoice awarded contracts to 100% of the learners who completed the skills programme. Key to the high placement rate was that: |
| • The learner group consisted of 60 learners. |
| • Multichoice was involved in the final recruitment of learners. |
| • Matlejoane and Multichoice have a business history going back several years. |
| • Initially when the agents were 'temps' contracted to Matlejoane, the staffing provider Matlejoane had support staff working on site at Multichoice. These support staff dealt with performance management and discipline issues. The learners were contracted to Matlejoane until such a time that Multichoice saw it fit to recruit them and offer them contracts. |
| • Learners showed high levels of passion and motivation. |
| |
| Mr Earl Van Rooyen, the Managing Director of Matlejoane, also mentioned that Multichoice saw the programme as a social responsibility initiative in contrast to seeing the learners as cheap labour. Van Rooyen further added that host employers needed to be educated about the role of development in the Call Centre industry and the benefits that could be harnessed by participants in programmes such as Monyetla. He concluded that had Multichoice not been Matlejoane's host employer, the latter would not have participated in the project and would not want to participate in future. |

Eighty percent (80%) of employers indicated that they had obtained agents of good calibre, while only 20% indicated that the learners were below standard. Some employers said they had adapted the usually robust entry requirements to ensure that the learners were given a chance to get workplace experience.

Thirty three percent (33%) of employers felt that learners with tertiary education and those with just a Grade 12 tended to perform on the same level, while 27% stated that learners with just a Matric tended to perform better. In contrast, 13% stated that those with tertiary education tended to perform better, while 27% of employers felt that agents with some tertiary education tended to perform better at earlier stages but quickly became complacent. Learners with just a Matric were said to pick up performance as time went on and as a result had more to offer in the long run because of a heightened sense of commitment in comparison to tertiary learners.

The majority of employers indicated that they had not yet measured the impact Monyetla agents had on the workplace, but employers in the Western Cape indicated that the learners had brought to the workplace a positive competitive behaviour and had set the pace for delivery.

### 4.3.6  Completions

As at 31 December 2008, all the consortia had completed their Monyetla allocated intake.

As a result of money from the VAT surplus and a ruling by SARS that VAT would not be payable on the DoL learnership grant, up to 154 additional places became available. Further, the withdrawal of Coega and the Call Centre Nucleus consortia led to more places being open for recycling learners. Consortia receiving the surplus and recycled learners had to initiate the training in different waves.

The experience of the South African Post Office consortium and its achievement of a 100% completion rate, is discussed in the insert below:

**Insert 4: The South African Post Office Experience**

| The S A Post Office Experience |
|---|
| The project leader for this consortium was Prodigy, which played an outstanding and exemplary role in the areas of project management and administration. It also conducted learner recruitment though it is not a specialist in this area.<br><br> Prodigy 'went the extra mile' to ensure that contract stipulations were adhered to and it was deeply involved in the project from proposal formulation to conclusion. It was also the only member of the consortium to have a 100% completion rate and 100% of learners undergo the full learnership. |

From the analysis, it seems plausible that the successful completion rates were a result of the following:

- Employer participation at recruitment stage;
- A blend of excellent project management that included learner support, planning and coordination;
- Training provider experience; and
- Pre-screened in-house database recruitment.

**Table 10: Top Completion Rates 90%+**

| No. | Consortia | Recruiter | Training Provider | Recruitment Method | Completion Rate |
|---|---|---|---|---|---|
| 1 | EThekwini Municipality | (Host Employer/Self Recruiter) | TL Consulting | Database | 95% |
| 11 | First Rand | First Rand (Host Employer/Self Recruiter) | People Solutions | Newspaper | 94.4% |
| 12 | Kelly | Kelly (Lead Employer/Self Recruiter) | People Solutions | Database | 91.5% |
| 13 | Matlejoane Staffing Solutions | Matlejoane (Lead Employer/Self Recruiter) | i-fundi | Database | 96.7% |
| 18 | SA Post Office | Prodigy/Project Manager | Mind The Gap | Communities | 100% |

Successful completion rates for the skills programme ranged from 75% to 100%. The table below shows the completion rates and placement rates of the various consortia.

*Please refer to the following tables for information pertaining to completion, placement, supervisor training and full learnerships*

**Table 11: Completion Rates and Placements**

| No. | Consortium Name | Training Status | No. of learners allocated | No. of learners actually started | No. of learners completed learning successfully | No. of learners completed learning successfully and employed | Total No. of Learners Employed | No. of learners successful in learning but not employed | No. of learners not successful in the learning | % successful | % employed | No. of supervisors trained | GP | KZN | WC | Full Learnership |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Blake Holdings | Completed | 59 | 59 | 52 | 39 | 39 | 13 | 7 | 88.1% | 75% | 18 | 0 | 59 | 0 | 0 |
| 3 | Capital Outsourcing Gp | Completed | 45 | 45 | 34 | 25 | 25 | 9 | 11 | 75.6% | 73.5% | 8 | 0 | 45 | 0 | 34 |
| 5 | Deloitte | Completed | 45 | 45 | 38 | 23 | 23 | 15 | 7 | 84.4% | 60.5% | 10 | 45 | 0 | 0 | 0 |
| 6 | Digital Solutions | Completed | 70 | 70 | 57 | 49 | 49 | 8 | 13 | 81.4% | 85.9% | 11 | 70 | 0 | 0 | 0 |
| 7 | Direct Axis | Completed | 39 | 36 | 31 | 31 | 31 | 0 | 5 | 86.1% | 100% | 17 | 0 | 0 | 39 | 0 |
| 8 | Direct Channel Holdings | Completed | 40 | 40 | 32 | 23 | 23 | 9 | 8 | 80% | 71.9% | 7 | 40 | 0 | 0 | 0 |
| 9 | TL Consulting | Completed | 40 | 40 | 30 | 25 | 25 | 5 | 10 | 75% | 83.3% | 7 | 40 | 0 | 0 | 0 |
| 10 | EThekwini Municipality | Completed | 120 | 120 | 114 | 97 | 97 | 17 | 6 | 95% | 85.1% | 16 | 0 | 120 | 0 | 0 |
| 11 | First Rand | Completed | 54 | 54 | 51 | 50 | 50 | 1 | 3 | 94.4% | 98% | 30 | 54 | 0 | 0 | 0 |
| 12 | Kelly | Completed | 47 | 47 | 43 | 31 | 31 | 12 | 4 | 91.5% | 72.1% | 8 | 47 | 0 | 0 | 0 |
| 13 | Matlejoane Staffing | Completed | 60 | 60 | 58 | 58 | 59 | 0 | 2 | 96.7% | 101.7% | 12 | 60 | 0 | 0 | 0 |
| 14 | RIMS | Completed | 45 | 45 | 36 | 35 | 36 | 1 | 9 | 80% | 100% | 0 | 45 | 0 | 0 | 0 |
| 15 | CMS | Completed | 60 | 60 | 45 | 45 | 45 | 0 | 15 | 75% | 100% | 10 | 38 | 0 | 22 | 14 |
| 16 | Quest/Channel Life | Completed | 30 | 30 | 23 | 23 | 23 | 0 | 7 | 76.7% | 100% | 10 | 30 | 0 | 0 | 0 |
| 17 | Quest (Medscheme) | Completed | 49 | 49 | 31 | 31 | 36 | 0 | 18 | 63.3% | 116.1% | 11 | 49 | 0 | 0 | 0 |
| 18 | SA Post Office | Completed | 100 | 100 | 100 | 70 | 70 | 30 | 0 | 100% | 70% | 23 | 100 | 0 | 0 | 100 |
| 19 | Teletech | Completed | 422 | 407 | 354 | 354 | 354 | 0 | 53 | 87% | 100% | 170 | 0 | 0 | 422 | 0 |
| | **TOTALS** | | **1325** | **1307** | **1129** | **1009** | **1016** | **120** | **178** | **86.4%** | **89.99%** | **368** | **618** | **224** | **483** | **148** |

41

### 4.3.7 Placement Rates

A key requirement of the Monyetla programme stemming from objective 3 of the RFP was:

- *To ensure the placement of 70% of learners in employment on completion of the skills programme.*

Consultations with employers confirmed the need for entry-level talent and a willingness to absorb properly trained entrants into the workplace. The Monyetla programme is designed to support a rapidly expanding sector which, among other things, will benefit from enhanced government assistance and an expanded international marketing drive.

Placement rates for consortia that had completed the project and closed out ranged from 70% to 100%, well within the placement target with only one consortia not being able to achieve the 70% and managing to place 60.5% of its learners. At the time of writing the overall employment figure stands at 89.99%, which is 19.99% above the minimum percentage required.

Table 11 shows that 41% of consortia managed to post a 100% placement rate. It also reveals that all these consortia were led by employers, 71% were led by host employers and the remaining 29% by lead employers. From this we can conclude that employer-led consortia enjoyed the highest placement rates with consortia that had host employers performing better than those with lead employers.

One consortium that also managed to place 100% of its learners was led by a project manager.

What Table 11 also shows is the important role that training providers play as lead members, particularly from a project management and administration perspective, whereby all the consortia that achieved more than 80% placement rates had training providers assuming a project management and administration role:

- One hundred percent of consortia that placed over 80% of learners had training providers playing a project management and administrative role.

The significance of training providers playing a lead role from an administrative and project management perspective was raised by 56% of training providers and 27% of the employers in various statements:

i. "Training providers have the most to lose (financially) if the learnership is not a success"
ii. "Training providers should be playing an administrative and project management role as this is their core competence and not of employers, whose main worry is to find good workers to enhance business productivity".

It was found that in most instances, training providers initiated the consortium's approach to other parties, mainly because of the attractive training fee/grant/subsidy. In a number of instances, the training providers were instrumental in convincing employers to participate in the project based on three value propositions;

- "Participation in the programme as a social responsibility initiative"
- "A fresh, passionate and motivated labour pool , comprised of people who have been put through an accredited skills programme and exposed to the company's way of doing business"
- "To meet the expanding demand for trained call centre agents."

While the Monyetla programme was designed to be employer led and formulated to ensure that employers were in the driver's seat and that placement objectives were met, evidence points to training providers managing and administrating consortia internally to achieve programme objectives. Training providers were also the prime recipients of the learnership grant and would have had a primary interest in ensuring placement to guarantee the payout of second tranches.

**Table 12: The "100% Club" Placement Rates**

| No. | Consortia | Recruiter | Training Provider | Lead Member/Signatory | Lead Member Project Management & Administration | Placement Rate |
|-----|-----------|-----------|-------------------|----------------------|------------------------------------------------|----------------|
| 7 | Direct Axis | Contact Centre Dynamics | Contact Centre Dynamics | Direct Axis (Host Employer) | Direct Axis (Host Employer) | 100% |
| 13 | Matlejoane Staffing Solutions | Matlejoane | i-fundi | Matlejoane (Lead Employer) | i-fundi (Training Provider) | 101.7% |
| 14 | RIMS | Deloitte | RIMS | RIMS (Lead Employer) | RIMS (Lead Employer) | 100% |
| 15 | CMS | CMS | Mind The Gap | CMS (Host Employer) | Lankon (Project Managers) | 100% |
| 16 | Quest Channel Life | Quest | CCX | Quest (Lead Employer) | Quest (Lead Employer) | 100% |
| 17 | Quest (Medscheme) | Quest | CCX | Quest (Lead Employer) | Quest (Lead Employer) | 116.1% |
| 17 | TeleTech | TeleTech | Contact Centre Dynamics | TeleTech (Host Employer) | TeleTech (Host Employer) | 100% |

Employers were questioned regarding the nature of employment that they had offered learners. In the majority of cases it was indicated that in the three months preceding project closure, most of the learners would be working on a temporary contract. Reviews would be conducted after these 3 months and longer-term contracts would be given to performing agents. Employers indicated that short-term employment contracts are the norm, especially in the outbound sector, and are subject to regular reviews. This was mainly as a result of the volatile nature and dynamics of targets, which if not met could lead to a contract being terminated. Employers in this sector saw short-term contracts as a way of legally safeguarding themselves.

### 4.3.8  Learner Demographics

Most of the profile criteria for targeted beneficiaries were met;
- All the learners were unemployed
- Teletech was the only Consortium to include learners without Grade 12; this however adversely impacted on the completion rates of its 3rd wave of learners.
- All the learners were South African citizens
- Over 80% were black, over 66% were women
- Only 1.5% of the learners had disabilities. This did not meet the 4% quota required by the programme or the NSDS.

Whilst the consortia made efforts to accommodate people with disabilities, there was very little interest shown by this target group to the project. In future, the project steering committee or government needs to step in and incentivise disabled people to participate

### 4.3.9  Supervisor and Management Training

A requirement stemming from Objective 4 of the RFP was to ensure the training and development of supervisors and managers:

*"The Monyetla Work Readiness Programme will provide employers with work-ready people developed through an employer-led system at no direct cost to the employer.*

*In order to avoid bottlenecks at the supervisor and manager level, the employers in the programme will be required to provide supervisor, team leader or manager training in a ratio of 1:6. So, for every six entry-level learners trained in the programme the employer will be required to undertake to train one supervisor, team leader or manager.*

*It may be possible to offset the costs of team leader or manager training through the levy grant system operated by the relevant SETA. Employers should contact the relevant SETA to determine how this can be done".*

Seventy-eight percent of the training providers interviewed indicated that training methods for supervisors were similar in inbound and outbound environment. But, 22% of the respondents indicated that the training methods were different because most companies trained supervisors in-house. They said that general leadership training is not just specific to call centres and it varies from company to company depending on several variables, such as the size of the team size, the product or service and the nature of industry.

In most of the cases, supervisors who were trained were linked to host employers. TeleTech however, trained some of its Monyetla learners for supervisory roles and achieved positive results. All consortia that completed the programme and closed out had either met or exceeded the supervisor to learner training ratio of 1:6. Of the total 1,129 learners who completed, 368 supervisors were trained - resulting in a supervisor to learner training ratio of 1:3.

Much of the supervisor training was funded privately because employers indicated that they there was no incentive to try to obtaining Seta funding because it was a lengthy process and in most cases the relevant SETAs had indicated that funding would be granted on a discretionary basis. But, about 28% of consortia persevered and obtained funding from the relevant SETA.

### 4.3.10 Further Training

A requirement stemming from objective 5 of the RFP was to encourage the development of entry-level skills programmes into learnerships:

*Employers responding to this request should indicate how entry-level employees will be enabled to progress from the Monyetla entry-level skills programme to acquire the credits necessary to complete a learnership.*

Only three consortia ensured that learners received the full learnership, with the South African Post Office consortium doing very well in this regard. It ensured that all the learners who had been allocated to them obtained the full learnership regardless of whether or not they were employed by the post office. Consortia 3 and 15 also ensured that all the learners who had successfully completed the skills programme obtained the full learnership. One hundred and forty eight (148) of the learners received a full learnership.

An interesting observation is that Consortia 3 and 18, which provided the full learnership, had two of the lower placement rates in the programme, 73.5% and 70% respectively.

This reflects the importance of ensuring placement while learners are still working through the programme because while some learners received a full learnership, it was still difficult for them to use the full Level 2 learnership to obtain a job outside the Monyetla programme. Further research needs to be conducted to test this preliminary observation. Learners with a full learnership who did not manage to get a job within the Monyetla timeframes would have to be tracked and interviewed to ascertain if, and where they were working, to assess the portability of the full Learnership.

## 4.4    Training Provider Perceptions of the Project

The training providers felt that the relationship between consortium members and the project office was well managed. They all stated that the experience with the project office was a highlight of the process because of the professional business-like approach of the project managers. This most likely contributed to the success of the project. They felt that the project managers from the Business Trust were helpful, pro-active, fostered good communication, were enthusiastic and showed professionalism in their conduct. One consortium however pointed out that there had been some miscommunication about the portfolio of evidence not being provided on one site visit, but this was quickly resolved and did not adversely affect the business relationship.

Training providers were generally happy with the project and indicated that they enjoyed it for various reasons, including its short timeframes, which they said ensured that the experience was memorable and enjoyable. But, the project did have its pitfalls and frustrations. Training providers who led various consortia and dealt with host employers as opposed to lead employers indicated that they were very frustrated with the process of placing learners. They felt that in future, the programme should focus on getting learners work ready - to move from the skills programme to workplace integration - because most learners who had qualified for the half learnership still demonstrated a level of uneasiness about being integrated into the workplace, even after completing the work readiness programme.

The evaluation team is of the view that this is one of the key objectives of Monyetla. Programme learners cannot be expected to come straight from the theoretical training and 'hit the ground running' in the work experience phase. Training providers have to understand that the work readiness aspect of the programme begins when learners get to the call centre for their workplace experience, and not before.

All the training providers indicated that they would definitely participate in the project again because of the success achieved in the placing of learners. They felt that the pilot programme had been a tremendous success and commended the planning that went into it, especially the planning that went into getting learners actively employed at the end of the programme.

## 4.5    Employer Perceptions of the Project

All the employers who had direct interaction with the project office felt that the relationship between the consortium members and the Business Trust was well managed. They stated that they found the project office very supportive, and that the project was managed efficiently. They highlighted that the project's success in training and placing learners was directly attributable to the diligence of the project managers affiliated to the Business Trust.

All the employers interviewed, with the exception of one, indicated that they would participate in another project of this nature due to the success they had experienced in placing the learners. Teletech, which was assigned the largest number of learners indicated that it would continue participating because its business model was aligned to the Monyetla model, and as such it depended on Monyetla and other BPO&O aligned grants because these interventions not only subsidized the training of its recruits, but brought on passionate agents from disadvantaged groups who thrived in the offshoring environment. (*See the Insert on the Teletech Experience*)

Only one employer indicated that it would not participate again citing that the skills levels of the learners was too low to drive their call centre business. The circumstances of the company were not suitable to place inexperienced agents (*See the Insert on the Medscheme Experience*).

Project highlights as stated by employers were;
- the ability to participate in a Corporate Social Investment (CSI) - oriented initiative that produced passionate and motivated agents and could be modified to suit a company's particular business profile and practices.

- the Business Trust project office's commitment to ensuring the project's success through effective communication and the alignment of the project to real needs in the sector.

Project drawbacks communicated emanated from the following;
- Eighty seven percent (87%) of employers complained about the excessive amount of paperwork required by the project office and how this distracted from priority project initiatives. They felt that the project office should in future resort to electronic forms, especially when it came to completing learner agreements.
- Another issue raised by 59% of participants was that learner stipends were very low and in five participating consortia had to be subsidised by host employers.

## 4.6   Evaluation of the Funding Model

### 4.6.1   The Project Budget

The Project budget consisted of two components: The first component was the learnership grant amounting to R17,1 million and intended to fund the training of 1,000 learners. This grant was made available by the DoL and channeled through the National Skills Fund to the Business Trust.

Originally the total amount included VAT at 14% subjected to all line items including stipends. It was later realised that VAT was not enforceable on the stipend line item, thereby yielding funding for an additional 99 places. A ruling by SARS not to enforce VAT on the entire grant yielded another 154 places. A total of 253 places were added to the pool at a net cost of R13,650 VAT per learner at the original budgeted total of R17.1million.

The second component of the programme was the cost of project management, publicity and evaluation. This came to a total cost of R3,025 million and is broken down per line item in Table 13.

**Table 13: Project Management Budget**

| Budget Item | Costs |
|---|---|
| Publicity (video and brochure) | R150,000 |
| Project Management | R2,050,000 |
| Evaluation | R825,000 |
| **Total Cost** | **R3,025,000** |

Evidence shows that a BPO&O work readiness programme tailored to ensure 70% employment rates can be successfully implemented with a budget of R13,650 per learner.

### 4.6.2  Payment of Learner Stipends

Fifty-nine percent (59%) of the consortium signatory lead members indicted that learner stipends were too low and could have been increased by a minimum of R500 per learner, especially considering that learnerships were targeted at people from poor communities and the most impoverished tended to be located far from business hubs making transport costs prohibitive. Five of the host employers had stepped in to increase the learner stipend, with two of them increasing it to R2,500, and three increasing it to R1,500.

The majority of training providers who were tasked with disbursing learner stipends stated that these were paid on time. Learner stipends were considered a priority again because most of the learners came from poor communities and the learnership would have been characterised by high absenteeism had stipends not been paid on time.

Only one consortium indicated that stipend payments had been a challenge at the beginning of the programme, with the lead signatory member having to step in to cover stipend payments because

the training provider had not paid them on time. The training provider indicated that this had been due to teething problems and loadshedding, but had however rectified the problem ensuring that the programme was concluded successfully. The issue of payments, however, resulted in a rift in the relationship between the lead employer and the training provider with the lead employer indicating that it would not engage with the training provider in future. Though this was an isolated incident, it highlights how relationships can breakdown and potentially jeopardise project outcomes.

### 4.6.3 Payments to Consortium Members

In 35% of the consortia, training providers or project managers invoiced the Monyetla project office directly, while the remaining 65% invoiced through the lead employer. Only one consortium felt that all parties involved in the consortium should be paid directly from the project office. The rest felt that centralised payments were fair and should be maintained for future rollouts. They were particularly satisfied with the rapid payments made by Business Trust, effectively within three days of invoicing. Internal payments among Consortia members averaged seven days from date of invoice but no causes of concern around this were raised by the majority of stakeholders.

## 4.7 Additional Comments on the Findings

### 4.7.1 Project Governance

The evaluation found that the implementation of the project and the adjudication of the various processes was managed by an Adjudication Panel. The Adjudication Panel included representation from the Departments of Labour and Trade and Industry, the Business Trust and the BPeSA, and in February 2008, representation from Umsobomvu Youth Fund (UYF) was added. The Adjudication Panel met quarterly to review project progress and make recommendations on issues as they arose.

A number of points came out of the evaluation

i. The programme was thoroughly researched and all the issues well understood before there was any attempt at implementing programmes. This process lasted for a period of about three years.

ii. The partnership between the DoL, the dti, the Business Trust and the private sector (initially through SACCCOM and later through BPeSA) worked very well. The partnership was established almost 18 months before the start of the Monyetla Programme and worked throughout the implementation of the programme. The momentum of participation from these organisations continued throughout the programmes.

iii. In probing this issue, the evaluation found that a major factor that contributed to this continued momentum of participation was that the organisations that participated in the programme were represented by competent individuals who were dedicated to the success of the programme and followed all procedures according to what was on the original plans.

iv. There was a very high standard of Project Management throughout the implementation of the programme. The project managers documented all the processes of the project and communicated these to all members of consortia through regular Circulars (which proved very popular with all Consortia).

v. There was also a well-documented quality management system and processes that were also communicated to Consortia through the Circulars and that kept the quality standards of the project at the required levels. This quality management system also included regular visits by the project managers to all project implementation sites. These visits were meant to ensure that the project was being delivered according to the agreed quality standards and that all participating consortia were operating according to agreed quality standards. There were three (3) QMS visits to consortia throughout the project.

- First visit – check of project progress and verification of learner participation and numbers, quality and standard of material, etc.

- Second visit – Verification of PoEs
- Third visit – project closure and final check on whether all contractual stipulations were met. A consortium checklist and payment request form had to be completed which checked for the following:
  - Internal moderation of PoE
  - External moderation of PoE
  - Number of learners allocated
  - Number of learners dropped out
  - Number of learners replaced
  - Number who gained 60 credits (3 month employment)
  - Number who gained 54 credits (6 month employment)
  - Evidence of NLRD upload
  - 70% placed in employment
  - Supervisors trained in ratio of 6 Monyetla learners:1 Supervisor

# 5 CONCLUSIONS

## 5.1 Project Management (Project Office) Evaluation

The Project Office's 'lean and mean' project management approach played a big role in ensuring optimal project rollout and the current success rates achieved. The evaluation found that a passion to see the project succeed, a flat communication structure, pro-activeness, project transparency, quick responses to inquiries, expert project management skills and an acute understanding of the project at ownership and governance level by the Business Trust Project managers instilled confidence into Consortia members and contributed to their passionate involvement and the current success rates.

## 5.2 Project Governance and Stakeholder Partnerships

The partnership between government and the private sector was a big driver of the success of the programme. The will displayed by these important stakeholders demonstrates that partnerships at the strategic level and that demonstrate the necessary leadership for the advancement of the sector play a key role in displaying to potential investors and companies within the sector that the country takes the sector seriously and is willing to put considerable resources into making this happen.

It is important to also mention that the individuals that were delegated by the state and business to implement the programme showed enthusiasm and consistency throughout the project and there was no chop and changing of representatives in the governing structure as well as the Adjudication Panel. This ensured smooth implementation of the project.

## 5.3 Piloting the Employer-Led Consortium

The issue of consortia leadership needs to be more contextualised. Whilst the project office viewed leadership from a signatory perspective, consortia members identified it in a project management and administrative context. The two views brought out different approaches to project implementation and need to be contextualised. There was a higher participation of employers at signatory leadership level at 65%, but this reduced markedly to 29% at project management and administrative level. In contrast there was an 18% participation of training providers at signatory level, and this increased markedly to 47% at project management and administrative levels.

Employer led consortia achieved high placement rates. All the consortia that had a 100% placement rate were employer-led. Of these, 71% were led by host employers and 29% by lead employers. The participation of host employers led to more favourable placement outcomes and this is increased when the host employers play a participatory role in the recruitment of learners.

The participation of training providers that provided administrative and project management services also contributed significantly to successful placements. One hundred percent (100%) of the consortia that achieved more than an 80% placement rate had training providers leading them from a project management and administrative perspective.

The importance of training providers needs to be recognised going forward. This can be done by including them as signatories for the provision of project management and administration services. This role has been shown to be ceded to training providers by contracted employers. By recognising the broader role that training providers could play, it is envisaged that their commitment will be increased significantly thereby giving them an incentive to drive higher placement rates with employers. Training providers are also the focal point of the training provision, and this is because interaction between consortia and the project office was mostly centred on learner issues, particularly around the quality and standard of this training. As a result, they ended up becoming the interface between the project office and consortia and had to see to the project management and administrative issues.

### 5.4 Placement of 70% of learners in employment on completion of the skills programme

Key to the success of the model is the requirement that 70% of learners be placed in employment on completion of the skills programme. The evaluation found that training providers that kept their involvement going with learners in terms of providing them support while they are hosted by employers had the most successful learners that were given longer-term contracts because they employers found them to be the most work-ready after the project's allocated time frames.

The placement of learners currently exceeds the expected 70% benchmark. The programme managed to produce an overall placement rate of 89.99% out of the 1,129 learners that finished the programme and were found to be competent. The current results are positive as 41% of consortia that completed the skills programme posted a 100% placement rate. Employers who had been privy to the recruitment process also posted high placement rates.

Permanent or longer-term placement of learners should have a time limit as the transition period between completing the programme and job placement would mean that learners are sitting around and possibly getting anxious and losing hope. Demand for learners should be primarily based on a need identification to protect learners from the possibility of getting skilled with no employment prospects.

This issue should be examined in light of data relating to portability of the learnership or skills programme. If further research points out that the learnership or skills programme is highly portable then the indication of a higher placement rate would suffice. This would give learners a better chance of seeking employment once they are out of this programme as they would be having a qualification that they can then use to hunt for jobs.

### 5.5 Nature of employment contracts entered into by learners

Most of the learners had entered into 3 month contracts that where subject to review. Inbound call centres and host employer led consortia seem more likely to give learners permanent contracts than outbound call centres and lead employers.

A study needs to be undertaken after a minimal period of 6 months (post-completion) on learner employment to establish the nature of employment contracts entered into, and expectations of learners when entering into contracts. The general perception is that the call centre industry has high attrition rates, and this perception is what could be driving the employers to give short term contracts, and also for agents to be consistently looking elsewhere. It needs to be established as to who drives the attrition, that is; employers or employees. Once established, policy or guidelines can be formulated on how to counter this, so as to seek for stability in the call centre environment. The call centre industry also needs to be marketed in schools as a stable and opportunistic primary career path rather than as a secondary employment option.

### 5.6 Provision of unemployed South Africans with entry level skills to become Contact Centre agents

The model achieved and exceeded its objective of training 1,000 unemployed learners. Learners have a high probability of entering into employment within the Monyetla consortia model after successful completion of the programme, and the placement rates currently stand at 89.99%. Learners who are not employed within the Monyetla programme need to be tracked to ascertain if they indeed are able to find employment in the BPO&O sector or elsewhere in the service sector of the economy.

The programme needs to differentiate and categorise between Inbound and Outbound debt collection, outbound sales and offshoring, as the skills requirements have been shown to be sufficiently different for each of these fields. The distinction will impact on the entry requirements of both categories. It was revealed that this programme in particular was highly suitable for the Inbound

and Outbound debt collection environment and to a lesser degree offshoring. Outbound sales require a higher degree of skill and possibly some previous call centre experience (without necessarily having a call centre qualification). The entry requirements can then be adjusted and categorised accordingly to reflect market demands and be used to increase employer participation.

Learners who are not employed within the Monyetla programme need to be tracked to ascertain if they find employment in the BPO&O sector or elsewhere. This study should be conducted within 6-9 months of programme completion.

### 5.7 Enabling successful learners to enrol in the Contact Centre Level 2 Learnership.

Employers have been slow to heed to the call of obtaining further learnerships for learners. This is mainly because it is not a mandatory requirement of the Monyetla programme and entails either applying for funding from relevant SETAs or privately funding the initiative. Obtaining SETA funding can be a lengthy process and only 3 consortia obtained a full learnership for their learners with funding being accessed from relevant SETAs. There is however no indication that obtaining the full learnership can increase employment opportunities as 2 of the 3 consortia (Consortia 3 &18) that did the full learnership had lower placement rates on average.

The full learnership should be made mandatory for all employers that place learners on a mid- to longer-term employment contract, considering that learners who do not get employed can possibly end up with no other means of accessing that learnership. The dti/Business Trust/BPeSA partnership can facilitate on behalf of consortia with relevant SETAs to speed up the process of obtaining funding.

### 5.8 Development of one home-grown supervisor for every six Monyetla learners

The supervisor training initiative had been adhered to and proved to be very successful. The current supervisor learner ratio stands at 1:3 surpassing the intended ratio of 1:6. In 72% of the cases funding had been provided by the employer. Whilst most of the Consortia had initially attempted to obtain funding through the relevant SETA, only 28% of the consortia had managed to use this route.

Supervisors who were trained for the programme were all accessed from the host employers with the exception of Teletech which accessed some of its supervisors from the programme. Accessing agents from the host employer resulted in a heightened interest by the Employer to pay for the training as it added value to the business.

The programme should however encourage that at least one of the supervisors should be trained from the Monyetla Programme itself. This has shown to bring motivation amongst other learners as they also feel confidence in the possibility of rising through the ranks. This point was well noted in Teletech which trained some supervisors from the programme. One of these supervisors was also interviewed in the assessment and she said that her interaction with other Monyetla learners brought about higher motivation levels by her peers.

### 5.9 Adequacy of current budget of R13, 650 per learner

Training provider participation at the current budget has been high and the training providers have indicated a willingness to train more numbers dependant on Employer participation. With approximately half the budget being earmarked for training costs, this indicates a sense of easiness with the current budget amongst the main budgetary recipients. The success rates of 86.4% learners found competent and 89.99% placement are relatively high and indicate that the learner budget is sufficient to achieve intended results. Learner stipend might need to be reviewed as some host companies supplemented learners with between R500 and R1,500, indicating that some learners were coming from far and needed to catch more than one taxi for a one way trip.

The total budget of R17.1 million has been allocated to 1,307 learners, thereby exceeding the initial budgetary expectation of R17.1million for 1,000 learners as a result of the savings from VAT.

The model proved that the budget was sufficient enough to carry out the programme. The budget should however in future not be made in isolation of prevailing economic conditions.

It is recommended that consortia members be encouraged to pay similar stipends so as not to create competition amongst themselves and disgruntled learners who could start bargaining with other companies once they realise that they could be getting more stipends elsewhere.

### 5.10 Skills requirements for BPO industry

There is a skills requirement disparity between the Outbound and Inbound call centre industry. Employers operating on the Monyetla Programme who recruited for the Outbound Industry mainly recruited from in-house databases that had already been pre-screened prior to the Project participation. This type of screening increased the participation of learners with some previous call centre experience in the learnership. Skills requirements are less apparent in the inbound environment as most of the recruitment targeted for this sector looked more at communication and personality attributes.

### 5.11 Programme timeframe

The programme timeframe of 16 weeks was sufficiently adequate to train learners on issues pertaining to the dynamics of the call centre industry and get them to an entry level of work readiness. The short duration was especially well received by training providers and also played a huge role in learner continual participation. The training providers felt that the short timeframe kept the learners engaged, and also had a huge impact on preventing negative social issues that the learners could be undergoing from manifesting.

Most outbound employers however generally feel that more emphasis should be placed on the practical (on-the-job) aspect of the learnership to obtain an improved level of work readiness.

### 5.12 Sectorial Differences

Programme distinctions need to categorise and quantify Outbound, Inbound and Offshoring work readiness needs. The Outbound sector needs longer timeframes to get learners practically ready for employment. The practical aspects of the programme would need to be extended and be more directed at product training and all participating companies should be required to conduct an induction process with the new learners.

### 5.13 Replicability

The processes involved in the implementation of the project are well documented and clearly show each and every step of the project and what should be in place. From these documented processes, it would be possible to follow each necessary step required to implement a similar programme in future

What should be noted though is the importance of the partnership between the relevant government departments and the private sector in the strategic management of such initiatives. While there might be the will at the top levels of these organisations, the individuals mandated to manage such an initiative should have the dedication and skills necessary to manage at a strategic level.

# 6  ANNEXURE I

## 6.1  Consortia Interview Schedule:

| No | Consortia | Employer | Recruiter | Training Provider | Person Interviewed | Date Interviewed |
|---|---|---|---|---|---|---|
| 1 | **Blake Holdings** | Blake Holdings | | | Julie Swanepoel | 30th July |
| | | | | People Solutions | Moria Strauss | 29th July |
| 3 | **Capital Outsourcing Group** | Capital Outsourcing | | | Michelle Billington | 29th July |
| | | | | BEMT | Ulita Kloke | 29th July |
| 5 | **Deloitte** | Direct Channel | | | Hennau Wentzel | 30th July |
| | | | Deloitte | | Mariette de Kock | 16th July |
| | | | | Rims | Dr Wynand Goosen | 31st July |
| 6 | **Digital Solutions** | Digital | | | Timothy Minty | 14th July |
| | | | | I-Fundi | Kamy Nair | 18th July |
| 7 | **Direct Axis** | Direct Axis | | | Natalie Warne/ Rashida Sadar | 24th July |
| | | | Contact Centre Dynamics | | Desiree Lang | 23rd July |
| 8 | **Direct Channel Holdings** | Direct Holdings | | | Ujen Singh | 31st July |
| | | | | I-Fundi | Kamy Nair | 18th July |
| 9 | **TL** | TL | | | Thembela Masuku | 5th August (Telephonic Interview) |
| 10 | **EThekwini Municipality** | TL | | | Thembela Masuku | 5th August (Telephonic Interview) |
| 11 | **First Rand (Wesbank & Card)** | First Rand(Wesbank & Card) | First Rand | | Naren Vassan | 24th July |
| | | | | People Solutions | Moria Strauss | 29th July |
| 12 | **Kelly** | Kelly | Kelly | | Nishi Sharma | 4th August |
| | | | | people Solutions | Moria Strauss | 29th July |
| 13 | **Matlejoane Staffing Services** | Metlajoane | | | Earl Van Rooyen | 16th July |
| | | | | I-Fundi | Kamy Nair | 18th July |
| 14 | **RIMS** | Rims | | | Vynand Goosen | 6th August |
| 15 | **Munnik Bason Dagama** | Lankon | | | Garry Rothsein | 7th August |
| | | | | Mind the Gap | Helen Hadfield | 1st August |
| 16 | **Quest Channel Life (OM, ABSA)** | Channel life | Quest | | Shaloshna Chetty | 30 th July |
| | | | | Learnsys | Felicity Boyers | 1st August |
| 17 | **Quest Medscheme** | Medscheme | | | Kevin Pillay | 28th July |
| | | | Quest | | Shaloshna Chetty | 30th July |
| | | | | CCX | Amanda Parker | 9th August (emailed discussion form) |
| 18 | **S.A Post Office** | CFGRP | | | Kgomotso Moimane | 25th July |
| | | | Prodigy | | Varish Ganpath | 1st August |

| No | Consortia | Employer | Recruiter | Training Provider | Person Interviewed | Date Interviewed |
|----|-----------|----------|-----------|-------------------|--------------------|-----------------|
|    |           |          |           | Mind the Gap | Helen Hadfield | 1st August |
| 19 | **Teletech** | Teletech |           |                   | Luke Mills | 24th July |
|    |           |          |           | Contact centre Dynamics | Desiree Lang | 23rd July |

# 7  ANNEXURE 2

## 7.1  Consortia Discussion Guide

<table>
<tr><td colspan="1"><strong>Recruiting Agencies</strong></td></tr>
<tr><td>

**Recruitment Process & Methodology**
- Was it advertised or was there another way used for the initial sourcing of candidates (e.g. unemployed graduates database)
- What was the recruitment process & methodology? (interviews/testing of candidates/just CVs)
- Were there any special attributes that was being looked for or targeted from the applicants?
- Why is this important?
- Do you use similar or different criteria for inbound and outbound contact centres?
- Why/how is this important?
- Who ultimately decided which candidates were going to be accepted (recruiter, employer, provider)

A document/process detailing the strengths/weaknesses of the individual tools used for selection of candidates e.g. SPEEX

</td></tr>
<tr><td>

**Quality of Candidates**
- During the recruitment process, what was your impression of the quality of candidates that responded to this initiative?
- Based on your experience of selecting candidates for Monyetla, do you think the country has enough talent to be trained in this sector?

</td></tr>
<tr><td>

**Other Issues**
- Did the recruiting agency have any contact with the Monyetla Project Office?
- On what issues was this contact about? (what was typically the assistance or information needed from the project office that compelled recruiters to have this contact?)
- What was your experience in dealing with the project office? (were they helpful, what was their turnaround time)
- How did the recruiting agency get paid? (through arrangements with other consortia members, directly from project office?)
- What would be the best way of organising this should a similar programme be initiated in future?
- Would you participate in a similar project again?
- What did you like about this programme?
- What did you not like?

</td></tr>
</table>

| Employers |
| --- |

**Structure of Consortia**
- Which member of the consortia was the lead member?
- Why were they chosen to do this?
- Did this work efficiently?
- What was their role as the lead member?

**Overall View of Monyetla Programme**
- Would you say that the relationship between consortia members and the Business Trust project office was properly managed?
- What was your experience in dealing with the project office? (were they helpful, what was their turnaround time)
- How did the company get paid? (through arrangements with other consortia members, directly from project office?)
- What would be the best way of organising this should a similar programme be initiated in future?
- What did you like about this programme?
- Would you participate in a similar project again?
- What did you not like?

**Recruitment Process & Methodology**
- Were you involved in the recruitment and selection of candidates for the Monyetla programme?
- What was your involvement in this regard? (e.g. set out minimum standards)
- How do you normally recruit candidates for your business?
- What was different with this programme?
- Do you use similar or different criteria for inbound and outbound contact centres?

**Quality of Candidates**
- What minimum skills and competencies do you normally look for when recruiting agents for your business?
- Did you find the quality of candidates you would normally need through this programme?
- How long does it normally take you to find the right candidate?
- Was it the same with this programme?
- Do candidates with tertiary qualifications tend to do better than those with just a Grade 12?
- Has the quality of the Labour-force improved since participating in the Monyetla project, e.g. from a productivity perspective?

How many candidates trained for the Monyetla project by this company, how many placed, provincial spread, demographics of the candidates

**Employment and Placement of candidates**
- Of the candidates that were finally placed, what employment contract were they given (short-term contract, permanent contract, casual labour, etc.)
- If different candidates were given different types of contracts, what influences this spread?

**Further Training Towards a full Qualification/Learnership**
- What plans are in place to ensure that candidates continue their training towards the full Learnership?
- How were the candidates for supervisory and management roles selected and trained; what was the criteria used?
- How many candidates are in the supervisor programme so far? Are there enough candidates with the required skills to go into higher supervisory and management levels?
- What plans are in place to ensure that the 1:6 ratio of the project is adhered to?
- How will this be funded?

**Training Prior to Monyetla**
- How did the company train/skill their agents before Monyetla?
- After being involved in this initiative, are you going to continue with your old ways or will you adapt to this approach?
- Why?

**Retention Strategies**
- What retention strategies have been put into place to ensure that Learners trained and employed through this programme are retained?
- What has been the impact of these retention strategies if any?

| Training Providers |
|---|

**Structure of Consortia**
- Which member of the consortia was the lead member?
- Why were they chosen to do this?
- Did this work efficiently?
- What was their role as the lead member?

**Overall View of Monyetla Programme**
- Would you say that the relationship between consortia members and the Business Trust project office was properly managed?
- What was your experience in dealing with the project office? (were they helpful, what was their turnaround time?)
- How did the company get paid? (through arrangements with other consortia members, directly from project office?)
- What would be the best way of organising this should a similar programme be initiated in future?
- What did you like about this programme?
- Would you participate in a similar project again?
- What did you not like?

**Accreditation and Quality of Training**
- In your experience, do companies in the sector insist on providers being accredited or do they select providers based on other criteria?
- If they think accreditation is important, are they looking for national SETA accreditation or do they have other standards (what are those standards?)
- Why do you think this is important to them?
- What has been the impact of the differences in curriculum content administered by the different providers, if any? (Across similar service providers in this sector)

**Stipend distribution/allocation**
- Were the Stipends distributed efficiently and timeously, if not, what impact did this have on learners (e.g. attendance) or the delivery of the project itself?

**Demand for Training**
- What is the demand/capacity for the Monyetla project?
- Can more learners be enrolled/absorbed by consortia/companies if funds are available?
- In general, what is the demand for training in this sector in your experience?
- What is the quality of candidates that you normally train?
- Do you think the country has adequate talent that could be trained into this sector?

**Supervisors**
- Are the training methods for supervisors and managers similar across BPO sectors or different? What is the impact of this?