Outcome Evaluation of the
Tourism Work Opportunities, via
THRD and TED Programmes

Department of Economic Development and
Tourism

20 March 2014
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## ABBREVIATIONS AND ACRONYMS

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<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CATHSSETA</td>
<td>Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority</td>
</tr>
<tr>
<td>CHET</td>
<td>Centre for Higher Education Transformation</td>
</tr>
<tr>
<td>DEDAT</td>
<td>Department of Economic Development and Tourism</td>
</tr>
<tr>
<td>DHET</td>
<td>Department of Higher Education and Training</td>
</tr>
<tr>
<td>DPME</td>
<td>Department of Monitoring and Evaluation</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>EPWP</td>
<td>Expanded Public Works Programme</td>
</tr>
<tr>
<td>FET</td>
<td>Further Education and Training</td>
</tr>
<tr>
<td>HSRC</td>
<td>Human Sciences Research Council</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
</tr>
<tr>
<td>KZN</td>
<td>Kwa-Zulu Natal</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NCV</td>
<td>National Certificate Vocational</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NDT</td>
<td>National Department of Tourism</td>
</tr>
<tr>
<td>NTSS</td>
<td>National Tourism Sector Strategy</td>
</tr>
<tr>
<td>PGF</td>
<td>Provincial Growth Fund</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnerships</td>
</tr>
<tr>
<td>PSO1</td>
<td>Provincial Strategic Objective 1</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SDI</td>
<td>Spatial Development Initiative</td>
</tr>
<tr>
<td>SETA</td>
<td>Sector Education and Training Authority</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Micro, Medium Enterprise</td>
</tr>
<tr>
<td>TCB</td>
<td>Tourism Collective Bursary</td>
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DEFINITIONS

Below, an overview of definitions and terminology that is integral to the understanding of the analysis and reporting on the THRD and TED programmes is outlined.

Outcome Evaluation

Outcome evaluation measures the change that has occurred as a result of a program. For example, your process evaluation might confirm that 200 people have completed your skills-training program. An outcome evaluation would tell you how many of those demonstrated increased confidence, changed behaviours, found jobs because of the new skills, etc.

‘Evaluation’ is time-bound and periodic in nature, taking place at particular intervals before (serving as a formative evaluation), during (thereby aiding improvements) or at the end of a project or program (serving as a summative evaluation). It can be viewed as an objective analysis of evidence on public policies, programs, projects, functions and organizations to assess issues such as relevance, performance (effectiveness and efficiency), and value for money, impact and sustainability, and to recommend ways forward1.

Defining Work Opportunities

Within this report, a work opportunity refers to a work placement, including contractual, part-time and full-time work placements. “Work opportunity facilitated” refers to the number of work opportunities created for the beneficiary within companies as a result of the assistance received from the Department/implementing entity2. Each person employed will be counted as having contributed “one” to the work opportunities count. As this is an outcome indicator, the effect of the program, and therefore reporting, can only be measured 1 – 2 years after the implementation of the intervention. Therefore, the cycle of reporting is annual, for one will only be able to understand the effects of the intervention 1 – 2 years later.

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1 Ibid.
2 Sub Programme 6.3: Tourism Sector Transformation Strategic objective. Outcome indicators (Technical Indicator Report, 2013/14)
This report uses employment post intervention as a proxy for work opportunities in THRD. For TED programs, the change in number of persons employed after the intervention (i.e. 2013) cross-referenced with business owners who attributed a portion of the increase in employment to TED will be used for the number of “work opportunities”. This was done as no baseline data for TED businesses exists for the year 2012/13.

**Business Sustainability**

According to TED documentation an objective of TED is to contribute to the sustainability of SMMEs. Sustainability of SMME’s refers to the ability of small businesses to position itself in the market and remain competitive. This paper assumes that for an SMME to be sustainable, the business need to be operational for 5 years or more. This is derived from the idea that businesses generally set 5 year goals to become established.

**Defining Employability**

Employability refers to the likelihood of being employed. The likelihood of being employed increases with skills, experience and certain attributes which benefits themselves/ the workforce/the economy.

**Defining Critical Skills**

Critical skills of the tourism sector have been identified within the Tourism Strategic Architecture document. Critical skills have been outlined as: customer service skills, waitron, housekeeping, professional cookery and assistant chefs. During the Key Informant Interview with THRD program manager, it was outlined that the CATHSSETA Sector Skills Plan was referred to, to identify these critical skills.

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3 DEDAT; TED Business Case; 2012/13; 5
4 Johnston, Kevin; Businesses & Entrepreneurship: 2014
EXECUTIVE SUMMARY

This report presents the results of an outcomes evaluation conducted on the outcome indicators of the Tourism Human Resources Development (THRD) and Tourism Enterprise Development (TED) programmes within the Tourism Directorate of the Department of Economic Development and Tourism (DEDAT). These programs form part of DEDAT’s strategic mandate derived from the Provincial Strategic Objective 1 which is to create an enabling environment for economic growth and employment creation. The outcome indicator measured within this report, is the number of work opportunities facilitated by these two programs.

Survey tools were developed to address the key evaluation questions for three categories of respondent’s i.e. THRD, TED beneficiaries and Host companies that provided in service training to THRD beneficiaries. The survey was conducted telephonically and a total of 113 interviews were conducted with THRD beneficiaries, 68 with TED beneficiaries and 4 with Host Companies. Additionally, key informant interviews were conducted to gain further insight into the design and implementation of the programs and to gain further insights into survey findings.

In conjunction with measuring the outcome indicators, this report looks at THRD’s effect on employability, and TED’s effect on growth and sustainability.

Firstly, the assessment of the outcomes reveals that both programs facilitated work opportunities however, collectively they fell short in reaching the target of 400 work opportunities as outlined in the APP2013/14. The total work opportunities created was calculated based on the sample of respondents who indicated that they were employed (THRD) and those who showed an increase in their number of employees and attributed the increase in part to the programme (TED). This result was then extrapolated to the 2012/2013 population which yielded an estimate of 288 work opportunities created. The contribution by program shows that THRD accounted for 47% (135) and TED 53% (153). This represents a shortfall of 112 (28%) work opportunities on the targeted amount.

In comparing the work opportunities created by the three THRD programmes, EPWP contributed the highest percentage (56%) followed by TCB (24%) and lastly FET (19%) which underperformed in terms of employment and income of beneficiaries.

The findings indicate that in service training provided relevant exposure to the workplace and host companies reported that in-service training was successful in bridging the gap. Host companies reported minimal engagement with DEDAT on programme relevance and implementation. This needs further investigation as establishing partnerships are vital to the success of the program. Hosts also reported a low absorption rate of in-service learners because of lack work readiness and limited financial resources. Host company findings, although insightful, need to be further investigated as a representative number of respondents were not surveyed.

In terms of growth and sustainability of TED businesses, growth is measured through the change in turnover for the period before and after the program participation. The results show that a large
proportion of businesses increased their turnovers. In addition 87% of businesses are still operational and large percentages of businesses are older than 5 years.

Recommendations were made at the strategic, programme and performance levels. Further to this, recommendations have been divided into short, medium and long term. Indicator recommendations form part of performance recommendations and has been included to assist with development of the M&E framework for future evaluations.
1. INTRODUCTION

1.1 Background to THRD and TED Programs

1.1.1 INTRODUCTION

The Western Cape is one of South Africa’s premier tourism destinations and contains diverse Tourism product offerings such as mountains, coastlines, Winelands, desert and a bustling city Centre. It contributes 9.8% to provincial GDP and an estimated 150 000 people are employed in the tourism sector. For this reason, the Western Cape government has identified the Tourism industry as having potential to spur economic growth as well as contribute towards the creation of opportunities for employment for the province. In order for these contributions to be achieved, the tourism potential in the Western Cape needs to be fully recognized. Therefore, the Department has committed to pursue policies and strategies that:

- support the capacity of businesses to compete in the global economy
- attract, develop and retain the type of skills businesses need
- ensures as far as possible an enterprise-friendly business environment
- promote the participation of citizens in the economy by helping them establish businesses

The SWOT analysis in Table 1 below gives an overview of the Western Cape’s Tourism sector.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sound legal and regulatory environment.</td>
<td>Inconsistent service levels ranging from poor to excellent</td>
</tr>
<tr>
<td>Policies, regulations, and strategies in place</td>
<td>Destination perceived to be relatively expensive.</td>
</tr>
<tr>
<td>to guide processes</td>
<td>Infrastructure provision is uneven with poor quality visitor’s</td>
</tr>
<tr>
<td>A broad and exceptional tourism resource</td>
<td>amenities in some areas.</td>
</tr>
<tr>
<td>base (Leisure and business tourism, coastal</td>
<td>Seasonality</td>
</tr>
<tr>
<td>and beaches)</td>
<td>Lack of availability of tourism data for tourism information</td>
</tr>
<tr>
<td>Untapped cultural products – mainly as a</td>
<td>Limited international flights</td>
</tr>
<tr>
<td>result of packaging, accessibility and</td>
<td></td>
</tr>
<tr>
<td>infrastructure issues</td>
<td></td>
</tr>
<tr>
<td>Niche markets and showcasing what we have</td>
<td></td>
</tr>
<tr>
<td>through proper product packaging.</td>
<td></td>
</tr>
</tbody>
</table>

5 Ibid
6 Five year Strategic Plan
7 Ibid
8 Western Cape government: Economic development and Tourism, “Strategic Architecture for Tourism” 2013
- Good approach to regulation of industry.
- Strong partnerships with our stakeholders

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tourism recognized as the key contributor to the economy.</td>
<td>• Investment in tourism research and development is low.</td>
</tr>
<tr>
<td>• Political and macroeconomic stability and generally growing economy</td>
<td>• Competition for specialized skills with private sector</td>
</tr>
<tr>
<td>• Domestic tourism receiving attention at National and Provincial levels</td>
<td>• Low culture of travel</td>
</tr>
<tr>
<td>• Organized tourism industry</td>
<td>• Local government tourism capacity challenges.</td>
</tr>
<tr>
<td>• A shift towards Environmental consciousness</td>
<td>• High unemployment rate</td>
</tr>
<tr>
<td>• Industry’s willingness to engage with the Department</td>
<td>• Negative perception about safety</td>
</tr>
<tr>
<td>• Western Cape well placed to develop an extensive range of National and</td>
<td>• Global economic situation</td>
</tr>
<tr>
<td>International events.</td>
<td>• Lack of sector transformation</td>
</tr>
<tr>
<td></td>
<td>• Lack of attractiveness of the industry as a career option</td>
</tr>
</tbody>
</table>

As noted in the table above, a number of threats have been identified that inhibit the growth of the tourism industry, including lack of quality tourism related skills and insufficient tourism businesses sustained over a period of time.

A strategic response for development and growth of the tourism sector has been developed at the national and provincial levels. These responses are spearheaded by the National Department of Tourism (NDT) at the National level and the Western Cape Department of Economic and Tourism (DEDAT) at provincial level. The National Tourism Sector Strategy (NTSS) has been created by the National Department of Tourism (NDT) to steer development of the industry overall. At the provincial level, the Provincial Strategic Objective 1 (PSO1): *Creating opportunities for growth and jobs* ensures the continued contribution of the sector to the creation of opportunities for growth and jobs within the Western Cape.

The Western Cape’s Provincial Strategic Objective 1 centres on the creation of an enabling environment that will spur economic growth and job creation. A competent and appropriately skilled labour force is a critical component in this engine of economic growth.

The DEDAT Five Year Strategic Plan 2010/15 guides tourism’s development trajectory as a whole, feeding into the various programs within the department (of which the THRD and TED programs are a part of).
The diagram above provides a contextual description of THRD and TED programs in line with the Five year Strategic plan and the Annual Performance Plan (APP) 2013/14. THRD and TED programs form part of the Tourism Sector Transformation sub-program (program 6.3), which is under the provincial program 6: Tourism, Arts and Entertainment.

DEDAT is the custodian department of PSO1, and has been charged with implementing PSO1 with support from other provincial departments. Department programs, such as those geared towards Human Resource Development (developing tourism sector skills) and Enterprise Development (growing tourism sector SMMEs) within DEDAT, were taken into consideration when setting in place PSO1 as all programs must be able to contribute towards achieving the objective.

The programmes are therefore a pivotal component of the Western Cape government to create an enabling environment in the 3 areas outlined below:

- Provide industry specific demand led training to unskilled Western Cape citizens
- Providing industry with appropriately skilled labour force
- Through business growth, creating employment opportunities for the unemployed
1.1.2 Skills Development Landscape of South Africa

The Western Cape Tourism Human Resource Development (THRD) Implementation Plan seeks to promote HRD in Tourism, focusing on increasing the supply of appropriate skills, facilitating work place learning and employment opportunities for new entrants and facilitating quality training and career mobility for current workforce. The Tourism Collective Bursary (TCB), FET Skills programmes and the Tourism Enterprise Development (TED) programme have been implemented in order to address the challenges outlined in the THRD implementation plan, the NSD III and the NDT as working towards the growth of the tourism industry.

Skills development has a key role to play in addressing the triple challenges in South Africa of unemployment, poverty and inequality as well as the urgent need to accelerate growth and equity in the context of an underperforming economy within a fragile global economy. Within the Western Cape, high unemployment is concentrated predominately amongst young adults with low levels of education and skills. This has contributed to the employment paradox within the economy, where there are high levels of unemployment, especially amongst youth and a high demand for skilled labour. According to the Quarterly Labour Force Survey (2013) 32% of the youth (15 – 24 years of age) in the Western Cape are not employed, educated or trained. This skills paradox has a negative effect on the extent to which the economy can grow and create jobs. In addition with a lack or mismatch of skills, these individuals’ chances of longer term bouts of unemployment are increased.

One of the important challenges outlined within the NSDS III (2011 – 2016) is that FET colleges and other training facilities are not producing adequately skilled individuals to enter the work force. This educational shortcoming has great bearing on the understandings of the outputs of this report as the THRD programs (FET Skills and EPWP programme) take place within the FET Skills development landscape. This will be further discussed in relation to the program findings.

To fulfil the national objective, Higher Education Institutions (HEIs) and especially Further Training Education (FET) colleges are expected to play a significant role in addressing the skills shortage and gap amongst unemployed youth. The positive aspect of the colleges sector is its strategic location to provide wider access to skills development. The Vocational training sector also experiences challenges of inefficiencies, misalignments with the private sector and producing inconsistent pass rates (throughputs) for various programmes. Survey findings show that the majority of beneficiaries completed their studies (graduated), showing high pass rates.

An additional difficulty within this sector relates to availability of reliable information and data. A study by the Human Sciences Research Council (HSRC) reveals that only 18 of South Africa’s 50 public FET colleges keep data on where their graduates end up. This goes to negatively impact the capacity of the Department of Higher Education and Training (DHET) to enter processes of long term

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9 All TCB beneficiaries (excluding one still completing the programme) expressed that they completed their studies. 30/41 EPWP beneficiaries expressed that they completed their studies. FET Skills program beneficiaries were not asked if they completed their studies as program managers expressed the database only included beneficiaries that had completed their studies. Therefore, it is assumed that all FET beneficiaries graduated.
planning and/or restructuring. The National Development Plan (NDP) also indicates that problems in
the FET sector include fragmented data systems, which lead to poor planning\(^3\).

As a result of the inherent challenges experienced within the vocational training sector, this report
also responds to where government (DEDAT) needs to focus its energies to further increase the
contribution of FET and EPWP programs to the number of work opportunities facilitated.

### 1.2. Research Problem

The rationale for the outcomes evaluation of THRD and TED programs has been outlined in the TOR
as the need to assess whether students have become more employable or even been employed. As
it is the responsibility of the Department to ensure projects are properly evaluated before decision
making is undertaken, the research has been commissioned. The THRD program has been running
since 2010 and the TED since 2008. To date, there has been no evaluation of THRD and TED
programs in regards to the above mentioned, leading to the commissioning of this report.

This research report, therefore, will contribute towards ascertaining those outcomes and will assist
Tourism Programs managers in decision making. The research will also feed into the development of
the new Five Strategic plans.

### 1.3 Research Objectives (purpose of the Evaluation)

This evaluation differs from an implementation evaluation as it focuses on understanding changes in
the individuals that attended the programs (through cause-and-effect relationships) in order to
improve implementation in the future, while an implementation evaluation’s main focus is to
determine whether the programs are being carried out as originally planned.

Figure 2 below illustrates the 6 types of evaluation which can be used to understand various
elements of a program. The report is an outcomes evaluation of the THRD and TED programs as it
demonstrates changes in work opportunities facilitated (number of employed beneficiaries) as well
as the extent to which certain elements of the program contributed to results of the program. This
evaluation differs from an implementation evaluation as it focuses on understanding changes in the
individuals that attended the programs (through cause-and-effect relationships) in order to improve
implementation in the future, while an implementation evaluation’s main focus is to determine
whether the programs are being carried out as originally planned.

**Figure 2: Types of Evaluations**

<table>
<thead>
<tr>
<th>Evaluation type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnostic evaluation</td>
<td>Diagnostic evaluation focuses on the process of evaluation, with the purpose of defining a problem and taking the required action to resolve the</td>
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</table>
Design Evaluation

Design evaluation is the structure or the arrangement of the research under evaluation. The structure is used to examine whether the program is working effectively, and explore which parts of it are working well and which need adjusting.

Implementation evaluation

Implementation evaluations focus on telling decision makers what is going on in a program, how the program has developed, and how and why programs deviate from initial plans and expectations.

Outcomes evaluation

An outcomes evaluation is an assessment of how the intervention being evaluated affects outcomes, whether these effects are intended or unintended. It focuses on the immediate effects that the program has on the group of individuals attending the programme. The purpose of an outcome evaluation is to learn about short-term changes in participants’ knowledge/attitude/behaviour etc.

Economic Evaluation

Economic evaluations involve the identification, measurement, and evaluation, and then comparison of the costs (inputs) and benefits (outcomes) of two or more alternative activities.

Evaluations Synthesis

Evaluation synthesis is a methodology for addressing questions that can be satisfactorily answered without conducting primary data collection; it is not a replacement of original data collection.

<table>
<thead>
<tr>
<th>Program breakdown</th>
<th>Purpose of the evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>THRD program</td>
<td>The extents to which THRD programs have assisted its beneficiaries improve their work opportunities and/or employment prospects.</td>
</tr>
<tr>
<td></td>
<td>• Determine the number of work opportunities facilitated</td>
</tr>
<tr>
<td>TED program</td>
<td>Assess the extent to which the 2012/13 TED program has assisted businesses in the facilitation of work opportunities</td>
</tr>
<tr>
<td></td>
<td>• Determine the number of work opportunities facilitated</td>
</tr>
</tbody>
</table>

The purpose of this outcomes evaluation is detailed in the table below.

Table 2: Purpose of the Evaluation

Therefore, the key output of this report is to provide the number of work opportunities facilitated via the THRD and TED programs. The report will assess aspects of the program which have
contributed to the successes/challenges of the programs and provide recommendations for program managers. The research findings will go to assist DEDAT program managers in evaluating the performance of the current funded (and co-funded) projects in order to shape the design and implementation of future interventions that address shortages and mismatches of Tourism skills and employment opportunities in the Western Cape. The report can also be used to respond to the tourism industry’s need for more appropriately skilled labour through linking theory on the skills development landscape and research findings to the broader goal of matching supply with demand. Finally, the report findings will be useful for program design and implementation and will contribute to the development of the future five year strategic plan through developed recommendations.

1.4 Approaches to M&E

The initial stages of the report established the results chain of the THRD and TED programs through the use of a Theory of Change diagram and established a Log Frame Matrix, through the use of the Logical Framework Approach. Both these M&E tools were utilised for establishing the THRD and TED programme information within the body of knowledge of M&E.

The diagram below inserts the THRD and TED programs within the theory of change model to illustrate how outputs and outcomes inter-relate during the process of achieving overall impacts. The THRD and TED programmes have been designed to contribute towards the achievement of PSO1. The use of an outcomes evaluation, as indicated below, will reveal the link between the output and the outcome. The evaluation, therefore, is critical as it demonstrates the effectiveness of the programs current design on the achievement of the overall goal (impact). A focus on outcomes provides the opportunity for program managers to explore (through credible linkages between the actions of the department and the eventual effects created on participants) which areas of the programs contribute less or more to the success of the programs. An outcomes evaluation has the ability to affect program design as it provides policy-relevant information.

Figure 3: Theory of change Diagram for THRD and TED programmes
It must be noted that outcome evaluations are usually conducted of a specific intervention in a specific context; therefore, findings cannot necessarily be generalized to the same intervention in different contexts.

### 1.4.1 The Logical Framework Approach

The Log Frame Matric was prepared in order to establish a broader and structured picture of the programs to be evaluated as the matrix essentially provides a summary of the project down to the activity level.

The Logical Framework Approach is an analytical and management tool which is now used (in one form or another) by most multi-lateral and bi-lateral aid agencies, international NGOs and by many partner governments for the management of development projects.

The Logical Framework Approach (LFA) was designed to address three basic concerns, namely that:

- Planning was too vague, without clearly defined objectives that could be used to monitor and evaluate the success (or failure) of a project
- Management responsibilities were unclear
- Evaluation was often an adversarial process, because there was no common agreement as to what the project was really trying to achieve\(^{10}\).

The Logical Framework Approach (LFA) is an analytical process and set of tools used to support objectives-oriented project planning and management. It provides a set of interlocking concepts which are used as part of an iterative process to aid structured and systematic analysis of a project or programme idea. It is useful to distinguish the Logical Framework Approach (LFA), which is an analytical process, from the Logical Framework Matrix (LFM), also called Log frame matrix, which provides the documented product of the analytical process which is a synthetic representation of the project design\(^{11}\).

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\(^{10}\) European Integration Office; *Guide to The Logical Framework Approach*; (Republic of Serbia, European Integration Office; 2011) 6

\(^{11}\) Ibid
The LFA should be thought of as an ‘aid to thinking’. It allows information to be analysed and organised in a structured way, so that important questions can be asked, weaknesses identified and decision makers can make informed choices based on their improved understanding of the project rationale. Therefore, the LFA was used in order to ascertain program manager’s overview of programs and easily and effectively identify possible gaps in the initial program design which may go to explain the outputs of the report.

Below is an overview of the possible uses of LFA.
The Log frame consists of a matrix with four columns and four (or more) rows, summarising the key elements of a project, namely:

- The project’s hierarchy of objectives (Project Description or Project Intervention Logic);
- The project environment and key external factors critical to the project’s success (Assumptions); and
- How the project’s achievements will be monitored and evaluated (Indicators and Sources of Verification). The Log frame also provides the basis on which resource requirements (inputs) and costs (budget) are determined.

The log frame matrix for THRD TED programmes can be found in Appendix 1.
2.2 Methodology to Outcome Evaluation

The Department of Monitoring and Evaluation (DPME) has a set of documents which guide government departments as well as service providers in terms of expected outcomes and outputs for monitoring and evaluation of projects. The DPME has not listed a specific or preferred approach or methodology to evaluation of projects, however, what is most important is to utilise an approach and methodology which will provide pertinent and relevant findings which will assist government in:

- Improving accountability
- Improving policy making
- Generating knowledge
- Improving projects and programs
- Improve decision making

This approach has been kept in mind throughout the evaluation and reporting on programs.
2. APPROACH AND METHODOLOGY

2.1 Literature Review

During the development of the Inception report, a literature review was conducted that consisted of reviewing and collecting relevant data on programs and strategic documentation. This literature review was added to throughout the duration of the research and was used to develop the narrative for the report. A list of reviewed documents can be found in the bibliography.

In addition, a benchmarking exercise was completed in order to better understand the outcomes of DEDAT’s programs in relation to other equally strong and relevant tourism sectors. The benchmarking exercise looked at skills development and enterprise development programs in the compared regions in order to ascertain alternative/best practices for programs. This exercise fed into the development of recommendations.

Three international regions were chosen based on the competitiveness of their tourism market within the SADC region. Competitiveness here is defined as international tourist receipts, tourism contribution to GDP and employment. SADC regions are also similar due to target market (international tourists and, increasingly, local tourism). Furthermore, the capacity to contribute towards skills development is similar within SADC regions. The local benchmarking provinces were chosen due to their high contribution to national and their provincial GDP.

The following countries were reviewed:
- Namibia
- Mauritius
- Zanzibar

The following provinces were reviewed:
- KwaZulu Natal
- Mpumalanga
- Gauteng

Findings of the benchmarking exercise are addressed in section 5. Comparative Analysis)

2.2 Sampling Methodology

DEDAT provided a list of participating beneficiaries for each program. The stratified sample was selected based on the parameters outlined in the TOR and shown below.
### Table 3: Proposed Sample Selection

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Number of beneficiaries</th>
<th>Proposed minimum – maximum size of respondents successfully interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism Enterprise Development (TED): Business Assisted via:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TED 201: Intermediate Business skills</td>
<td>82</td>
<td>15% -20 %</td>
</tr>
<tr>
<td>TED 301: Advanced Skills</td>
<td>213</td>
<td>15% -20 %</td>
</tr>
<tr>
<td>• Productivity</td>
<td>18</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>• E- Marketing</td>
<td>31</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>• Social Media</td>
<td>115</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>• Tour Operator</td>
<td>23</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>• Accommodation</td>
<td>26</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>Mentorship</td>
<td>29</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Tourism Human Resource Development (THRD): People Trained via:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FET Skills</td>
<td>71</td>
<td>50%</td>
</tr>
<tr>
<td>EPWP FET Skills</td>
<td>240</td>
<td>15% - 20%</td>
</tr>
<tr>
<td>Bursaries</td>
<td>74</td>
<td>50%</td>
</tr>
<tr>
<td><strong>THRD: Host Companies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THRD Host Companies</td>
<td>10</td>
<td>50%</td>
</tr>
</tbody>
</table>

The TCB program is analyzed over a 3 year period (2010/2011 – 2012/2013) as the qualifications concerned (national diplomas and degrees) are 3 yearlong programs. Beneficiaries were sampled from 2010 – 2012 academic years. The views of 3rd years are prioritized. This was due to the fact that the evaluation is being conducted primarily for the 2012 programs. Hence sampling was weighted so as to get a 3rd year beneficiaries to other beneficiaries’ ratio of approximately 80:20.
GAB Consulting was tasked with the random selection of beneficiaries per program. A random number generator was utilized for the selection and a sample database with selected beneficiaries was compiled.

Based on a 95% confidence level the following margins of error apply. This is to say that the amount of random sampling error is therefore acceptable.

Note that the host company analysis is qualitative and therefore a margin of error does not apply.

Table 4: Sample Size

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Population</th>
<th>Sample size</th>
<th>Margin of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>TED excluding Mentorship</td>
<td>295</td>
<td>53</td>
<td>12.21%</td>
</tr>
<tr>
<td>TED Mentorship</td>
<td>29</td>
<td>15</td>
<td>17.89%</td>
</tr>
<tr>
<td>THRD FET</td>
<td>71</td>
<td>36</td>
<td>11.55%</td>
</tr>
<tr>
<td>THRD EPWP</td>
<td>240</td>
<td>40</td>
<td>14.17%</td>
</tr>
<tr>
<td>THRD TCB</td>
<td>74</td>
<td>37</td>
<td>11.47%</td>
</tr>
</tbody>
</table>

In order to get an accurate representation of the population, the subsample results are shown separately and when reported together are weighted. Weights ensure that, for example, although Mentorship beneficiaries are oversampled, the TED sample is representative of the TED population.

Respondents of the TED survey answered the survey questions for the course for which they were contacted. They were asked which other courses they participated in. All courses they completed (including those in years other than 2012/2013) were recorded. Therefore, the impact on annual turnover of the business and the number of employees of the business is attributed to the TED programs solely for the purposes of this evaluation and report.

2.3 Survey Tool Design

A survey tool for each of the 3 categories of beneficiaries i.e. THRD beneficiaries, Host companies and TED beneficiaries was developed. This approach was based on the utilization of an M&E log frame to develop the survey tools. The log frame was used to determine gaps in the implementation and/or design of programs so as to understand which questions would need to be asked. Questions were grouped according to “themes” or areas as per the scope and evaluation objectives. Once drafts were completed, they were submitted for review with program managers and the M&E division of DEDAT. The survey tools were discussed and input was given on ways to obtain the most from the questionnaires. The survey tool was then reworked to incorporate comments from program managers and M&E division. This version was sent back for a final review and the survey
tools were then finalized at which point the final go-ahead was given to commence the data collection process.

### 2.4 Data Collection Process

#### 2.4.1 Beneficiary Survey

The survey was conducted by means of a telephonic interview. The fieldwork team consisted of 4 fieldworkers. Each fieldworker was provided with a list containing the beneficiary details to contact. Calls were made and responses were recorded, tracked and entered into the online data capturing tool. For all non-responses recorded, reasons for no response were recorded. Beneficiaries that were unavailable on the first attempt were called back. A total of 3 calls were made if necessary. Once the original sampled list was fully exhausted, the original database was used to source more beneficiaries to respond to the survey. Results can be found in Table 5.

#### 2.4.2 Key Informant Interviews

Additionally, 2 key informant interviews were conducted with program design and implementation managers of the THRD and TED programmes. These interviews were conducted after the completion of telephonic surveys so that questions could be geared towards beginning to understand the findings and their relation to the programmes on a design and implementation level.
### Table 5: Survey Results Matrix

<table>
<thead>
<tr>
<th>Sample (surveyed beneficiaries)</th>
<th>Population</th>
<th>Sample size relative to population (%)</th>
<th>Sampled beneficiary survey results breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total number of Calls made (100%)</td>
</tr>
<tr>
<td>THRD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPWP</td>
<td>41</td>
<td>240</td>
<td>17%</td>
</tr>
<tr>
<td>FET skills</td>
<td>36</td>
<td>71</td>
<td>51%</td>
</tr>
<tr>
<td>Collective Bursary*</td>
<td>37</td>
<td>74</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>385</td>
<td>29%</td>
</tr>
<tr>
<td>TED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TED Mentorship</td>
<td>15</td>
<td>29</td>
<td>52%</td>
</tr>
<tr>
<td>TED business skills</td>
<td>16</td>
<td>82</td>
<td>20%</td>
</tr>
<tr>
<td>TED Productivity</td>
<td>4</td>
<td>18</td>
<td>22%</td>
</tr>
<tr>
<td>TED e-marketing</td>
<td>5</td>
<td>31</td>
<td>16%</td>
</tr>
<tr>
<td>TED Social Media</td>
<td>19</td>
<td>115</td>
<td>17%</td>
</tr>
<tr>
<td>TED Tour Operator</td>
<td>4</td>
<td>23</td>
<td>17%</td>
</tr>
<tr>
<td>TED Accommodation</td>
<td>5</td>
<td>26</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>324</td>
<td>%</td>
</tr>
</tbody>
</table>
The table above shows a breakdown of the survey results. The first 3 columns indicate the sampled beneficiaries of the population, and represent the sample in a percentage of the population (i.e. 40 EPWP beneficiaries were surveyed from the total population of 240 beneficiaries, representing 17% of the population). The table then shows the total number of calls made and shows a breakdown of the reasons for the number of calls made. For example, 128 calls were made to the 40 EPWP programme sampled beneficiaries. Of these calls, 31% were completed successfully, 39% were not due to unavailability of beneficiary (engaged/voicemail/call dropped/bad connection) and 12% due to wrong number/number does not exist.

From a data management perspective, the challenges experienced point to an inadequate and/or inefficiently managed system being used by DEDAT to capture contact details of beneficiaries. Over 50% of sampled FET beneficiaries were unavailable due to challenges linked to the data management system. The high percentage of recorded wrong numbers and incorrect hosting information shows the data management system is not updated regularly.

Overall, the required number of THRД beneficiaries to survey (target) was reached. A total of 331 calls were made to sampled THRД program beneficiaries and a total of 113 interviews were completed. The EPWP and FET Skills program beneficiaries were particularly difficult to reach, as can be seen by the high number of calls made in order for the minimum required number of surveys to be completed. Both programs recorded the highest number of phone calls as wrong numbers (EPWP 12% and FET Skills 5%) or engaged/voicemail/call dropped/bad connection (EPWP 39% and FET Skills 58%).

For TED programs, the required number of beneficiaries (target) was also reached. A total of 207 calls were made to sampled TED programme beneficiaries and a total of 67 interviews were completed. The TED Mentorship program beneficiaries were quite easily accessible while TED business skills, e-marketing, Tour operator and Accommodation training beneficiaries were harder to reach (3 to 4 times the number of calls were made to reach the total number of interviews completed). This could be attributed to the general fact that business owners are fairly busy during working hours. A fairly low amount (17) of wrong numbers was recorded, however, to reduce this number; regular updates of business numbers should be done.

Table 6: Host Company Survey Summary

<table>
<thead>
<tr>
<th>Host companies</th>
<th>Interview Completed</th>
<th>Population</th>
<th>Total number Calls Made</th>
<th>Emails sent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>11</td>
<td>40</td>
<td>12</td>
</tr>
</tbody>
</table>

As the population was so small, the whole population was taken as the sample to be surveyed with a target set to 5 interviews to be completed. The intended total number of host companies to be surveyed was not reached; therefore the findings of the survey are not statistically representative of this population. A total of 40 calls were made to all 11 host companies within the original database and 4 surveys were completed.
In conducting the host companies’ survey, a variety of challenges were faced. As the database of Host Companies was small, and incorrect contact information was given, the survey continued on for a longer timeframe than was originally outlined. This resulted in fieldworkers having to call and ask for the relevant person to speak to which in the end proved to be futile. In addition one respondent was unable to answer questionnaires, stating they did not host learners. Respondents were often busy and found it difficult to accommodate the survey into their schedules.

For Host beneficiaries, courtesy emails (a total of 12) were sent out before conducting telephonic interviews. This was done so that Host companies could prepare the relevant documentation needed to complete the survey. Host companies were difficult to get a hold of due to a general lack of availability to search for required information (in-service training learners programme participation records were needed for the survey) and complete the survey. Few host companies contact details were not provided on the original database and one email address belonging to a host representative who no longer worked at the company was noted. To address these challenges:

- The appropriate representative contact details within the host companies was found by the fieldwork team
- This representative was sent a courtesy email and subsequently called to conduct the interview
- Interview times were set up for when was most convenient for host companies
- Numerous follow up calls were made

Therefore, for future evaluations, it is imperative that the data management system is updated.

The host company representatives surveyed held positions of Executive chef, Tourism Officer, Business Owner and Programme Manager. The inherent unavailability of persons within high level positions contributed to the difficulty of conducting interviews.

Host companies data management system also pointed to challenges of an inefficiently managed system. Databases should be regularly updated.

### 2.5 Research Limitations & Risk Mitigation

The evaluation has its own limitations and, therefore, caution should be taken in the interpretation of the report findings. Interpretation should be done with the following in mind:

#### 2.5.1 Isolation of Work Opportunities Created by THRD and TED Programs

A baseline of the number of employees TED beneficiary companies had before entering the TED programmes was not available for the purposes of this survey. This, therefore, means that the impact of the TED programme on the overall number of 400 work opportunities to be created could not be isolated. Although questions within Section D in the TED questionnaire (See Appendix 4) to assist in controlling for the isolation of the effect were included in the survey, as will be seen in the
following short-coming, this too did not go far to isolating the effects of the TED programme for the year in question.

The THRD programme documentation clearly outlines the intended targeted beneficiaries as unemployed youth. As can be seen in the findings, beneficiaries expressed being employed prior to the interventions. Due to the fact that the type of employment prior to interventions was not asked of beneficiaries, it is unclear whether or not this is gainfully directed and sustainable employment. Further to this, this shows that the programmes are accepting a small percentage of employed beneficiaries. Moving forward, programmes need to better qualify whether programmes are indeed being offered to the targeted beneficiaries.

2.5.2 Linking Programs to Business Growth

Within the TED program survey, beneficiaries were asked to recall their businesses annual turnover in 2011 and 2013 as well as to estimate how much (in percentage) they felt the program impacted their businesses turnover and number of employees. Many beneficiaries were not able to isolate the effects of the program on their turnover and number of employees due to memory recall issues. Furthermore, many other beneficiaries struggled to recall their businesses turnover in 2011 and 2013. Where they could not recall actual figures of their annual turnover, responses based on their perception of the program effects on their turnover and their number of employees, were still recorded. For reference, please see Appendix 4: TED Business Beneficiary Survey Questionnaire.

Both questions responses, therefore, may contain a measurement error biased due to the fact that beneficiaries were not looking at their books/exact figures details of turnover/number of employees. The response given to these questions, therefore, could be inaccurate. Although 2 measures were used to control for each other, neither is completely unbiased or consistent.

The TED programme database was less problematic but could have captured more information about business owners. Information from the key informant interview revealed that subsequent to the 2012/13 year of implementation which is being evaluated, a business registry form was required to be filled out by all beneficiary businesses. For future evaluations, this registry should include detailed and (as far as possible) verified information about business turnover prior to interventions and number of employees. This business registry should be complied into a database and made available to future evaluation consultants.

This challenge was addressed within the TED beneficiary survey (Appendix 4: TED Business Beneficiary Survey Questionnaire), where respondents were asked to note their annual turnover and number of employees in 2011 and 2013 (before and after the intervention).

2.5.3 Information Management

In the process of the evaluation, a number of issues became evident relating to the M&E framework that directly impacted on the evaluation of programs. These included issues of information and
indicator development. For the purposes of future evaluations, DEDAT needs to be mindful of these challenges and address them within development of strategic documentation moving forward.

### 2.5.3.1 Incomplete and Inconsistent Data Management

A key weakness in the THRDP programme administration is the lack of a clear programme information management system. The databases received did not contain consistent information about beneficiaries and did not have one system of information management.

The M&E plan should include a data collection plan that summarizes information about the data sources needed to monitor and/or evaluate the program.

The plan should include information for each data source, such as:

- The timing and frequency of collection
- The person or agency responsible for the collection
- The information needed for the indicators
- Any additional information that will be obtained from the source

There is a need for on-going management and updating of all databases. Furthermore, there is a need for all information to be verified as far as possible on a regular basis. This is a fundamental requirement for ensuring the accuracy of monitoring and evaluation exercises. Collecting data is only meaningful and worthwhile if it is subsequently used for evidence-based decision-making, placing further emphasis on the importance of data collection and management. Therefore, useful information must be based on quality data, and it also must be communicated effectively to policy makers and other interested stakeholders i.e. future evaluation consultants for the purposes of research.

To mitigate these challenges, checks were added within the THRDP beneficiary questionnaire to acquire this information (See Appendix 2: THRDP Beneficiary Survey Questionnaire) and update the sample database.

### 2.5.4 Unavailability Due to Incorrect Numbers/No Answer

As noted in the above section, EPWP and FET Skills programme beneficiaries were particularly difficult to reach, as can be seen by the high number of calls made in order for the minimum required number of surveys to be completed. Both programmes recorded the highest number of phone calls as wrong numbers (EPWP 12% and FET Skills 5%) or engaged/voicemail/call dropped/bad connection (EPWP 39% and FET Skills 58%). To address this issue, the following measures were put into place:

- 3 phone calls were made to beneficiaries on the sample database
- More beneficiaries were taken from the original database and added to the Sampled database (increased sample size)
2.5.5 Day Time/Work Hours Unavailability

Due to unavailability of THRD and TED beneficiaries during work hours, fieldworkers conducted a number of calls after-hours and on the weekend. To mitigate these challenges of Host company availability, fieldworkers contacted all 11 host companies on the original database. Where representatives were not contactable via phone due to contact details not provided or representatives not available, alternative representatives were sought out within the companies by fieldworkers.
3. PROGRAMME AND REPORT OVERVIEWS

3.1 Program Overview

3.1.1 FET Skills Programs

Based on the CATHSETTA sector skills plan and previous year’s budgets, the department decides which skills programmes to finance and how many learners in each programme to finance. DEDAT also bases this decision on informal discussions had during meetings held throughout the year where stakeholders would be in attendance such as Tourism expo’s etc. These discussions are informal as they are not directly related to sourcing information about skills development programmes. DEDAT programme managers also sit on the hotels board (group of HR heads from the large Hotel establishments in Cape Town) where more structured discussions on the skills needed by the sector take place. DEDAT then accesses the unemployed youth database from the Department of Labour and Social Development. The unemployed database and number of beneficiaries per programme are provided to the colleges, who contact potential beneficiaries on the database. All FET learners need to pass a Performance Assessment of Contributions and Effectiveness (PACE) test and meet college particulars (previously disadvantaged learners have priority for assistance). The list of selected beneficiaries is then sent to DEDAT for confirmation and for transfer of tuition to the FET institution.

3.1.2 TCB Programs

A similar process for selection of programmes to facilitate and number of beneficiaries is done for TCB programmes. The Department received direct inquiries for financial assistance from students. The bursary is also advertised in career offices and on the western government website. Students are then required to apply for the bursary through DEDAT. Candidates are interviewed and selected by DEDAT. Tuition is paid directly to the institution. Beneficiaries are required to re-apply each year for the bursary if they wish to continue receiving this assistance (bursary is awarded for the year the learner applied for and not the entire 3 years of the qualification).

3.1.3 EPWP Program

All facilitation and implementation for the EPWP programmes is carried out by NETWORKS, including the in-service training facilitation. NETWORKS have formal agreements with host companies and reporting is done to NETWORKS by hosts on a monthly basis. Municipalities are enlisted to help find

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12 TCB Business case 2012/13
host companies. DEDATs facilitation extends to them taking part in the selection of beneficiaries during an interview sits on the selection board and do not fund any part of the EPWP process.

### 3.1.4 TED Program

It has been noted that while just six companies control between 60 and 70 percent of the tourism sector in the country, the majority of enterprises operating within the sector are SMMEs. The DTI has estimated that of the +/- 50 000 tourism enterprises operating in the country, at least 97 percent are SMMEs\(^\text{13}\).

![Diagram showing business tiers]

The table above describes DEDATs rationale for the choice to support SMMEs. The businesses and business owners that need the most support in growing and sustaining their businesses are within the bottom 2 tiers, therefore, programs are targeted at businesses within these tiers. Businesses are selected to participate in programs from an existing database. Further to this, advertisements are sent out for further businesses to sign up for programs. These businesses would then be added to the database and referred to when relevant programs are being offered. DEDAT also rotates programs between different districts each year, to ensure the geographic spread of support given to small businesses. Once the region is selected in that year, based on the demand for

\[^{13}\text{Mthente: “Analysis of the Needs, State and Performance of Small and Medium Businesses in the Agriculture, Manufacturing, ICT and Tourism Sectors on South Africa” 2012 for Small Enterprise Development Agency (SEDA) 119.}\]
courses, DEDAT then selects the courses that will run in that region. They then contact the business owners who showed interest. The selection criteria for the mentorship program are that businesses need to have been in the tourism industry for 2 years or more and show potential to grow.

Table 7 below gives an overview of the THRD and TED programs. The table was compiled using information provided within program documentation and information gained from key informant interviews with program managers.
**Table 7: Overview of THRD TED programs**

<table>
<thead>
<tr>
<th>Programmes and length of qualification</th>
<th>FET Skills programme</th>
<th>TCB programme</th>
<th>TED</th>
<th>EPWP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. NC(V) Tourism (1 year)</td>
<td>1. ND Events Management (3 years)</td>
<td>1. HR (2 days)</td>
<td>1. Housekeeping</td>
</tr>
<tr>
<td></td>
<td>2. NC(V) Hospitality (1 year)</td>
<td>2. ND Hospitality Management (3 years)</td>
<td>2. Finance (2 days)</td>
<td>2. Food and Beverage</td>
</tr>
<tr>
<td></td>
<td>3. Assistant Chef (6 months)</td>
<td>3. ND Tourism Management (3 years)</td>
<td>3. Marketing (2 days)</td>
<td>3. Administration and Communication</td>
</tr>
<tr>
<td></td>
<td>4. Waitron Course (10 weeks)</td>
<td></td>
<td>4. Business Strategy (2 days)</td>
<td></td>
</tr>
<tr>
<td>FET Skills programmes were provided at False Bay college and Northlink College</td>
<td></td>
<td>5. Productivity (9 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. E-marketing (10 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Social Media (2 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. Tour Operator (2 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>9. Accommodation (4 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10. Mentorship (6 months)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The interventions directly respond to outlined objective to:

- provide Tourism Business skills training
- training for Tour Operators and accommodation establishment owners
- Using technology to make businesses globally competitive
- Networking sessions

As the EPWP program is a national program being facilitated by DEDAT, a different set of objectives have been highlighted by this program. The EPWP program is, however, still

**Programme objectives**

**Objective 1:** Facilitating work opportunities in the targeted sectors through enterprise development and human resources development.
Skills development objectives:

- skills training and work experience increase capacity of participants to earn an income after existing; job creation
- alleviation unemployment through short term work opportunities (temporary jobs)
- increasing aggregate demand for labour through labour intensification and increased government expenditure
- small, micro and medium enterprise development (change structure of labour market)

Western Cape DEDATs role is to facilitate 204 770 “100-day work opportunities” and 111 859 “full-time equivalents” between 2009 and 2014 (APP 2013/4)
The THRD and TED programmes combined target is the creation of 400 work opportunities. The outcome indicator for measurement against this target is the % growth in employment.

This report will therefore, first and foremost, respond to whether or not the THRD and TED programmes facilitated 400 work opportunities. Note that the EPWP target is included in the target of 400 employment opportunities created.

**Targeted beneficiaries**

- Unemployed youth currently embarking on skills training within the financial year 2012/2013.
- Include unemployed youth at a matric level or lower and unskilled youth that could pursue a skills programme that is occupationally-directed.
- Beneficiaries receive funding (tuition) towards their skills training and assistance.

- Unemployed youth
- Learners from the various regions within the province. This target is in alignment with national and provincial level documentation to increase spread of programs and create growth and employment for unemployed.

The targeted beneficiaries from the TCB programme to be surveyed are beneficiaries that

- Small business owners and managers in all the regions of the Western Cape.
- Unemployed and marginalized individuals.
- At least 40% of beneficiaries would be women, 30% youth, and 2% disabled.
- Unskilled
- Not recipients of government grants

EPWP beneficiaries target vulnerable women who are victims of poverty and unemployment. Due to their socio-economic status women often endure the worst of poverty. A second priority of EPWP is to alleviate youth unemployment as unemployed and uneducated youth make up a large

---

**Table: Strategic Objective annual targets for 2013/14 (APP 2013/14)**

<table>
<thead>
<tr>
<th>Strategic Objective (Outcome Indicator)</th>
<th>Audited / Actual Performance</th>
<th>Estimated performance</th>
<th>Medium-term Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of work opportunities (THRD and TED)</td>
<td>- - 388 600</td>
<td>400 500 600</td>
<td></td>
</tr>
<tr>
<td>Implementation process</td>
<td></td>
<td></td>
<td>percentage of South Africa’s youth.</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>to accessing workplace learning for experiential training placements (facilitate access to in-service training).</td>
<td>were studying in the financial year 2012/2013.</td>
<td></td>
<td>Training, placement and facilitation are provided by NETWORKS (Service provider contracted by national government). DEDAT is part of selection processes. Where appropriate, local municipalities assist with finding beneficiaries and identifying possible hosts.</td>
</tr>
<tr>
<td>• Unemployment database compiled by the department of labour referred to</td>
<td>• Implemented based on demand coming from FET beneficiaries.</td>
<td>• TED programmes are based on the Tourism Tiered Support system (TTSS) of 2008</td>
<td></td>
</tr>
<tr>
<td>• FET colleges contact possible beneficiaries</td>
<td>• From 2013, DEDAT only sponsors 2nd and 3rd years.</td>
<td>• The current manner of working is still reliant on this system, but business beneficiaries are now allowed to the TED programmes at any level they see fit to assist with their current developmental needs</td>
<td></td>
</tr>
<tr>
<td>• Those who express interest must complete PACE assessment (performance assessment of contribution effectiveness).</td>
<td>• Excluding 1st years is a strategy designed to ensure higher returns on investments</td>
<td>• Department has taken the strategic decision to focuses less on creating new businesses and more on supporting existing businesses to ensure growth and sustainability.</td>
<td></td>
</tr>
<tr>
<td>• Based on CATHSETAs sector skills plan, DEDAT assigns a quota of beneficiaries to be assisted based on budget constraints.</td>
<td>• Beneficiaries sourced and selected by College</td>
<td>The TTSS was designed so that the TED business skills programs were implemented in a cumulative and holistic manner as well as to fully leverage resources provided by Tourism Enterprise Partnership (TEP). Beneficiary businesses would enter at the lowest Tourism Intermediate skills level, move up into the Tourism Advanced level and have the chance to move on to the highly competitive Mentorship Training, placement and facilitation are provided by NETWORKS (Service provider contracted by national government). DEDAT is part of selection processes. Where appropriate, local municipalities assist with finding beneficiaries and identifying possible hosts.</td>
<td></td>
</tr>
<tr>
<td>• Beneficiaries sourced and selected by College</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• DEDAT is not involved in selecting</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TCB beneficiaries apply to the department and attend an interview before being awarded a bursary.
beneficiaries| program. The TTSS system’s strength lies in the fact that it provides a full spectrum of business skills to intensify and deepen entrepreneurs tourism business knowledge.

| Application process (programme requirements) | • Grade 9 or above | • Senior Certificate Equivalent | • Programme managers refer to existing database to find the appropriate beneficiaries to contact
• Businesses fill in business registry
• Prioritise by geographic location (pre-chosen)
• BEE equity | • Senior Certificate |

| Mandatory Length of in-service training | • Assistant chef and professional cookery courses entail 4 weeks of training
• Waitron course learners are not required to complete in-service training
Avg. length of in-service training in findings: 11 weeks | At least 6 months for ND programmes, but can be longer at discretion of the institution.
Avg. length of in-service training in findings: 34 weeks (8 months) | N/A | In-service training takes place throughout the duration of the course. |
<table>
<thead>
<tr>
<th>Budget and Output Targets</th>
<th>R450 000 budget (co-funded with CATHSETA through MOU partnership)(^\text{14})</th>
<th>R650 000 allocated to educate/training 45 TCB beneficiaries according to TCB business case 2012/2013</th>
<th>According to TED business case 2012/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• R130 000 (20 Northlink Prof Cookery R5,000 co-funding and 10 Assistant Chef R3,000 co-funding per student)</td>
<td>• Tourism Intermediate Business Skills had budget of R325 000 and targeted 75 businesses</td>
<td>• Tourism Intermediate Business Skills had budget of R325 000 and targeted 75 businesses</td>
</tr>
<tr>
<td></td>
<td>• R110 000 (10 False Bay Prof Cookery co-funding R5,000 and 20 Assistant Chef Assistant Chef co-funding R3,000 per student)</td>
<td>• Advanced Business Skills had budget of R200 000 and targeted 50 businesses</td>
<td>• Advanced Business Skills had budget of R200 000 and targeted 50 businesses</td>
</tr>
<tr>
<td></td>
<td>• R60,000 (12 South Cape College Prof Cook/Assistant Chef co-funding R5,000 per student)</td>
<td>• Mentorship had budget of R300 000 and targeted 30 beneficiaries</td>
<td>• Mentorship had budget of R300 000 and targeted 30 beneficiaries</td>
</tr>
<tr>
<td></td>
<td>• R1 000 00 for 100 Beneficiaries (False Bay and South Cape College) -Short courses and skills programmes ranging from – kitchen cleaner, waitron, culinary, bartender and housekeeping co-funding</td>
<td>• Tour Operator Training had budget of R175 000 and targeted 50 businesses</td>
<td>• Tour Operator Training had budget of R175 000 and targeted 50 businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• E-marketing had budget of R250 000 and targeted 50 businesses</td>
<td>• E-marketing had budget of R250 000 and targeted 50 businesses</td>
</tr>
<tr>
<td>Partnerships</td>
<td>• CATHSETA</td>
<td>• CATHSETA</td>
<td>• TEP</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• National Department of Tourism</td>
</tr>
</tbody>
</table>

\(^{14}\) FET Skills business case 2012/13
| • FET colleges (False Bay and Northlink) | • Provincial public HEIs (CPUT, UWC and MNMY) | • WESGRO | • NETWORKS |
3.2. Profile of THRD and TED Beneficiaries

3.2.1 THRD Beneficiary Profile

The table below is used to inform the reader of the overall profile and characteristics of the beneficiaries. Statistical/demographic understandings of the beneficiaries will be further developed within the findings. Therefore, it must be understood that this is not a demographic representation, but an informative characteristic of the categories of people being spoken about.

Table 8: THRD Beneficiary profile

<table>
<thead>
<tr>
<th>THRD beneficiaries overall profile based on demographic analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>The majority of beneficiaries fall within the 22 – 25 age group i.e. are within the youth category.</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td>The majority of beneficiaries are female</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
</tr>
<tr>
<td>Mainly unemployed beneficiaries prior to the intervention</td>
</tr>
<tr>
<td><strong>Previously disadvantaged</strong></td>
</tr>
<tr>
<td>The majorities of beneficiaries come from previously disadvantaged backgrounds.</td>
</tr>
</tbody>
</table>

3.2.2 Host Company Profiles

In terms of the host companies, 4 respondents were interviewed. Each case is considered separately for the purpose of a qualitative comparison. A profile of the 4 surveyed host companies is provided in Figure 8 below. These 4 host companies represent the private, public and HEI/FET institutions within the tourism sector.

Figure 8: Profile of Host Companies
A short description of the program partners is provided below:
3.1.3 TED Beneficiary Profile

The table below is used to inform the reader of the overall profile and characteristics of the beneficiaries. Statistical/demographic understandings of the beneficiaries will be further developed within the findings. Therefore, it must be understood that this is not a demographic representation, but an informative characteristic of the categories of people being spoken about.

Table 9: TED beneficiary profile

<table>
<thead>
<tr>
<th></th>
<th>TED beneficiaries overall profile based on demographic analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>The majority of beneficiaries fall within the 56 – 60 age group, followed by the 36 – 40 age group.</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>The majority of business owners were female.</td>
</tr>
<tr>
<td><strong>Previously disadvantaged</strong></td>
<td>The majorities of beneficiaries come from previously disadvantaged backgrounds.</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Large majority of businesses are SMMEs in the Tourism Sector (mainly 0 – 5 employees)</td>
</tr>
</tbody>
</table>
**Business Type**

| Majority of Businesses are “Tour operator” and “Accommodation establishment” |

### 3.3 Discussion Framework for Findings

The following figures show the discussion framework of the THRD and TED findings section to follow. This shows how the survey feeds into the understanding of the outcome.

**Figure 10: Structure of THRD Findings**

- **Extent to which Outcome was achieved**
  - Number of Work Opportunities created
- **A Closer look at Programme's Contribution to Work Opportunities**
  - Change in Employment
  - Change in Income
  - Relevance of Work Opportunity to Tourism Sector and Fields of Study
- **In-Service Training’s Contribution to Work Opportunities**
  - Duration of In-Service Training
  - Experience Gained during In-Service Training
  - Employment Following In-Service Training

**Figure 11: Structure of TED Findings**

- **Extent to which Outcome was achieved**
  - Number of work opportunities created
- **A Closer look at Programme’s Contribution to Work Opportunities**
- **Sustainability and Growth of SMMEs**
  - Growth (Turnover)
  - Sustainability (length operational)
- **Growth and Job Creation**

The following section will present the findings of the survey.
4. ANALYSIS AND FINDINGS

Within the analysis of TED programmes, work opportunities created is measured as the *change in the number of employees*. For the best measure, the change in the number of employees between 2011 and 2013 is cross-referenced with businesses’ perception of the impact TED programmes had on their number of employees.

In the sample, THRD created 42 work opportunities and TED created 32 work opportunities. The results of the survey sample were extrapolated to the population of THRD and TED in 2012/2013, and it was estimated that 288 work opportunities were created. This estimate falls 112 short of the departments’ target of 400. Hence the target of 400 work opportunities was not met.

4.1 Overview of THRD Findings

4.1.1 Work Opportunities Created

This report uses employment as a proxy for work opportunities in THRD. Based on the survey, 44% of TCB beneficiaries, 36% of FET, and 32% of EPWP beneficiaries are currently employed.

After extrapolation the survey results to the population, it was estimated that the THRD programme created 135 work opportunities. That is, 47% of the total work opportunities were created by THRD programmes. Based on the extrapolation, the EPWP programme contributed the highest percentage (56%) to the total THRD work opportunities created, followed by the TCB programme (24%) and lastly FET (19%).
4.1.2 Employability

The following section speaks to the change in employability of the beneficiaries as a result of the interventions. By comparing prior employment and earnings with current figures and investigating whether beneficiaries are employed in their respected fields, insight can be gained into whether beneficiaries became more employable after the intervention. Therefore, the following sections do not respond to the number of work opportunities created/facilitated by the programmes but rather gain further insight into the employability of beneficiaries.

4.1.2.1 Changes in Employment and Income

EPWP beneficiaries experienced the largest increase in employment (by 17% from 15% to 32%); while the employment numbers of FET beneficiaries remained fairly stagnant, only increasing by 3% from 33% to 36%. TCB beneficiaries had the highest employment levels of all 3 THRD programmes (53%). Although the TCB programme beneficiaries saw a significant decrease in their employment levels of 9% from 53% to 44%, the programme still showed the highest percentage of employed beneficiaries. It is clear from the findings that there seems to be higher demand for higher skilled labour as opposed to lower skilled labour in the tourism sector.

The decrease in employment for TCB beneficiaries could point to a number of various causes. It should be noted that, as the programme requirements are that learners have a minimum of a senior certificate and the majority of beneficiaries are currently within the 18 – 25 age group (80%), it might very well be that the persons that contributed to the high employment numbers were the 20% of beneficiaries that were older than 26. It could also point to the fact that a high number of beneficiaries were previously employed in part/time, lower skilled work. As employment terms of beneficiaries prior to the intervention was not included into the scope of the survey (question was not asked of beneficiaries), we have little way of understanding what this decrease in employment might signify.

A look at earnings indicates that TCB and EPWP income distribution is increased. On average, beneficiaries have moved up an income bracket. This could possibly indicate that employment levels have changed. That is, beneficiaries are likely to be working in a more skilled position. An increase in earnings implies a higher skill level meaning more beneficiaries are employable.

4.1.2.3 Relevance of Work Opportunities to Tourism Sector and Fields of Study

The majority of employed beneficiaries in TCB (81%) and EPWP (69%) are working in the tourism sector. The majority of employed FET skills beneficiaries who completed the waitron (75%) and assistant chef (71%) courses are not employed in the fields they qualified for (75% and 71%
respectively). The disparity between the nature of employment and fields of study may explain why FET beneficiaries did no experience an increase in earnings.

In addition, the findings seem to confirm that the tourism skills development sector continues to be supply drive based on the fairly low employment numbers. From the key informant interview, however, it was expressed that the programme managers from DEDAT sit

The findings also seem to suggest that programmes are somewhat misaligned to the needs of businesses, also seen by the low absorption rate of beneficiaries post-intervention. Although host companies surveyed also showed low absorption of learners, this misalignment cannot be conclusively argued as the sample was not representative.

The results of the survey shows that a considerable percentage of the contribution made by DEDAT to up-skilling the labour force of the tourism sector does not find its way back into the tourism sector, particularly in the case of FET skills. Through the involvement of the private sector, redesign of programmes should be considered as well as the establishment of closer linkages between the private sector and institutions.

According to the previous studies, FET Skills colleges also generally record successes that differ greatly from province to province. The Department of Higher Education and Training recognises that there is great unevenness in the college sector; some colleges (and some provinces) performing much better than others\(^\text{15}\). An audit done by the Human Sciences Research Council (HSRC) on the FET Skills sector outlined inefficiency of FET colleges in skills programmes through the evaluation of student throughput rates (defined as the portion of students successfully completing their studies). According to the HSRC report findings, the NCV programme achieved a national average throughput rate of 30% per annum over a three-year period (2007-2009) while the N programmes achieved 47% and other programmes 66%\(^\text{16}\). These findings as reported by the HSRC have a great impact on the understandings of the report findings as certain programmes, irrespective of DEDATs contributions, perform better than others. Therefore, the success of the THRD programmes rests quiet significantly on the success of FET Skills sector as a whole.

A further aspect of FET colleges called to question is the aspect of in-service training. The THRD business case 2012/13 document refers to the misalignment of the colleges and private sector as a key challenge to increasing work opportunities facilitated. Colleges were once closely partnered with industry under the old apprenticeship system, which required that students conduct their practical training in the workplace. With the phasing out of the Apprenticeship system, these relationships declined and have been difficult to replace\(^\text{17}\). The findings of the host company survey speak to this challenge as all host companies reported that hosting learners was beneficial and indicated that they

\(^{15}\) Article is based on a report entitled: Further Education and Training (FET) Colleges at a Glance in 2010. FET Colleges Audit, May - July 2010, commissioned by the National Board for Further Education and Training, subsumed by the DHET via www.ngopulse.org

\(^{16}\) Ibid.

\(^{17}\) 23 June 2012 “Young, Jobless and desperate: Will FET colleges fix our future” City press via www.citypress.co.za
would happily participate again. The private sector needs to be made more aware of the in-service component of training and be incentivized to participate. Although the results of the host companies survey are not representative, the misalignment of institutions and industry in terms of skills needed and skills is somewhat evidenced by the low absorption rate of learners into the workplace after completion of in-service training (surveyed host companies employed 3 of the 19 hosted learners)\(^\text{18}\). Therefore, the success of THRD programmes also rests on the alignment of institutions, government, and industry.

Results indicate that FET skills beneficiaries are being absorbed into tourism sector or within their relevant fields (related to chosen courses) at a rate which is on par with the EPWP programme but under the comparative performance of TCB. According to the findings, FET beneficiaries are not earning more or experiencing a higher employment level (entry, medium, or senior level) following the intervention.

This may indicate the poor link between FET colleges and Institutions, or the lack of work readiness by beneficiaries or the perception of the courses in the private sector. The Assistant chef and waitron courses appear to not adequately prepare learners for working in their respective fields as few are employed in the positions they qualified for. This finding could also allude to an unfavorable job market.

### 4.1.3 In-Service Training’s Contribution to Work Opportunities

The THRD business cases referred to the department’s role in exposing beneficiaries to in-service training components. DEDAT, through coordination and partnering with private sector and institutions, is to provide access to in-service training for beneficiaries\(^\text{19}\).

#### 4.1.3.1 Duration of In-Service Training and Employment

According to the survey findings, it is evident that beneficiaries that completed a longer in-service training (duration) showed higher employment levels, on average. For example, an in-service training that lasted for 1 – 2 weeks showed only 17% of beneficiaries are currently employed. On the other hand, an in-service training of 3 weeks to a year showed a small difference in terms of contribution to employment, as about 38 – 42% of beneficiaries were employed. An in-service training of over a year showed 60% of beneficiaries employed. This is to say that an in-service training of less than a month currently has a similar impact on employment as an in-service training component of 3 months or 6 months or even a year. This finding is crucial as it points to the fact that considering the quality of THRD programmes, most in-service training components have a similar capacity to contribute to employment.

\(^{18}\) Extent to which this generalization can be made within this report is limited due to outlined challenges in gaining a representative sample number to be surveyed.

\(^{19}\) FET Business Case 2012/13 pg. 19.
4.1.3.2 Experience Gained During In-Service Training

Overall, beneficiaries in the FET skills programmes were being exposed to in-service training experiences which were directly related to their chosen course (100% of Assistant-chef beneficiaries worked in a Kitchen environment). In the TCB programme, beneficiaries were receiving exposure to more varied, but inter-related tasks in their in-service training. In addition, the host companies surveyed felt they were contributing to the upskilling of beneficiaries. There is evidence to suggest that in-service training does contribute to bridging the skills gap.

EPWP beneficiaries were not asked further details about the in-service component within the survey, as it was established within the key informant interviews that the in-service training component is facilitated by NETWORKS\(^{20}\) (and not by DEDAT).

4.1.3.3 Employment Following In-Service Training

Within the host company survey, data revealed that not all host companies are employing learners after completion of in-service training within their organization (2 out of 4 surveyed host companies hired a learner after completion of in-service training). This is evidenced in the host survey where out of 19 beneficiaries hosted, only 3 beneficiaries were subsequently employed. There are potentially a variety of issues at play here which need further investigation.

Therefore, DEDAT should continue to work to strengthen this relationship so as to find more meaningful in-service training that could increase the impact of in-service training on employment. Such impact should then be evidenced by the number of learners being absorbed back into the host companies.

4.1.4 A Closer Look at Unemployment

THRD beneficiaries face high unemployment as 56%, 64%, and 68% of TCB beneficiaries, FET beneficiaries and EPWP beneficiaries are unemployed.

Almost half (47%) of the FET beneficiaries have been economically inactive for more than a year, whereas 21% of EPWP beneficiaries and 26% of TCB beneficiaries have been unemployed for more than one year. This again points to the mismatch between the demand and supply of labour. Most beneficiaries however, from all three programmes, believed that the THRD made them more employable.

\(^{20}\) NETWORKS is a service provider contracted by NDT to facilitate the running of the EPWP.
The fact that most beneficiaries feel there are no job opportunities, could be as a result of numerous factors such as despondence, lack of awareness, bad job market etc. Alternatively, this could allude to the mismatch between what is supplied by education institutions and what is needed in the private sector. In addition a large proportion of beneficiaries attributed their unemployment to lack of experience.

4.2 Overview of TED Findings

4.2.1 Extent to Which Outcome Was Achieved

Based on the survey 32 work opportunities were created in the sample. After extrapolating to the population it was estimated that approximately 153 jobs were created through TED. This represents 53% of the 288 work opportunities created by THRD. It is assumed that SMME growth enables job creation but while many businesses have increased their turnover few businesses have created job opportunities.

4.2.2 A Close Look at Work Opportunities Created

It should be noted that only 16 businesses contributed to the 32 employment opportunities created. While the proportion of work opportunities created relative to the sample size is similar for businesses which participated in the mentorship programme and businesses which did not, a large proportion of mentorship participants did not increase their number of employees. That is, only 28% of mentorship participants increased their number of employees while 57% of non-mentorship participants increased their number of employees.

Although the mentorship programme provides 6 months of guidance, a fairly low number of businesses who participated actually increased their number of employees. Furthermore the average increase in the number of employees is larger in businesses who participated in the mentorship programme compared to those that did not, as the average number of work opportunities (of those that created work opportunities) is 1.8 for non-mentorship participants and 2.3 for mentorship participants. There exists an opportunity. That is, mentorship participants need more support to increase their number of employees.

21 Five year strategic plan, pg. 16
4.2.3 SMME Growth and Sustainability

4.2.3.1 Growth

To measure the contribution TED programmes made in facilitating work opportunities, turnover is used to gauge the growth of the businesses. Within this report, an increase in turnover of a business equals growth of the business and results in an increase in the number of employees. This assumption/delineation is made based on the Tourism documentation\textsuperscript{22}. Therefore, the report seeks to first show whether or not businesses have grown and what they have subsequently contributed to the number of work opportunities facilitated.

It is difficult to isolate the effect of TED programmes and for the reasons described within the limitations of the study, the actual increase in turnover is cross referenced with businesses’ perception of TED’s impact on turnover. The data indicates that an increase in turnover is attributed to programmes other than the mentorship programme. The average increase in turnover (attributed in part to TED) of non-mentorship participants is more than R175 000 while the average increase in turnover of mentorship participants (attributed to TED) is 67 818.

In terms of increases regardless of the effects of TED, the majority of businesses (78%) that were operational from 2011 to 2013 and did not participate in the mentorship programme increased their turnover, whereas 57% of businesses, who participated in the mentorship programme, increased their turnover.

4.2.3.1 Sustainability of SMMEs

Of the TED beneficiary companies, 87% are still operational. Of these businesses, 56% of non-mentorship participants and 52% of mentorship participants have been operational for 5 years or more. It can be inferred that TED programmes have contributed to the sustainability of the TED beneficiaries, in line with the project documentation because almost 9 out of 10 businesses continue to operate and more than half of which have been operational for 5 years or more.

4.2.3 Growth and Job Creation

\textsuperscript{22} Five year strategic plan, pg. 16
Van der Zee looks at SMMEs in South Africa in “Business Incubator Contributions to the Development of Businesses in the early Stages of the Business Life Cycle” (2007). The following table illustrates the early stages of business growth as reported by Van der Zee.

Table 10: Early Stages of SMME Growth

<table>
<thead>
<tr>
<th>Stage</th>
<th>Stage Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>Existence/Inception</td>
</tr>
<tr>
<td>Stage 2</td>
<td>Survival</td>
</tr>
<tr>
<td>Stage 3</td>
<td>Growth/Success</td>
</tr>
<tr>
<td>Stage 3a</td>
<td>Disengagement sub stage</td>
</tr>
<tr>
<td>Stage 3b</td>
<td>Growth</td>
</tr>
<tr>
<td>Stage 4</td>
<td>Expansion/Take off</td>
</tr>
<tr>
<td>Stage 5</td>
<td>Resource Maturity</td>
</tr>
</tbody>
</table>

Van der Zee outlines the following Value Added Contributions which can be offered to businesses in the form of business hubs:

- Shared office space- VAC 1
- Business Assistance (this refers to managerial/administration help)- VAC 2
- Access to Finance- VAC 3
- Business Networks- VAC 4

Van der Zee proposed that value added contributions were important to certain growth stages according to the following model.
After surveying South African Businesses, the following results were found.

Figure 13: Importance of Value Added Contribution at Each Stage of Growth

<table>
<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3a</th>
<th>Stage 3b</th>
<th>Stage 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared Office Services</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Business Assistance</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Access to Finance</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Business Networks</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Van der Zee (2007)

1 = most important and 4 = least important
Businesses in the second stage or “Survival Stage” and the initial growth stage value Business Networks as the most important value added contribution. Where survivalist businesses would value business assistance expanding businesses would value access to finance.

It is clear that more established businesses, such as those participating in the mentorship programme, have the potential to create jobs as the average increase in number of employees is larger for mentorship participants. In addition younger businesses have the potential to increase their turnover as the average increase in turnover is larger for businesses who did not participate in the mentorship programme. This is to say that it is not true that turnover increase is directly proportional to employee increase. In fact, what data shows us is that there is a lag that occurs, where businesses turnover increases and the number of employee’s only increases, by a small percentage and at a far later stage.

Although SMMEs potential for contribution to job creation is noted, DEDAT needs to be mindful of the distinctions within the SMMEs category (survivalist, 2nd stage etc.) and nuance their design of programme interventions to suit this. DEDATs decision to target small businesses as well as to sustain established businesses is a strategically sound decision to make, as assisting businesses to enter the 3rd stage business category, ensures that more jobs are created. DEDAT however should investigate the value and cost of incubators for the support of survivalist businesses. Establishing incubators has the added advantage of support a wider variety of tourism related businesses e.g. businesses which supply accommodation establishment with soaps. The appropriate support for businesses in different stages of growth needs to be investigated further.
4.3 THRD Themed Analysis

4.3.1 Achievement of Outcome Indicators

Figure 14: Employment of surveyed beneficiaries post-intervention

Findings of the survey showed that 44% of TCB beneficiaries, 36% of FET, and 32% of EPWP beneficiaries are currently employed. The findings seem to show that the beneficiaries with the highest qualifications had the highest number of employed beneficiaries, while the beneficiaries with the lower qualifications showed similar and lower levels of employment. This, therefore, could signify that beneficiaries with higher qualifications are the most likely to find employment post-intervention.
After extrapolation of the employment results of the survey to the population, the THRD programme facilitated approximately 135 work opportunities. (52%) of the overall THRD and TED approximate work opportunities were created by THRD programmes. Based on the extrapolation, the EPWP programme contributed the highest percentage (56%) to the total approximate THRD work opportunities created, followed by the TCB programme (24%) and lastly FET (19%).

<table>
<thead>
<tr>
<th>Programme</th>
<th>THRD Work Opportunities in Sample</th>
<th>Population size</th>
<th>Approximate THRD Work Opportunities in Population</th>
<th>95% Confidence interval: lower bound</th>
<th>95% Confidence interval: upper bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>FET</td>
<td>13</td>
<td>71</td>
<td>26 (19%)</td>
<td>15</td>
<td>37</td>
</tr>
<tr>
<td>EPWP</td>
<td>13</td>
<td>240</td>
<td>76 (56%)</td>
<td>42</td>
<td>110</td>
</tr>
<tr>
<td>TCB</td>
<td>16</td>
<td>74</td>
<td>33 (24%)</td>
<td>21</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42</strong></td>
<td><strong>385</strong></td>
<td><strong>135</strong></td>
<td><strong>78</strong></td>
<td><strong>192</strong></td>
</tr>
</tbody>
</table>

4.3.2 Demographics

As outlined in the THRD business cases 2012/13, unemployed youth were targeted by the THRD programmes. As part of programme targets, previously disadvantaged beneficiaries are given priority for provision of tuition. Therefore, from a demographics perspective, the programmes are reaching their intended target of previously disadvantaged and/or unemployed youth. The EPWP programmes requirements differ from those of FET, resulting in the differences seen in education level and age of beneficiaries.

The FET Skills programme accepts beneficiaries with a wide variety of education levels and also accepts beneficiaries/learners with a wide range in ages. This is a general characteristic of FET Skills programmes, as learners are accepted from the official school leaving year, grade 9. Therefore, generally, an FET Skills class could have learners aged from 16 and above. This is a potential difficulty when it comes to educating learners as education and development levels are vastly different amongst learners. DEDAT programme managers could consider strategically aligning THRD programmes selection criteria and targeted beneficiaries’ profiles to resemble those of EPWP in

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23 The upper bound and lower bound here is used in reference to the definition of a Confidence Interval. A confidence interval for a mean is a random interval constructed from data in such a way that the mean lies within the interval, with a probability specified by the confidence level. An interval contains a maximum and a minimum (upper bound and lower bound).

The interval was based on the standard error of the sample. The bound = estimated population mean +/- critical z value x standard error of sample.
terms of profile and age, so as to narrow the beneficiaries assisted and improve employment numbers.

**Figure 15: Ethnicity of THRD Beneficiaries**

The majority of FET beneficiaries (97%) are from previously disadvantaged backgrounds, where Black beneficiaries constitute 61% of FET beneficiaries and Coloured 36%. All EPWP beneficiaries are from previously disadvantaged backgrounds, with Black beneficiaries comprising 65% and Coloured beneficiaries 35%. White beneficiaries are represented substantially in TCB (17%), and Coloured 46%. Therefore, from a programme requirements perspective, support is being prioritized for previously disadvantaged persons.

**Figure 16: Age of THRD Beneficiaries**

The TCB programme has the highest number of beneficiaries in the 22 – 25 age groups (69%). The EPWP programme has the highest age variation of the three programmes, with 34% of beneficiaries

Note: 2 respondents refused to divulge their ethnicity

Note: 1 respondent refused to divulge his/her age
being 22 – 25, 24% being 30 – 35, 20% being 18 – 21, 15% being 26 – 29 and 7% being 36 – 40. This is closely related to the fact that the EPWP programme has sent targets for the percentage of beneficiaries within the youth and female categories. The findings show that 61% of the FET beneficiaries are below the age of 25 while only 8% of beneficiaries are above 36 years old. The THRD programmes are reaching their targeted beneficiaries of youth as the majority of the support is being given to youth.

Figure 17: Gender of THRD Beneficiaries

<table>
<thead>
<tr>
<th>Gender of THRD Beneficiaries</th>
<th>n=41</th>
<th>n=36</th>
<th>n=34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>20%</td>
<td>19%</td>
<td>29%</td>
</tr>
<tr>
<td>Female</td>
<td>80%</td>
<td>81%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Note: 2 respondents refused to divulge their genders

Females constitute the majority within all the programmes respectively; 81% in the FET skills programme, 80% in the EPWP programme and 71% in the TCB programme. EPWP was the only programme explicitly targeted at women (women should make up 40% of targeted beneficiaries). Assistance to FET beneficiaries could be aligned to that of EPWP as is stated in the EPWP documentation that women bear the brunt of poverty and unemployment. The Skilling of women to take up positions within the work place goes further to support a family.

Figure 18: Highest Prior Qualification: EPWP

24 www.youth-employment-inventory.org
Highest prior qualifications were asked of all beneficiaries within the survey. The figure above indicates that the EPWP programme contains a high number of beneficiaries with relatively high education levels. The majority of beneficiaries (83%) completed their senior certificate and/or furthered their studies by participating in short courses prior to entering this programme while only 7% of the beneficiaries completed grade 11 and 5% completed an NCV. Therefore, EPWP programme beneficiaries are varied in age and overall have a higher prior qualification.

Figure 19: Highest Prior Qualification: FET
The FET Skills programme has the highest percentage of students entering the programme with low education levels. Of the programme beneficiaries, 3% enter the programme with grade 8 or lower, 43% enter the programme with grade 9 or grade 10, 14% enter with grade 11, 36% enter with grade 12 and 3% with NCV level. Although the majority of beneficiaries have a prior qualification of grade 11 or lower, (75%) are 22 – 40 years old. This could explain the low absorption rate of the FET beneficiaries post intervention. Furthermore, there are no beneficiaries that are under the age of 18, which is interesting to note as 16 year olds and above are eligible for the programmes.

With regards to TCB, as grade 12 is a requirement for an HEI diploma or university degree, candidates all achieved a national senior certificate prior to being recipients of the TCB Bursary.

**4.3.5 Employability**

The following section speaks to the change in employability of the beneficiaries as a result of the interventions. The survey asked beneficiaries whether they had been employed prior to the intervention (refer to appendix). It must be noted that all beneficiaries were unemployed at the time they received the bursary/funding/assistance. It must also be noted that even though these beneficiaries were unemployed, they could have been employed at some point before being selected for these programmes. The employment level (i.e. entry, mid or senior level) of beneficiaries is not known as it was not asked in the questionnaire but can be inferred from income earned in their prior job\(^{25}\). Therefore, the following section speaks to the substance/value of the work opportunities created by the programmes by looking at prior employment and income earned.

Therefore, the following sections do not respond to the number of work opportunities created/facilitated by the programmes.

Of the TCB beneficiaries surveyed, 44% are currently employed. Roughly one third (36%) of the TCB beneficiaries are currently employed in the tourism sector. In terms of FET, 36% of surveyed beneficiaries are employed and only 22% are employed in the tourism sector. In EPWP, 32% are employed and 22% are employed in the tourism sector. It should be noted that 11(27%) of EPWP beneficiaries expressed they dropped out of the programme. If those that dropped out were to be excluded from the sample, then 43% (as opposed to 32%) of EPWP beneficiaries would be employed. This is important to note as EPWP beneficiaries showed the highest number of dropouts.

EPWP beneficiaries experienced the largest increase in employment (17%), while the employment of FET beneficiaries only increased by 3%. The FET skills programme saw a relatively smaller increase in employability, with 33% of beneficiaries being previously employed and 36% being currently employed. The TCB programme beneficiaries have the highest number of permanent employees,

\(^{25}\) Employment before the THRDP intervention relates to the definition of work opportunities used to measure employment (number of work opportunities created) after the intervention, making the two comparable.

As it was not asked in the survey, it is not known where beneficiaries were employed prior to interventions and when.
followed by EPWP while the FET skills programme has the highest number of short term contract workers and temporary workers.

Figure 20: Employment Prior to and After Intervention

It is clear that there is higher demand for higher skilled workers as TCB employment is significantly higher than that of FET and EPWP. The EPWP programme saw the highest increase, from 15% of beneficiaries being previously employed to 32% being currently employed. The FET skills programme saw a relatively smaller increase in employability, with 33% of beneficiaries being previously employed and 36% being currently employed. The TCB programme, however, saw a decrease in employment, from a high of 53% previously employed to 44% who are currently employed. The decrease in employment for TCB beneficiaries could point to a number of various causes. It could be inferred that TCB participants previously had part-time jobs and now are looking for/have permanent jobs. This would need to be investigated further.

The cause for a decrease in TCB employment could be that beneficiaries are currently furthering their studies. If the majority of beneficiaries (80%) are between 18 – 25 years old, it might very well be that the persons that contributed to the high employment were the 20% of beneficiaries that were older than 26. It could also point to the fact that a high number of beneficiaries were previously employed in part/time, lower skilled work. As employment terms of beneficiaries prior to the intervention was not included into the scope of the survey (question was not asked of beneficiaries), we have little way of understanding what this decrease in employment might signify.
Therefore, to ensure gaps in understanding of findings are minimized, an extensive database of beneficiaries’ most recent prior employment should be developed. This database can be updated annually as new beneficiaries are received to enter into DEDAT programmes. Beneficiaries should be required to fill out a registry which includes information of most recent employment in order to qualify for receiving the tuition.

Figure 21: Sector in which Employed THRD Beneficiaries Work

The findings indicate that the large majority of Beneficiaries are employed in the tourism sector. As shown above, 81% of TCB beneficiaries, 69% of EPWP beneficiaries and 62% of FET skills programme are currently employed in the tourism sector. This shows that skills being developed through DEDAT contributions do end up into the tourism sector when beneficiaries are employed.

To better understand the change in income distributions or lack thereof, it is crucial to understand the nature of employment of beneficiaries.

Table 12: FET Work opportunities profile

<table>
<thead>
<tr>
<th></th>
<th>Assistant chef</th>
<th>Waitron course</th>
<th>NCV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries surveyed</td>
<td>20</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Employed</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Employed in Tourism</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed in their</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>occupation trained in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feel that they are using their skills in their</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Of the 20 respondents who did assistant chef course, 7 (35%) are employed. Of the surveyed beneficiaries, 6 (30%) work in the tourism sector, but 2 (10%) work as chefs. Only 3 (15%) of Assistant Chef Graduates feel they use their skills gained in their current job. Findings show 3 beneficiaries (15%) believe that they use the skills they gained frequently and 4 (20%) say they never use the skills. 10 beneficiaries participated in the waitron course and 4 are currently employed.

Of the 10 waitron course beneficiaries surveyed, only 1 (10%) beneficiary is employed as a waitress. The other 3 employed beneficiaries expressed they are employed as a domestic worker, a passenger handler and a printing clerk. Only 2 (20%) of beneficiaries indicated that they are using the skills gained in their current jobs. Of the 6 NCV tourism beneficiaries, 2 (33%) are employed. Both work in tourism related fields and feel that they are using the skills they gained frequently.

<table>
<thead>
<tr>
<th>Table 13: TCB Work Opportunities Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries surveyed</td>
</tr>
<tr>
<td>Employed</td>
</tr>
<tr>
<td>Employed in Tourism Sector</td>
</tr>
<tr>
<td>Feel that they are using their skills in their current job</td>
</tr>
<tr>
<td>Still studying/recently completed another course</td>
</tr>
</tbody>
</table>

In comparison, of the total 16 employed TCB graduate, 13 (81%) are working in the tourism sector. All respondents said that they used their skills gained through THRD programmes (14 indicated they used their skills frequently and 1 indicated that they used their skills only sometimes). 3 Tourism Management beneficiaries felt they were using the skills gained even though they were not working in the tourism sector.
For EPWP, of the 13 employed beneficiaries, 9 (69%) are working in the tourism sector. A total of 9 (63%) of beneficiaries expressed they are using their skills in their current job.

Although about a third of THRD beneficiaries are employed, the majority of those employed beneficiaries do end up using their skills within the tourism sector.

**Figure 22: Employment Terms of THRD Beneficiaries Employed in the Tourism Sector**

The findings above show that 62% of TCB beneficiaries and 56% of EPWP beneficiaries are employed with a permanent contract. The terms of employment of the beneficiaries also reflect the reality of the tourism sector’s seasonality and short term nature as 33%, 13% and 31% of EPWP, FET and TCB respectively are employed on a temporary or part time basis (no beneficiaries were contracted on a 0 – 3 month basis). In the key informant meeting, DEDATs previous definition of work opportunities being counted as 3 months or above was mentioned. The findings suggest that it may be
inappropriate to exclude contracts of less than 3 months and temporary work in any definitions of employment. Further to this, the known seasonality of the tourism sector should also be taken into account when defining work opportunities (again, short term/part-time contracts would become highly relevant). FET beneficiaries have the lowest number of permanent contracts which can be directly related to the fact that beneficiaries were in the assistant chef and waitron courses. This indicates the need to investigate the way in which tourism jobs are counted in line with other sectors’ jobs indicators.

4.3.4 Changes in Income

The slight increase in employment does not account for whether prior work was low level employment such as call centre agents. As discussed in the above section, the change in income distributions is used to offer insight into whether the employment levels (entry, mid and senior levels) changed as a result of the interventions. That is, beneficiaries change in earning potential will be used to infer whether up-skilling beneficiaries has had an effect on increasing the beneficiaries earning potential in the tourism sector (position of employment).

Overall, there is an increase in the earning potential of THRD programme beneficiaries within the EPWP and TCB programmes, while beneficiaries within the FET skills programmes earnings remained relatively unchanged. A further look at the type of employment, in terms of whether it relates to the skills gained shows that FET beneficiaries are not being absorbed into the tourism sector nor are they being employed in field related to their studies.

Figure 23: EPWP Income Distributions- Before and After

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Note: Beneficiaries were not asked within the survey what their position was in previous employment.
Beneficiaries in the EPWP programme experienced relative upward mobility in their earnings. All the beneficiaries in EPWP that were employed prior to the intervention were earning between R1001 and R3000. On aggregate, all beneficiaries that are currently employed now earn a higher income with 54% of the beneficiaries earning more than R3000 per month.

A look at earnings indicates that TCB and EPWP income distribution shifts to the right (employment overall moves up in income bracket). This could possibly indicate that employment levels have changed for beneficiaries and beneficiaries are now more likely to be in more gainful employment.

Figure 24: TCB Income Distributions- Before and After

Beneficiaries in the TCB programme experienced the highest levels of upward mobility in their earnings, with none currently earning less than R1000 and 25% currently earning above R9000. TCB beneficiaries have the highest earning potential of all THRD programmes, as can be seen by the high number of employed beneficiaries earning within the higher income ranges.

As TCB programmes are geared towards supervisory positions (Hospitality and Tourism Management), this should be taken into account when designing the monitoring and evaluation of TCB programmes as beneficiaries are most likely to reflect increases in income and rise in permanent employment status a few years after graduation. This needs to be investigated further. TCB
programmes should therefore most likely be considered long term investments into the tourism sector and be monitored as such, for longer periods of time.

Figure 25: FET Income Distributions- Before and After

For FET Skills programmes, beneficiaries did not increase their earnings and instead remained in the same range of earnings. Of the beneficiaries that expressed they were previously employed, 83% earned between R1001 – R3000. Of those that are currently employed, 85% earn between R1001 – R3000. FET beneficiaries earning potential has not been affected/impacted by the THRD programmes. This could allude to the fact that FET skills programmes may not be contributing to up-skilling of beneficiaries that ensures upward mobility within the tourism sector (to higher levels of employment). As was mentioned in the Tourism Strategic Architecture document, there is not only a need for skilled new entrants to enter the labour market; there is also a need for current tourism sector labour to be up-skilled so that they fill up higher skilled positions within the sector. This will go towards increasing the sustainability of the tourism sector. Currently, the EPWP and TCB programmes seem to be providing skilled labour that would be fit to take on higher-skilled positions within the market. This is reflected in the fact that TCB programmes are management programmes.

The findings show that although numbers of employment are generally below 50%, the majority of employed beneficiaries are being absorbed into the Tourism sector. Findings also show that a portion of beneficiaries continue on to work in fields related to their qualification, but not within the tourism sector. DEDAT needs to provide a hierarchy of importance that states that the ultimate goal of the THRD programme is to ensure beneficiaries are employed in the tourism sector and in a position related to their qualification.
The figure above shows the current income by employment terms of TCB beneficiaries. Findings show that only 22% of beneficiaries with permanent contracts earn above R1001 – R3000 while double (40%) the number of beneficiaries with temporary/part-time positions earn between R1001 – R3000.

In terms of FET beneficiaries, income earned does not increase with better terms of employment.
For EPWP, 100% of beneficiaries with permanent contracts earn above R3001. 67% of beneficiaries with shorter term contracts earn between R1001 – R3000 and 80% of beneficiaries with temporary/part-time positions earn under R3000.

As can be seen in the figures above, there is a relationship between income and terms of employment for TCB and EPWP. Permanent positions pay more than temporary/part time work. FET beneficiaries however earn within a small range which is not determined by employment terms. This should be researched further.

4.3.5 In-Service Training

The majority of beneficiaries (86%) participated in in-service training. The majority of beneficiaries (56%) found their in-service host companies through facilitation given by a placement officer from their institution (most students indicated their lecturer). All beneficiaries whose in-service training was facilitated by DEDAT (21%) were TCB programme beneficiaries.

Host companies interviews expressed that reasons for not employing learners were:

- lack of work readiness from beneficiaries
- caliber and quality of training received
- insufficient skills being developed
- Age of learners and their overall psychometric readiness to join the world of work
- Insufficient resources to employ learners after training
- Lack of interventions that are being put in place by institutions to bridge these gaps for beneficiaries before they are placed in host companies

All these factors could negatively impact on industries’ ability and willingness to employ learners after training. Therefore, for a more meaningful alignment with private sector, DEDAT must review
the duration, quality, nature and relevance of in-service training programmes that they place learners into.

Host company respondents, reported that in-service training was successfully contributing to bridging the skills gap. This should be investigated further by the monitoring of learners within Host companies.

**Figure 29: In-Service Training given Intervention**

Most beneficiaries (86%) participated in in-service training. This number was expected to be high as in service training is a requirement for all National Diploma’s (TCB programmes) and FET courses. The EPWP programme in-service component is excluded as it was established in the key stakeholder discussion that in-service training was not required to be facilitated by DEDAT (It is facilitate by NETWORKS).
The majority of beneficiaries (56%) found their in-service host companies through facilitation given by a placement officer from their institution (most students indicated their lecturer). A THRD representative from DEDAT facilitated in service placements for 21% of beneficiaries while 19% of beneficiaries found their in-service host company themselves and 5% stated they did not know who facilitated their in-service training. In the FET and TCB business case 2012/13, it is stated that The Department will assist in strengthening workplace learning by facilitating partnerships between the FET educational institutions and private business Tourism stakeholders to assist with the compulsory job shadow placements of FET tourism and hospitality students in line with their qualifications. This point to a design feature which needs to be improved in the future to ensure more well directed in-service training is facilitated by DEDAT.

Table 14: Facilitation of in-service training by programme

<table>
<thead>
<tr>
<th></th>
<th>FET</th>
<th>TCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>THRD official from DEDAT</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Placement officer from institution</td>
<td>27</td>
<td>8</td>
</tr>
<tr>
<td>By student (self)</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

Note: one learner found in-service training by him/herself and placement officer from institution (counted twice)

The percentage of beneficiaries whose in-service training was facilitated by DEDAT was used to calculate the approximate number of in-service training facilitated by DEDAT within the FET and TCB population. All 13 beneficiaries whose in-service training was facilitated by DEDAT were TCB programme beneficiaries. The approximate number of beneficiaries assisted by DEDAT is 30 based
on only TCB beneficiaries being assisted. The estimate based on the population of FET and TCB is 31. Therefore, DEDAT did not reach its outlined objective of assisting 100 FET beneficiaries to complete in-service training.

Figure 31: Employment Status by Length of In-Service Training

As shown in the figure above, 17% of beneficiaries who completed 1-2 weeks of in-service training are currently employed. Under 50% of all those who completed an in-service training of anywhere between 3 weeks and a year are currently employed. The in-service training only increased beneficiaries’ employment to more than 50% for durations longer than 1 year, where 60% of the beneficiaries are employed. Therefore, short in-service training of less than 3 weeks is likely to have a very small effect on employment. It is important to note however that there is no significant difference between 3 weeks of in-service training and 51 weeks of in-service training. In-service training of more than 2 weeks has a much larger effect on employment with an even stronger impact where the training is a year or longer.

The private sector has shown slight willingness to invest (invest here describing the likelihood for private sector to employ beneficiaries after completion) in beneficiaries that participate in short in-service training programmes. That is evidenced by the fact that only 17% of beneficiaries that took part in in-service training of less than 2 weeks were employed. DEDAT and institutions were instrumental in placing learners with host companies as 21% of beneficiaries indicated that they were placed by DEDAT officials and 56% stated they were place by a placement officer within their institution. All 13 beneficiaries that were assisted by DEDAT were TCB beneficiaries and approximately 26 beneficiaries (extrapolated to the population) were assisted in the TCB and FET population. Although Waitron course FET beneficiaries were not required to complete an in-service training, 4 completed an in-service training.
Table 15: Average Weeks of in-service training by Employment Status

<table>
<thead>
<tr>
<th>Course</th>
<th>Not employed</th>
<th>Employed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FET</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant chef</td>
<td>13.08 (13)</td>
<td>16.57 (7)</td>
<td>10.53 (20)</td>
</tr>
<tr>
<td>NCV</td>
<td>2 (4)</td>
<td>6.5 (2)</td>
<td>3.5 (6)</td>
</tr>
<tr>
<td>Waitron course</td>
<td>2.67 (3)</td>
<td>4 (1)</td>
<td>3 (4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9.3 (20)</td>
<td>13.3 (10)</td>
<td>10.6 (30)</td>
</tr>
<tr>
<td><strong>TCB</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality Management</td>
<td>30 (3)</td>
<td>44 (2)</td>
<td>35.6 (5)</td>
</tr>
<tr>
<td>Tourism Management</td>
<td>32.43 (14)</td>
<td>35.82 (11)</td>
<td>33.92 (25)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32 (17)</td>
<td>36.29 (14)</td>
<td>33.94 (31)</td>
</tr>
</tbody>
</table>

From the table above, it is clear that there is a link between the length of in-service training and employment. That is to say that, all of the unemployed beneficiaries completed shorter in-service training than all of the employed beneficiaries.

The Figures below give further insight into whether or not the beneficiaries received the corresponding and thus suitable work experience. In this question, beneficiaries were allowed to give more than one response, as we were more interested in finding out what tasks they were doing within their in-service training, as opposed to only referring to the main task (usually the title of the position).

Figure 32: In-Service Training Experience given FET Course

Of the beneficiaries that completed the Assistant chef course, 100% completed an in-service training where they worked in the kitchen. Of the beneficiaries that completed the NCV (hospitality or Tourism) course, 67% took part in an in-service training where they worked in the kitchen/housekeeping while 33% worked in customer services/liaison such as at the front desk. Waitron course beneficiaries were not required to complete an in-service training.
As shown in the table above, Hospitality Management beneficiaries are receiving well-rounded, relevant work experience. Not only is there high participation in supervisory tasks, but there is a roughly equal distribution amongst other tasks which beneficiaries took part in. Tourism management beneficiaries are taking part in more administration related work, resulting in them being much less exposed to management (supervisory) related work. This could be expected as management level positions are often times not accessibly for people who are still completing bachelor’s degrees or diplomas. In this sense, TCB courses could be looked at for up-skilling beneficiaries. THRD should look to offer the opportunity to complete a TCB programme to persons in the work place who have already acquired a certain number of years of experience and that are looking to move to higher levels of employment within their current jobs/tourism sector as a whole. The TCB programmes could therefore show higher impact in this regard. All programmes are providing exposure for beneficiaries to customer service and how to deal with people while doing their in-service training. This is important as it related to The Five Year Strategy Plan that speaks to the need for customer services to be strengthened in order to contribute to visitors stays. In this regard, the programmes are well aligned with the documentation and are contributing to this goal. It must be noted that the events management course had only one person surveyed who expressed taking part in all three tasks.
The majority of beneficiaries (57%) received a stipend during their in-service training. The stipends are generally low, with the vast majority (97%) receiving under R3000. A higher majority of beneficiaries within the FET skills programme did not receive a stipend when compared to those in the TCB programme. TCB and FET skills programmes business case documentation noted the need for partnerships for co-funding to be entered into for the provision of tuition and/or stipends. Survey findings showed that Stipends were, in fact, not paid by DEDAT or any DEDAT relationships. If beneficiaries received stipends, they were paid by the private sector company which hosted the learner. Moving forward, DEDAT should enter into agreements to co-fund stipends with the private sector through their engagements. As EPWP programme beneficiaries received stipends via NETWORKS they are not presented within this graph.
The figure above speaks to the commitment of the private sector to making investments into in-service training and the general development of skills in the tourism sector. The majority of beneficiaries (96%) that completed an in-service training of less than a month receive a stipend ranging from R0 – R1000 while only 54% of beneficiaries that completed an in service training of longer than a month earned below this R1000.

Host company respondents noted that some beneficiaries were not able to cope with the work environment of the private sector as they lacked a variety of skills prior to their in-service training.

Table 16: In-Service Training Beneficiaries per Host

<table>
<thead>
<tr>
<th></th>
<th>Assistant Chef</th>
<th>NCV tourism</th>
<th>Professional Cookery</th>
<th>ND Tourism Management</th>
<th>Other Tourism Related Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>FET College</td>
<td>2</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Municipality</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Small Business: Tour Operator</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Establishment: Hotel</td>
<td>4</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The table above shows the number of beneficiaries hosted in each business. Of the 4 Assistant Chef beneficiaries, only 1 completed the in-service training. According to “The Large Establishment” respondent, beneficiaries lacked work-readiness and were unable to deal with the pressure of their work environment. The rest of the hosted beneficiaries completed their in-service training.

The host companies surveyed hold the view that FETs and HEIs do not adequately prepare learners to meet the needs of businesses. (This view excludes the FET College and local municipality representative’s responses as they do not accurately represent the views of the private sector). All 3 respondents referred to work readiness and initiative as critical components that learners lack. In addition, 2 private sector respondents expressed that the content of courses is not sufficient and referred to their lack of practical training and in-depth knowledge. This was most well noted about the assistant chef course beneficiaries, as their depth of knowledge was questioned by the host representative. Institution’s criteria for accepting learners were also brought into question.

The following skills sets are currently lacking amongst learners:
- Customer Service
- Basic Computer Literacy
- Advanced Computer Literacy (Photoshop, blogging, social media etc.)
- Critical Thinking

Learners gained customer service skills during training and, according to “The FET College” respondent, are ready for employment on completion of the programme. “The Local Municipality” and “The Small Business” reported that during their in-service training, beneficiaries transformed from completely incapable to sufficiently capable working individuals. Private sector respondents indicated that in-service training has the potential to provide the practical tools needed to be competent employees in the tourism industry.

Ideally, the in-service training component aims to create opportunities for learners to be employed by their in-service host companies on completion of the in-service training. Therefore, where beneficiaries are not employed after their in-service training, it is vital to understand whether the challenge to employ learners lies with the beneficiary (inadequately prepared for the work environment) or the host companies (not enough resources to employ learners). This needs to be further investigated.

<table>
<thead>
<tr>
<th>Table 17: Employment Following In-Service Training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number or beneficiaries Employed</strong></td>
</tr>
<tr>
<td>FET College</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Small Business</td>
</tr>
</tbody>
</table>
From the table above it can be seen that the only business who employed a beneficiary on a permanent basis is “The Small Business.” According to the THRD survey findings, 39% of all those who completed their in-service training are currently employed. This trend of low employment post in-service training is also evidenced within the Host company survey; as the findings show that of the 19 learners who completed an in-service training, only 3 were employed (16%). It is also relevant to note that the small business (SMME) employed the only learner it hosted while the larger establishment employed 0% of the 4 learners it hosted. This supports the point that THRD programme managers could utilise TED businesses to provide in-service training. This needs to be investigated further.

Although the FET college hired 2 learners, the FET college respondent expressed that the college prefers not to employ learners they host as permanent staff because they want to give many learners the opportunity for practical experience.

The large Establishment responded that besides the high number of learners who do not complete the programme, learners expressed they would rather take a gap year than be employed. It is clear that learners’ expectations are not being met likely due to their lack of work readiness. Learners are unprepared for the pressure of the working environment.

In the case of the Local Municipality, learners returned to their studies to complete their final year. The local municipality noted that they had identified a beneficiary they would be interested in employing given the availability of resources, on completion of her studies.

A finding from the qualitative research is that from the perspective of the private sector, the relationship with government (DEDAT) is not sufficiently facilitated. This needs to be further investigated. Currently, the private sector has no clear avenue to communicate their needs to government. All hosts expressed they would take on more learners to do their in-service training, as they see it to be beneficial for the learners (to assist with the lacking work readiness learners how when first entering the in-service training), and perhaps additional interventions can be investigated to incentivize the non-participating private sector. These findings should be further investigated.

In the case of the FET College, the programme was designed by the college who requested assistance from DEDAT. In the other cases, Hosts were approached by DEDAT and asked whether they would participate in the programme. Once Hosts agreed to participate in the programme, beneficiaries were required to apply for the in-service training. Host companies conducted their own independent selection process. There was no formal interaction between DEDAT and Hosts to gauge business requirements or to develop a structured approach to hosting the in-service programme. This finding needs to be further investigated as only 4 host companies were surveyed.

The local Municipality representative reported that they were approached by the government because the private sector was not willing to provide enough in-service training opportunities to learners. In addition “The FET College” initiated their in house in-service training because finding placements elsewhere proved to be a challenge. It is clear that either the private sector lacks incentive or is not sufficiently engaged.
Table 18: Stipends Paid by Hosts (weekly)

<table>
<thead>
<tr>
<th>Host company</th>
<th>Average Stipend</th>
</tr>
</thead>
<tbody>
<tr>
<td>FET College</td>
<td>R 0</td>
</tr>
<tr>
<td>Local municipality</td>
<td>R 560</td>
</tr>
<tr>
<td>Small Business Tour Operator</td>
<td>R 313</td>
</tr>
<tr>
<td>Large Establishment: Hotel</td>
<td>R 550</td>
</tr>
<tr>
<td>Total</td>
<td>R 191</td>
</tr>
<tr>
<td>Total excluding FET College</td>
<td>R 519</td>
</tr>
</tbody>
</table>

While the Small Business only paid R313 per week, the hotel was able to pay over R550 per week. As the FET College offers in-service training to learners studying at the college and because it is a requirement of their qualification, stipends are not paid. From the other 3 host’s, one can see a substantial investment being made in beneficiaries. This shows that the private sector is willing to take on graduates with less experience even though these employees carry more risk.

4.3.6 Successes and Challenges from Hosts’ Perspective

The host companies’ survey will be used to gain a minimal understanding of the in-service component of THRD programmes. Due to the sample size, the findings, successes, and challenges cannot be generalized to the population. Host companies were asked to describe their experience with in-service training, the overall successes, and challenges experienced, and to discuss suggestions/recommendations for government for improving programmes. Host companies profiles have been provided earlier in the report in Figure 8. As expressed in the limitations of the study, the degree to which these responses can be used to generalize for the overall population is limited as only 4 of 11 hosts were surveyed.

4.3.6.1 Successes

All respondents of the host survey felt that the practical experience gained by learners during in-service training complements the knowledge gained during the theory components of beneficiaries’ studies. It was suggested that this could be a positive factor contributing to confidence and ambition on beneficiaries. Therefore, overall, host companies surveyed felt the in-service is a relevant and critical component of skills development courses.

Two respondents mentioned that an added benefit of in-service training is the exposure that beneficiaries are given for opportunities to network. During the training, employers and employees have a “trial run” and build relationships prior to possible employment. Therefore, beneficiaries
have a chance to prove themselves and get a taste for the work environment while employers do not assume the full risk of employing a graduate with limited experience.

The Large Establishment respondent indicated they are able to invest in beneficiary training post in-service training (all staff are afforded an opportunity to access training afforded by the establishment) as well as provide support (stipends) during the in-service training. A formal dinner and one night’s stay in the hotel is provided to all staff, including in-service training learners. This is done to give learners first-hand exposure to the experience being offered to guests, and therefore understanding, of what level of work is expected of them. The environment of the large establishment is highly competitive, and beneficiaries need to be better equipped to deal with this.

In the case of the Local Municipality, the respondent appreciated the fresh ideas that the beneficiaries had to offer. All host company findings should be investigated further.

4.3.6.2 Challenges

All respondents made reference to the beneficiaries’ lack of work readiness. Aside from work etiquette such as discipline and dress code, host companies also expressed beneficiaries’ lack of problem solving and critical thinking skills. One respondent expressed that beneficiaries learn to think for themselves during their in-service training.

The following challenges were also mentioned:

- Lack of external funding
- Students do not take initiative and do their own research on the tourism sector

This might be an important aspect for DEDAT to look into, as lacking work readiness could also contribute to the low absorption rate of learner beneficiaries by host companies (only 3 of 19 beneficiaries were employed post in-service training). Host companies expressed that the greater part of the in-service training was used to get beneficiaries familiar with the working environment.

4.3.6.3 Suggestions from Hosts

“The FET College” suggests informing the private sector about the content and outcomes of different qualifications, as businesses are not aware of graduates’ competencies. That is, the respondent felt graduate absorption may improve if businesses were knowledgeable about qualifications.

“The Small Business” and “The Local Municipality” both expressed they would benefit from wage grants as their resources are limited. It was suggested that practical work experience such as summer internships would help learners with their work readiness and assist learners to gain better understandings of the tourism sector.

Overall, the benefits of an in-service training as expressed by surveyed hosts, is that it equips learners with soft skills and practical training to be competent employees in the future. It is apparent
that host companies do see the value and benefits of in-service training and all 4 expressed they would like to continue participating in human resource development programmes as Hosts. The key challenges for the success of the in-service training are:

- Lacking incentive given for private sector participation
- Engagement with non-participating private sector is minimal and should be increased so as to be able to afford the opportunity to more learners
- There needs to be better coordination of the DEDAT, private sector and CATHSSETA partnership geared at developing a structured approach to in-service training and to understand business needs better
- Lack of work-readiness in learners to cope with the pressure of a work environment as well as in terms of soft skills required is a great hindrance to the amount of learning that can be covered within an in-service training in the allocated period of time

To combat these challenges, programme managers should consider looking into small businesses have greater ability to expose learners to a wider aspect of being in the work place through greater opportunity to participate in more ways than one.

In terms of opportunities:

- Colleges are able to provide in-service training where businesses fall short. Although the work experience may not be comparable, these two programmes could run simultaneously as the cost of internal in-service training is less.

4.3.7 Unemployment Challenges

Almost half of the FET skills programme beneficiaries have been economically inactive for more than a year. The fact that most beneficiaries feel there are no job opportunities, could be as a result of numerous factors such as despondence, lack of awareness, unfavorable job market etc. There is an awareness of the role that experience plays in increasing one’s employability. In addition many, beneficiaries see their lack of experience as a hindrance to finding employment.
In the FET skills programme, 47% of beneficiaries were unemployed for more than a year. 58% of TCB beneficiaries have only been unemployed for 3 months. This finding correlates with the fact that most of the beneficiaries are recent graduates. This is because graduate completed their final exams at the end of 2013. Therefore, a high number of unemployed FET (74%), EPWP (53%) tend to experience longer bouts of unemployment.

For TCB programme, beneficiaries that graduated in Nov 2011 and Nov 2013 have the highest levels of unemployment, with only 33% of leaners graduating in these years currently employed. The figure above shows that the reason for high numbers of unemployment for beneficiaries that graduated in November 2013 can be attributed to the short time they have been within the job search market (100% of all 2013 November unemployed beneficiaries have been unemployed for less than 3 months).
Table 19: Breakdown of year beneficiaries received bursaries

<table>
<thead>
<tr>
<th></th>
<th>2011 Nov</th>
<th>2012 Nov</th>
<th>2013 Nov</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>33%</td>
<td>0</td>
<td>7%</td>
</tr>
<tr>
<td>2nd</td>
<td>50%</td>
<td>46%</td>
<td>67%</td>
</tr>
<tr>
<td>3rd</td>
<td>83%</td>
<td>77%</td>
<td>80%</td>
</tr>
</tbody>
</table>

The table above shows a breakdown of the beneficiaries that received bursaries given the year they graduated. As can be seen, the majority of beneficiaries received a bursary for their third year. Beneficiaries also received bursaries for multiple years.

Figure 38: Unemployed THRD Beneficiaries Seeking Employment in the Tourism Sector

All (100%) of unemployed EPWP programme beneficiaries are looking for a job in the tourism sector while 85% of Bursary programme beneficiaries and 78% of FET Skills beneficiaries have indicated that they are looking for a job in the tourism sector.

Figure 39: Duration of Unemployment given Year of Completion (TCB)
The graph above shows that the biggest challenge for TCB unemployed beneficiaries is tendency to experience long term employment (longer than a year) as 60% of unemployed 2012 graduates and 50% of unemployed 2011 November graduates have been unemployed for longer than a year. The high unemployment in November 2013 graduates is accounted for by the fact that they have all been in the job market for less than 3 months (searching for a job).

### Table 20: Reasons for Unemployment

<table>
<thead>
<tr>
<th>Reason</th>
<th>EPWP Skills Programme</th>
<th>FET Skills Programme</th>
<th>FET Programme</th>
<th>Tourism Collective Bursary Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>No job opportunities</td>
<td>75%</td>
<td>22%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Lack of experience</td>
<td>18%</td>
<td>13%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Still a student/doing in-service</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t know</td>
<td>4%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have not received my certificate</td>
<td>4%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Just finished studying, I haven’t had much time</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Reasons</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was not employed after probation</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do not have the appropriate skills</td>
<td>4%</td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>I am overqualified</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism is seasonal</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n Values</td>
<td>28</td>
<td>23</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>
When asked about the reason they felt they were unemployed, the highest percentage of EPWP beneficiaries (75%) felt there were no job opportunities. Likewise most TCB beneficiaries (60%) feel that there are no job opportunities. The second most popular reason amongst TCB and EPWP was their lack of experience. Of the 23 unemployed FET beneficiaries, 35% are still busy with their studies.

As was earlier stated, the tourism sector contributes 9.8% to provincial GDP and an estimated 150 000 people are employed in the tourism sector\textsuperscript{27}. For this reason, Western Cape government has identified the potential of the Tourism industry to spur economic growth of the province as well as contribute towards the creation of opportunities for employment for the province\textsuperscript{28}. This therefore, goes some way to contributing to the argument of beneficiaries that state there are few job opportunities. Either insufficient work opportunities have been created or beneficiaries are not becoming more employable.

For the beneficiaries that stated reasons for unemployment is lack of experience (16), this could point to the quality of in-service training experiences. Most of these beneficiaries have been unemployed for longer than 7 months, which could go to supporting their argument. Overall, DEDAT needs to ensure there are controls (M&E) given within the design of the in-service training components. That is to say that, it might be of great importance moving forward for THRD programme managers to become more involved with the selection of host companies and the design of in-service components to ensure that all graduates receive a relatively standard in-service training which would contribute to the up-skilling of all beneficiaries. Better communication needs to be ensured within the design of THRD programmes to ensure a high number of beneficiaries are absorbed into the job market.

\textbf{Figure 40: Beneficiaries Perceptions regarding whether the Intervention increased their Employability}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure40.png}
\end{figure}

\begin{itemize}
\item 96\% of EPWP beneficiaries perceive that the Intervention increased their Employability.
\item 61\% of FET beneficiaries perceive that the Intervention increased their Employability.
\item 89\% of TCB beneficiaries perceive that the Intervention increased their Employability.
\end{itemize}

\textsuperscript{27} Strategic Architecture for Tourism 2013
\textsuperscript{28} Five year Strategic Plan
A high number of EPWP beneficiaries (96%) felt the THRD programmes would make them more employable. A smaller majority of beneficiaries (61%) in the FET Skills programmes felt the programme would increase their chances of being employed, while 89% of beneficiaries in the TCB programme felt their chances of being employed will be increased due to participating in the programmes. These results might indicate that FET beneficiaries have a poor perception of their courses.

Figure 41: Reasons Why the Intervention Will/Will Not Increase Employability: EPWP

When unemployed beneficiaries of the EPWP programme were asked why they felt the programme would (or would not) increase their chances of being employed (employability), 5% of the beneficiaries felt the programme would not increase their employability due to permanent jobs not being available for people within this programme. Of the beneficiaries, 48% felt the programme would increase their employability because they now have work experience, 14% felt they were now more knowledgeable, 14% felt they now have the skills needed to find employment in the tourism sector and 10% felt they now have a qualification.

Figure 42: Reasons Why Intervention Will/Will Not Increase Employability: FET
When FET Skills beneficiaries were asked reasons why they felt the programme would (or would not) increase their employability, 71% felt they now have a good set of skills.

Figure 43: Reasons Why Intervention Will/Will Not Increase Employability: TCB

When TCB beneficiaries were asked reasons why they felt the programme would (or would not) increase their employability, half of the beneficiaries (50%) felt they now had a good set of skills and 17% felt they had learnt a lot from host companies. Overall, 34% of beneficiaries felt the programme would not increase their employability while 67% felt the programme would.

Figure 44: THRD Beneficiary Suggestions for Government Assistance
The beneficiaries were asked if opportunities guidance government could provide any sort of assistance to help them find jobs. The majority of TCB graduates (55%) and EPWP graduates (27%) requested that the government create more jobs. Most FET beneficiaries requested that the government advertise vacancies.

**4.4 TED Themes Analysis**

**4.4.1 Achievement of Outcome Indicator**

In order to analyze work opportunities created, the change in employment is used as a proxy. For the best measure, the change in employment between 2011 and 2013 is cross-referenced with businesses’ perception of the impact of TED programmes on their number of employees. The mentorship programme contributed more to job creation than other programmes.
Table 21: Achievement of TED Employment Opportunities

<table>
<thead>
<tr>
<th></th>
<th>Number of jobs created in sample</th>
<th>Number of businesses where jobs were created in sample</th>
<th>Sample size</th>
<th>Population size</th>
<th>Approximate number of jobs created in Population</th>
<th>95% Confidence interval: Lower bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-mentorship participants who increased number of employees</td>
<td>53</td>
<td>17</td>
<td>53</td>
<td>295</td>
<td>295</td>
<td>295</td>
</tr>
<tr>
<td>Non-mentorship participants who increased number of employees and perceived TED as a contributor</td>
<td>25</td>
<td>13</td>
<td>53</td>
<td>295</td>
<td>139</td>
<td>139</td>
</tr>
<tr>
<td>Mentorship participants who increased number of employees</td>
<td>9</td>
<td>4</td>
<td>15</td>
<td>29</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Mentorship Participants who increased number of employees and perceived TED as a contributor</td>
<td>7</td>
<td>3</td>
<td>15</td>
<td>29</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

In the Sample 32 work opportunities were created. This was extrapolated to the population as shown in the table above. Approximately 153 work opportunities 53% were created by TED programmes.

4.4.2 Demographics

The age distribution of beneficiaries of the TED programmes was wide, stretching from mid-20 to early 70’s. The beneficiaries are generally older than 35, with a small number of business owners (11%) within the “youth” category (age 15 – 35). The TED programmes had a fairly even gender distribution amongst its beneficiaries, with 56% of beneficiaries being women and 44% being men.

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29 The upper bound and lower bound here is used in reference to the definition of a Confidence Interval. A confidence interval for a mean is a random interval constructed from data in such a way that the mean lies within the interval, with a probability specified by the confidence level. An interval contains a maximum and a minimum (upper bound and lower bound).

The interval was based on the standard deviation of the sample. The bound = estimated population mean +/- critical t value (with n – 1 degrees of freedom) x standard deviation of sample.

30 Note that although only 15 mentorship participants were contacted for the mentorship programme, an additional 11 respondents indicated that they participated in the mentorship programme. In this calculation for work opportunities only the respondents that were contacted for the mentorship programme are included as the actual sample size is known. In later graphs “Mentorship participants” refer to all respondents who participated in the mentorship programme.
The TED Programmes only took in 1 person with a disability. This area also needs more attention as people with disabilities should not be further marginalized. The most common business sectors taking part in these programmes are the tour operator and accommodation establishment. It was explicitly mentioned in the TED documentation that tour operators and accommodation establishment owners were to be targeted for interventions. The vast majority (87%) of businesses are still operational. Of the businesses that are still operational, a majority of them are small businesses that have not been operational for longer than 5 years.

The survey findings show that the TED programmes are indeed reaching their targeted beneficiaries i.e. previously disadvantaged business owners (87%) currently operating as SMMEs within the tourism sector. Information from the key informant interview showed that TED programme managers give first priority for assistance (offering skills development programmes) to businesses that are currently on the DEDAT business database, therefore achieving this goal.

Figure 45: Position of Respondent in Business

<table>
<thead>
<tr>
<th>Position of Respondent who Attended Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
</tr>
<tr>
<td>9%</td>
</tr>
</tbody>
</table>

n=68

Note: Data is weighted

The majority of beneficiaries (87%) are business owners.

Figure 46: Gender of TED Beneficiaries
The TED programmes had a fairly even gender distribution amongst its beneficiaries, with 56% of beneficiaries being female and 44% being male. The majority of Business owners are Female (60%).

The majority of beneficiaries (75%) attending the TED programmes are from dis-advantaged backgrounds. Of the company owners, 55% are Coloured, 22% Black and 2% Indian.

**Figure 47: Ethnicity of TED Beneficiaries**

**Figure 48: Ages of TED Beneficiaries**
The age distribution of beneficiaries of the TED programmes was wide, stretching from mid-20 to 70. The percentage of beneficiaries in the 36 – 40 age group is 21% and 19% fall within the 56 – 60 age group. Of the staff members that attended, there was better representation of the younger age groups, with 19% of the beneficiaries being 25 – 30 years old. It should be noted that the TED Programmes only took in 1 person with a disability.
The highest number of TED beneficiaries were businesses within the Tour Operator sector (39%) followed by accommodation establishments (27%). There was a low, but even, representation of other sectors such as food and beverage (5%) and retail (5%).

It should be noted that few cases were noted where business beneficiaries did not fall directly in the tourism sector such as the agricultural businesses. In addition, TED company beneficiaries included forums/organizations which promote tourism. Their effect on employment and turnover could therefore not be measured within this report, as the ultimate intent of those organizations/forums is to promote tourism for businesses in the surrounding areas.

Note: Data is weighted

Figure 49: TED Beneficiaries' Business Sectors

Figure 50: Operational Businesses - TED

Note: Data is weighted
Figure 51: Ages of TED Beneficiaries Businesses

![Ages of TED Businesses](chart.png)

Includes Operational Time for currently Non-Operational Businesses; Data is weighted

Note that all businesses who participated in the mentorship programme are still operational. Of all the TED beneficiary companies, 85% are still operational. As can be seen in Figure 51, 50% have been/were operational for 4 years or less. The highest concentration of businesses is within the 2-4 year range (29%), while the number of businesses within the 5–10 year tapers off. It should be noted that 13 of the 25 (52%) operational businesses who participated in the mentorship programme have been operational for 5 years or more, and 18 of the 32 (56%) operational businesses who did not participate in the mentorship programme have been operational for 5 years or more.

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 12 Months</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>13 – 24 Months</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>25 – 60 Months</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>60 to 72 Months</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Average Length of operation</strong></td>
<td><strong>37.5 months</strong></td>
<td></td>
</tr>
</tbody>
</table>

Half (50%) of the businesses that are no longer operational were operational for 2 – 5 years while 25% were under a year when they ceased to operate. This is a reality for SMMEs and all businesses within the early stages of operation.

4.4.3 Programme Participation Breakdown

From the survey, programmes which would go to assisting businesses to expand and gain higher revenues/turnover were the most attended courses i.e. Social Media, e-marketing and the Mentorship programme.
Figure 52 shows the percentage of surveyed businesses who participated in each course. Courses are grouped based on whether the course is an intermediate course, an advanced course or the mentorship programme. Respondents answered the survey questions for the course for which they were contacted. In addition they were asked which other courses they participated in. All courses completed (including those in years other than 2012/2013) were recorded. Therefore, the impact on turnover and number of employees may be analyzed with respect to the full impact of TED. Therefore, for the programme below, participants were able to give more than one response.
The most popular TED programmes in terms of beneficiaries’ attendance were the Social Media programme (19%) and the Business strategy programme (29%).

### 4.4.4 Change in Turnover

To measure the contribution TED programmes made towards the % growth in employment, turnover is used to gauge the growth of the businesses. Within this report, an increase in turnover of
a business equals growth of the business and results in an increase in the number of employees. This assumption/delineation is made based on the Tourism documentation\(^{31}\). Therefore, the report seeks to first show whether or not businesses have grown and what they have subsequently contributed to the number of work opportunities facilitated.

This section examines the effect of training on turnover, and hence growth. The capability of a business to create employment, and therefore contribute to work opportunities created is assumed to be determined by growth, and will therefore follow directly on from this assumption.

The majority of businesses (78%) that were operational from 2011 to 2013 and did not participate in the mentorship programme increased their turnover, whereas 57% of businesses, who participated in the mentorship programme, increased their turnover. Although it is difficult to isolate the effect of TED programmes for the reasons described within the limitations of the study, the actual increase in turnover is cross referenced with businesses’ perception of TED’s impact on turnover.

In terms of turnover increases attributed to the TED programme, Non-mentorship participants increased turnover on average by R175 936 while mentorship participants increased their turnover on average by R67 818.

**Figure 53: Distribution of Annual Turnover for 2011 and 2013 for non-Mentorship Participants**

![Distribution of Turnover for 2011 and 2013: Non-Mentorship Participants](chart)

Figure 53 gives the distribution of actual turnovers within the non-mentorship participants for 2011 and 2013. 2011 and 2013 were selected to gauge turnover before and after the intervention of 2012/2013.

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\(^{31}\) Five year strategic plan, pg. 16
While a high number of businesses continued to receive no income, the distribution of income indicates that, on aggregate, turnover has increased. The number of businesses earning R0 decreased from 22% to 13% and on the opposite end of the spectrum the number of businesses earning between R100 001 and R1 000 000 increased from 22% to 33%.

As evidenced in Figure 54 above, an increase in turnover is not as clear in mentorship participants as compared to non-mentorship participants. The graph above shows the inherent difficulty in measuring the impacts of a programme which includes a large component of subjective and highly individualized learning as a mentorship programme.
In comparison to beneficiaries who participated in the mentorship programme, non-mentorship participants saw a distinct increase in turnover. This indicates that turnover has much potential to grow in the early stages of businesses.

Table 23 shows the average change in turnover for Non-Mentorship and Mentorship participants. In addition the average increase in turnover for Mentorship participants and non-mentorship participants is shown. The table also shows the average increase in turnover of businesses who perceived TED as a contributor to their increase in turnover.\(^{32}\)

Table 23: Average Change in Turnover

<table>
<thead>
<tr>
<th>Average change</th>
<th>Number of businesses</th>
<th>Sample of Operational Businesses who Responded</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average change in Turnover of Non-mentorship participants</td>
<td>R140 013.04</td>
<td>23</td>
</tr>
<tr>
<td>the average increase in turnover of non-mentorship participants</td>
<td>R190 683.33</td>
<td>18</td>
</tr>
<tr>
<td>The average increase in turnover of businesses who perceived the change in turnover to be a result of TED of non-mentorship participants</td>
<td>R175 936.36</td>
<td>11</td>
</tr>
<tr>
<td>The average change in Turnover of Mentorship Participant</td>
<td>R39 478.26</td>
<td>23</td>
</tr>
<tr>
<td>Average increase in turnover for Mentorship Participants</td>
<td>R98 928.08</td>
<td>13</td>
</tr>
<tr>
<td>Average increase in turnover for Mentorship Participants who perceived change in turnover to be a result of TED</td>
<td>R67 818.18</td>
<td>11</td>
</tr>
</tbody>
</table>

Note: Respondents were asked whether they thought TED increased their turnover; 23 Mentorship participants and 23 Non-mentorship participants reported their turnover.

As calculated from the table above, 48% of Non-mentorship participants (11 of 23) increased their turnover and felt that part of their increase in turnover was a result of TED. These businesses on average increased their turnover by more than R175 000. The average overall change in turnover however is closer to R140 000. With regards to mentorship participants, 48% also increased their turnover and felt that the increase was due in part to TED. These 11 businesses increased their turnover on average by less than R70 000.

This again indicates that businesses have more to gain from less advanced programmes in terms of turnover.

\textbf{4.4.5 Labor Absorption Capabilities}

\(^{32}\) These businesses which increased their turnovers are cross-referenced with their perceptions regarding whether TED contributed towards their increases in turnover.
As shown in Table 21 (page 93), 16 businesses created work opportunities. A breakdown indicates that 10 businesses who did not participate in the mentorship programme created 18 jobs while 6 businesses who participated in the mentorship programme created 14 jobs.

While there has been a general increase in the number of employees, the proportion of businesses who participated in the mentorship programme that increased their number of employees was small (24%). A larger proportion of non-mentorship participants increased their number of employees and non-mentorship participants contributed more to work opportunities. The average contribution to work opportunities however is larger for mentorship participants (2.3 compared to 1.8).

A profile of the companies who created work opportunities reflects that they are mostly accommodation establishments or tour operators. Whilst accommodation establishments benefited the most from social media and accommodation training, tour operators benefitted the most from Tour Operator Training.

Figure 55: Number of Employees in 2011 and 2013: Non-Mentorship Participants

Figure 55 shows the percentage if businesses which employed X number of employees. The majority of businesses who did not participate in the mentorship programme beneficiaries (70%) are currently employing 4 or less people. The percentage off businesses not employing anyone decreased from 40% to 19.
The graph showing the distribution of number of employees shows that businesses did experience an increase in their number of employees. The percentage of businesses which employ 0 to 2 employees decreased from 72% to 54% and the percentage of businesses which employ 3 to 5 employees increased from 16% to 35%. The percentage of businesses which employ 6 or more employees however did not change. This change is small relative to what can be expected from mentorship participants. That is, businesses with the intent of expanding.

Figure 57 shows the distribution of the change in number of employees of mentorship participants between 2011 and 2013. A fairly high number of businesses did not increase their number of employees over the period of 2011 and 2013. In the case of Mentorship participants; one would expect to see more job creation coming from businesses trying to expand.
### Table 24: Businesses who Increased Number of Employees

<table>
<thead>
<tr>
<th></th>
<th>% of Businesses out of sample</th>
<th>Number of businesses</th>
<th>Number of businesses who responded and were operational (sample)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Mentorship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>57%</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>17%</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>employees by 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>30%</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>employees by more than 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mentorship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>28%</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>12%</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>employees by 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased number of</td>
<td>16%</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>employees by more than 1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Beneficiaries perceptions are not taken into account.*

The creation of work opportunities occurs at a slow pace. Although mentorship participants contributed more to job creation a lesser proportion of mentorship participant businesses contributed to job creation relative to non-mentorship participants as 18% of Mentorship businesses contributed to work opportunities and 57% of Non-Mentorship participants contributed to work opportunities.

The Table below gives the breakdown of work opportunities and the number of businesses who created those work opportunities for both Mentorship participants and Non-mentorship Participants.

### Table 25: Employment Opportunities Mentorship vs. Non-Mentorship Participants

<table>
<thead>
<tr>
<th></th>
<th>Number of jobs created in sample</th>
<th>Number of businesses where jobs were created in sample</th>
<th>Average increase in number of employees</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-mentorship participants who</strong></td>
<td>46</td>
<td>14</td>
<td>3.3</td>
<td>30</td>
</tr>
<tr>
<td><strong>increased number of employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-mentorship</strong></td>
<td>18</td>
<td>10</td>
<td>1.8</td>
<td>30</td>
</tr>
<tr>
<td><strong>participants who increased number</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>of employees and perceived TED as a</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>contributor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When comparing job creation of mentorship participants and non-mentorship participants, 18 jobs were created in the non-mentorship participant businesses; this represents 60% of the non-mentorship sample. Mentorship participants created 14 jobs which represents 56% of the sample. Even though fewer work opportunities were created by mentorship participants, those who did increase their number of employees increased by 2.3, compared to 1.8 work opportunities created by non-mentorship participants.

It is also interesting to note that 71% of Non-Mentorship participants who increased their number of employees attributed a portion of their increase to TED; in contrast 86% of Mentorship participants attributed a portion of their increase to TED.

16 Businesses who increased their number of employees perceived TED as a contributor and increased their number of employees on average by 2. 13 of the 16 businesses are either tour operators (7) or accommodation (6) establishments. In 15 cases the owner of the business attended the course and in one case the manager attended the course. These businesses participated in the profiled in Table 26.

Table 26: Course Participation of Businesses who increased their Number of Employees as a result of TED

<table>
<thead>
<tr>
<th>Course</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR (Tourism Intermediate Business skills)</td>
<td>1</td>
<td>6%</td>
</tr>
<tr>
<td>Finance (Tourism Intermediate Business skills)</td>
<td>5</td>
<td>31%</td>
</tr>
<tr>
<td>Marketing (Tourism Intermediate Business skills)</td>
<td>4</td>
<td>25%</td>
</tr>
<tr>
<td>Business Strategy (Tourism Intermediate Business skills)</td>
<td>5</td>
<td>31%</td>
</tr>
<tr>
<td>Productivity SA training (Tourism Advanced)</td>
<td>2</td>
<td>13%</td>
</tr>
<tr>
<td>Accommodation training (Tourism Advanced)</td>
<td>4</td>
<td>25%</td>
</tr>
<tr>
<td>Internet marketing (Tourism Advanced)</td>
<td>2</td>
<td>13%</td>
</tr>
<tr>
<td>Social Media (Tourism Advanced)</td>
<td>5</td>
<td>31%</td>
</tr>
<tr>
<td>Tour Operator (Tourism Advanced)</td>
<td>3</td>
<td>19%</td>
</tr>
<tr>
<td>Tourism Mentorship</td>
<td>6</td>
<td>38%</td>
</tr>
</tbody>
</table>

Note that although only 15 mentorship participants were contacted for the mentorship programme, an additional 11 respondents indicated that they participated in the mentorship programme. In this calculation for work opportunities only the respondents that were contacted for the mentorship programme are included as the actual sample size is known. In later graphs “Mentorship participants” refer to all respondents who participated in the mentorship programme.
The most attended course is Mentorship 38%, followed by social media and intermediate businesses skills courses.

- 62% did either mentorship or intermediate business skills or both.
- Of those that did not do intermediate business skills courses or mentorship, 3 participated in social media.
- There are 2 businesses that did neither social media, nor mentorship, nor intermediate business skills.
  - Of these two businesses one only did the tour operator course
  - One only did advanced productivity.

It is also interesting to note that HR (intermediate business skills) has the lowest participation rate. It is possible that businesses do not see the value in the HR course.

Table 27: Courses taken by Tour Operators who Increased Number of Employees

<table>
<thead>
<tr>
<th>Course: Tour Operator Businesses</th>
<th>Frequency</th>
<th>%</th>
<th>Average Increase in Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Intermediate Business skills only</td>
<td>3</td>
<td>38%</td>
<td>1.5</td>
</tr>
<tr>
<td>Tour Operator Only</td>
<td>1</td>
<td>13%</td>
<td>1</td>
</tr>
<tr>
<td>Internet marketing and Mentorship</td>
<td>1</td>
<td>13%</td>
<td>1</td>
</tr>
<tr>
<td>Tour Operator and mentorship</td>
<td>1</td>
<td>13%</td>
<td>4</td>
</tr>
<tr>
<td>Tour Operator and mentorship and Advanced Productivity</td>
<td>1</td>
<td>13%</td>
<td>5</td>
</tr>
<tr>
<td>All</td>
<td>7</td>
<td>2.29</td>
<td></td>
</tr>
</tbody>
</table>

The Tour operator programme appears to be the most beneficial from Intermediate business skills, as 3 of the 6 tour operators who created work opportunities, participated in this programme. This may indicate that tour operators have much to gain from intermediate business administration courses and as opposed to more specific training such as social media.

Table 28: courses taken by Accommodation Establishments who increased their Number of Employees

<table>
<thead>
<tr>
<th>Course: Accommodation Establishments</th>
<th>Frequency</th>
<th>%</th>
<th>Average Increase in Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Intermediate Business skills and Accommodation Training and Social Media and Mentorship</td>
<td>2</td>
<td>33%</td>
<td>1.5</td>
</tr>
<tr>
<td>Tourism Intermediate Business skills only</td>
<td>1</td>
<td>17%</td>
<td>3</td>
</tr>
<tr>
<td>Internet marketing and Mentorship</td>
<td>1</td>
<td>17%</td>
<td>1</td>
</tr>
<tr>
<td>Social Media and Accommodation Training</td>
<td>1</td>
<td>17%</td>
<td>1</td>
</tr>
<tr>
<td>Productivity Tainting and Social Media and Accommodation Training</td>
<td>1</td>
<td>17%</td>
<td>2</td>
</tr>
<tr>
<td>All</td>
<td>6</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

Social Media is beneficial to accommodation establishments as it enables them to better market themselves. 4 of the 6 accommodation establishments who created work opportunities, participated in Social Media and Accommodation Training. Small accommodation establishments may find it
challenging to gain market access or find that they lack the marketing skills. The benefit of Social Media brings into question the accessibility of online marketing tools to SMMEs.

### 4.4.6 Priority of Needs

TED beneficiaries expressed a variety of small business needs ranging from requiring further skills development to suggesting that laws and regulation for businesses be changed to create a more favorable environment for doing business in South Africa. The majority of businesses expressed requiring assistance with funding, further skills development programmes, and assistance with accessing markets. These areas should be investigated further. The mentorship programme beneficiaries expressed great satisfaction in the programme as evidenced by 6 of the 7 businesses who created work opportunities attributing a portion of the increase to TED.

**Figure 58: Effects of Mentorship Programme**

The mentorship programme beneficiaries, overall, expressed great satisfaction with the programme. In terms of giving beneficiaries a better understanding of their businesses, 96% of the beneficiaries felt the programme had a positive impact. In terms of planning and setting goals for the business, 88% of the beneficiaries felt the programme had a positive impact. In terms of increasing industry knowledge for the beneficiaries, 85% felt it had a positive impact.

Respondents were asked what, if any suggestions they had for government assistance. The following should not be interpreted as areas to be improved but rather areas for further investigation.

**Figure 59: Suggestions for Government Assistance**
Figure 59 shows the suggestions given by TED beneficiaries for government assistance to be given to small businesses. 29 TED programme beneficiaries suggested government should assist with funding for small businesses, 21 felt that government should improve/add onto their current skills development programmes and 11 felt that government should offer additional assistance to businesses such as facilitating partnerships, networking opportunities and assisting businesses with their needs. The Tourism five year strategic plan outlines the DEDAT programmes in place, where programmes to assist with all suggested areas are covered. With regards to funding, DEDAT does not directly provide funding for business growth. In the key informant interview, it was expressed that DEDAT assists businesses by directing them to WESGRO, TEP and other national and provincial grants for assistance in this manner. In terms of market access, businesses are referred to WESGRO and TEP.

Capital and expenses reflect businesses needs for finance, and market access referred to access to exhibitions etc. With regards to funding, DEDAT does not directly provide funding for business growth. In the key informant interview, it was expressed that DEDAT assists businesses by directing them to WESGRO, TEP and other national and provincial grants for assistance in this manner. In terms of market access, businesses are referred to WESGRO and TEP.

It should be noted that few respondents felt that the governments focus should shift towards: support for NGOs, support for forums, support for less established traditional businesses (once off mentions). Assistance relating to other tourism departments refers to developing destination marketing and developing hubs in outlying areas. In addition, other suggested interventions were mentioned:

- Use small businesses as in-service training hosts
• Establish association of tour operators for government engagement

The breakdown of skills development assistance is given below.

**Figure 60: Assistance relating to Skills Development**

![Bar chart showing suggestions relating to Skills Development](chart.png)

Figure 60 shows a break-down of the suggestions which were grouped under skills development within

**Figure 59.** It was suggested by 6 respondents that the government could assist by offering more training programmes and 4 felt that the government could offer skills development courses for staff.

In addition to the suggestions thus far, respondents gave suggestions about further facilitation needed from government.
Respondents (3) mentioned a need for the government to assist by facilitating partnership within the private sector.

4.4.7 Relevance of Programmes

The survey showed that most beneficiaries do use the knowledge and skills gained in participating in the TED programmes. Beneficiaries showed an attitude change and expressed numerous other avenues in which they have applied their skills. Most notably, beneficiaries see the TED programmes as a good platform for networking and establishing linkages within the sector. DEDAT could take the opportunity to grow on this finding and support/nurture relationships and linkages established. This can be done through facilitation of networking sessions both online and offline, so small businesses expand their market access. DEDAT could also do this by support/facilitation of business incubators.
Of the beneficiaries, 69% expressed they always put the knowledge they gained from the programmes they attended to good use in their businesses. Few beneficiaries (24%) said they sometimes use the skills learnt and only 7% said they never used the skills within their businesses. As noted in the graph above, all beneficiaries felt skills were relevant to their needs, irrespective of which programmes they participated in. This alludes to the pertinence of skills being afforded to businesses.
Aside from the skills development noted by beneficiaries, many felt that the TED programmes were beneficial for other reasons. As seen in [Figure 63: Additional Impacts Resulting from Intervention]
Figure 63, 43% benefitted from networking opportunities and 23% reported that the programme improved their attitude towards business. This alludes to the fact that DEDATs choice of indicators to gauge successes of businesses at the SMME level might be insufficient. Growth at this level of businesses might be better understood in a more incremental manner, as opposed to looking at the overall picture/bottom line. Therefore, in order to better represent and understand the impact of TED programmes, a more nuanced set of indicators need to be developed and used. The current indicator of contribution to employment (work opportunities created) lacks the strategic alignment to general understandings of the growth indications for small businesses.

5. COMPARATIVE ANALYSIS

The following comparative analysis draws upon key conclusions from the survey and looks to comparable tourism regions in and around South Africa for alternative approaches to similar challenges.

5.1 THRD Programmes Suggestions

The benchmarking exercise showed that skills development in the tourism sector of South Africa is approached in a similar manner in other provinces. This is due to the alignment of provincial programmes to the NDT and CATHSSETA Skills plan. Skills development programmes in the tourism sector of other SADC regions are also similar to those of THRD; therefore no other findings could be drawn.

5.2 TED Programmes Suggestions

5.2.1 Responses to the Funding Needs of SMMEs

Within the TED survey, lack of funding was the most mentioned challenge experienced by the programme beneficiaries.
The Tourism KwaZulu Natal Development program gives funding support of businesses based on the tourism nodes (King Shaka Tourism route, Lubombo Spatial Development Initiatives and more) in which the business is located so as to develop a critical mass of tourism services and demand in specific regions. This programmes main concern is to support businesses with a very strong demand for tourists and businesses that support Integrated Development Plans (IDPs). The programmes
strengths therefore lay in the alignment of various government efforts for better-rounded, cohesive spatial development.

The KZN government has also encouraged public private partnerships (PPPs) for funding SMMEs with the private sector. The KZN SMME fund is an equal partnership between Absa Bank, Ithala bank, Standard bank and KZN DEDAT aimed at developing, supporting and providing financial and non-financial support to SMME’s in KZN from disadvantaged backgrounds. The fund ranges from R10 000 to R15 million with interest rate set prime (9% p.a.). The objective of this programme is to open up more funding and loans to small businesses through risk sharing and joint funding. This way, government facilitates access to funding for small businesses by decreasing the risk of private banking institutions.

5.2.2 Creation/Support of Enterprise Development Business Incubators/Hubs

As TED programmes main priority is to see to the growth and sustainability of SMMEs, an approach worth noting is the creation and/or facilitation of a tourism sector business incubator. The Mauritius’ National Women Entrepreneur Council has set up 2 business centers to stimulate the growth of women owned businesses through the allocation of office space at nominal rates.

The national women’s entrepreneurship council facilitates training and fairs for female entrepreneurs in order to develop woman into successful entrepreneurs. The council offers Women Entrepreneurship Development Programmes in various regions providing management training and support and a range of courses in customer care, packaging, marketing etc.

Although the approach of this council is to support women owned businesses, a similar strategy could be used to support SMMEs which have been operational for at least one year, have the ability to produce/provide high quality products and businesses that need to be situated closer to their market or within a competitive tourism area but cannot afford to on their own. Business incubators can also be set up in all areas of the province where a hub is needed, serving to grow tourism in areas beyond the city of Cape Town (such as Gugulethu or Mitchell’s Plain). This can assist in seeing to the growth of businesses and the development of networks to encourage partnerships in the sector, serving to provide alternative methods of growth.
6. CONCLUSIONS

6.1 THRD Conclusions

i. THRD and TED programmes have created 288 work opportunities from interventions within the 2012/13 year. This falls short of the 400 work opportunities objective outlined in APP 2013/14. Approximately 135 work opportunities (47%) were created by THRD programmes.

Overall, the number of work opportunities created by the THRD programmes was relatively low.

ii. Although FET beneficiaries contribute more to work opportunities facilitated than EPWP, FET Skills learner’s employability has not increased.

This is shown by the small change in employment of FET beneficiaries post intervention as well as the fact that FET earnings have not increased post interventions (income bracket).

iii. EPWP beneficiaries have experienced the largest increase in beneficiary’s employability. The EPWP programme, however, still contributed the least to number of work opportunities post intervention. EPWP beneficiaries are earning more and working in fields related to their course.

iv. TCB beneficiaries are characterized by high employment relative to other THRD programmes. TCB beneficiaries are also, on average, earning more relative to other THRD programme beneficiaries.

v. A skills gap exists between colleges and the working environment; learners are still ill-prepared when it comes to their expectations and work readiness.

While there is evidence to suggest that demand for skills in the tourism sector continues to grow, the question is whether supply is groomed and educated to meet that demand. Prior to their first experience in the workplace, according to host companies, learners lack the soft skills and initiative to be competent in the workplace. It was suggested that in-service training bridges the skills gap but where learners lack independence and work ethic the gap may still be too large. This finding from the qualitative analysis should be investigated further.

vi. Host companies felt that the in-Service training component has the capability to affect learners work readiness. Findings need to be investigated further.
Although it can’t be said that this is the overall views of the host companies due to it being a qualitative analysis, these findings should be investigated further. Host companies are at the forefront of skills development from the in-service perspective, and expressed seeing students becoming competent within the work place over time. Host companies expressed they would host learners again. Host companies interviewed expressed not being involved in the design of programmes/in-service training. Currently, programme managers rely on the CATHSSETA Skills plan to guide their understanding on the private sector’s needs.

vii. A large number of THRD Beneficiaries have been economically inactive for more than a year
There are a number of factors that could be contributing to this:
• Inexperience of young graduates
• Skills not aligned to private sector needs

6.2 TED Conclusions

i. THRD and TED programmes have created 288 work opportunities from interventions within the 2012/13 year. This falls short of the 400 work opportunities objective outlined in APP 2013/14. Approximately 153 work opportunities (53%) were created by TED programmes. The target of 400 falls within the confidence interval and this is satisfactory.

ii. Increase in turnover is not directly proportional to increase in number of employees

Equipping business owners with the skills to be more productive, manage their costs etc. increases their management skills and hence has an impact on turnover. Labour absorption is more complicated as SMME’s are not able to employ additional labour due to resource constraints which only diminish after sustained growth.

Although businesses are growing, the employee base does not grow at the same rate. SMMEs within tourism are mainly survivalist, and therefore contribute far less to employment. While turnover on aggregate is positively affected by TED there is not enough of an effect to increase labour absorption.

Mentorship participants, which are older businesses, need additional support in order to contribute to job creation. While younger businesses are benefitting from less advanced courses in terms of turnover. Mentorship programmes are on the right track. Additional support is needed for businesses looking to expand and move away from the survivalist stage.

iii. Non-Mentorship participants showed the highest increase in turnover. Mentorship participants that created work opportunities increased their employment on average by 2.

iv. Businesses expressed needing further market access and assistance with funding
Amongst other suggestions, SMMEs feel that they would benefit greatly from access to funding facilitated by the government. Market access was also a key concern highlighted. This could indicate that beneficiaries are not aware of DEDAT partnerships.

### 6.3 Indicator Development

**Conclusions**

Given the complexities of the South African employment context, more nuanced indicators are needed to evaluate the effect of the programme. Merely looking at employment outcomes might generate a negative result, whereas more nuanced indicators would give insight into the actual impact of the programmes as well as where obstacles lie.

An example can be found in the fact that an objective of the tourism sector HRD plan is to provide skills to entry level unemployed youth as well as up-skill existing labour force members. In order to measure the impact of the programme on these factors, multiple indicators are needed. Merely looking at employment would not lead to an accurate account of the impact of the programme.

Below the theory behind the programme can be seen. Merely measuring the third step in the chain could lead to an inaccurate account of the programme as other factors may be the reason they are not getting employed. It would be better to investigate each chain individually.

Further to this, proxies need to be developed for outcomes that do not have directly correlated indicators i.e. for the purposes of this evaluation employment was used as a proxy for employment opportunities created.

As a result of the challenges experienced in capturing the impact of the programmes, it became visible that the programmes need a set of better developed indicators. These have been described in the recommendations. Furthermore, the programmes require narrowly defined indicators that capture one aspect of the programmes as precisely as possible.

For future monitoring and evaluation, THR and TED programmes should consider organizing indicators into input, output and outcome indicators. See table below:

**Table 29: Definition of M&E Indicators**

<table>
<thead>
<tr>
<th>Input indicators</th>
<th>measure the specific resources that go into carrying out a project or program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Indicators</td>
<td>measure the immediate results obtained by the program</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>Outcome indicators</td>
<td>Measure whether the outcome changed in the desired direction and whether this change signifies program &quot;success&quot;. This should be broken down as far as possible to represent an aspect of the outcome at a time. Therefore, THRD and TED programmes should develop multiple outcome indicators that, together, give a better indication of the extent to which programmes reached their intended outcome.</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

7.1 THRD Recommendations

Recommendations have been made at the strategy, programme and performance levels.

7.1.1 Strategic level

7.1.1.1 Medium – Long Term Recommendations

- DEDAT should encourage/incentivize the private sector to host learners for their in-service training.

There needs to be a thorough exploration of how private sector can be further engaged around the nature and type of skills needed. This will ensure that various efforts that are being implemented by the public sector in terms of skills development for the purposes of job creation are supported and complemented by the private sector.

Government should open up channels of communication with the private sector in order to make them aware of the benefits of in-service training for learners and therefore the quality of the workforce within the tourism sector. This can be done by holding formal meetings with potential Hosts on an annual basis to assess their needs and develop a structured approach to the in-service training component of training. These annual meetings should also be conducted at a provincial level to inform the selection of appropriate programmes.

Government could assist the realisation of more private sector involvement by offering vouchers to learner beneficiaries for discounted transportation on myCITI buses or train fares and/or lunch vouchers.

- TED business beneficiaries should be required to host learners

DEDAT should make use of their rich resources in the form of databases and align programmes so they impact the tourism sector as a whole. TED business beneficiaries could be required to host learners for in-service training as part of the requirements to be accepted for the more competitive courses such as the Mentorship programme. The in-service component could also be optional for other TED business beneficiaries if they felt they could contribute.
• TCB programme to be offered to persons looking to up-skill themselves within the workplace

THRD programme managers should look to offer the opportunity to complete a TCB programme to persons looking to move to higher positions within their current jobs/tourism sector as a whole. The programme could be advertised to people who have a few more years work experience within the tourism sector in order to contribute to the production of skilled labour to fill in higher up positions.

7.1.1.2 LONG TERM RECOMMENDATIONS

• Contribution to Tourism related FET college programmes to be done in conjunction with Private sector

DEDAT, CATHSSETA and other key Tourism stakeholders should work to further involve private sector at the level of programme design. In this way, programmes will be closer matched to the needs of the private sector and go further to contribution in the rise of employment. This can be done through formal meetings held to review programme results and contribute to programme design.

• Greater investment into broadening tourism offerings in the Western Cape to include all year round functionality

In order to increase the sustainability of employment for beneficiaries within the tourism sector, at an overall tourism strategic level, greater investment into broadening the tourism offering to include all year round functionality is needed. Further investment should be directed at contributing to increasing the competitiveness of conferencing venues, hosting large expos in more frequently throughout the year etc. In this way, longer term employment can be offered to labour within the sector. This will go to creating more secure, longer term employment opportunities for Tourism sector employees.

7.1.2 Programme Level

7.1.2.1 Short Term Recommendations

• Keep extensive, up-to-date database information for THRD programmes
For future programme monitoring and evaluation to be successful and meaningful, up-to-date, extensive databases need to be established and maintained. Points to be included in the database include previous employment of learners, contract type, length of employment/unemployment and prior employment. DEDAT can do this by keeping electronic databases. THRD database needs to be updated at least twice a year: once at the beginning of academic year (to capture details of new beneficiaries) and once in the middle of the year (to capture employment details of past beneficiaries).

7.1.2.2 Medium Term Recommendations

- **Increase involvement in the design of in-service training component and selection of host companies**

Overall, DEDAT needs to ensure there are controls (M&E) given within the design of the in-service training components. That is to say that, it might be of great importance moving forward for THRD programme managers to become more involved with the selection of host companies and the design of in-service components to ensure that all graduates receive a relatively higher standard and standardized in-service training which would contribute to the up-skilling of all beneficiaries. Better communication needs to be ensured within the design of THRD programmes to ensure a high number of beneficiaries are absorbed into the job market.

For a more meaningful alignment with private sector, DEDAT must review the duration, quality, nature and relevance of in-service training programmes that they place learners into.

- **DEDAT to be put more stringent selection criteria in place**

The results of the survey showed that the EPWP programmes have been more successful than the FET skills programmes. In addition, from the engagement with program managers, it appears that the EPWP selection process of beneficiaries seems to be more stringent. EPWP has an external body that screens beneficiaries. The FET skills programme relies solely on the selection criteria of institutions.

All THRD programmes should look into aligning their selection criteria to that of the EPWP screening process or introduce a 3 step application/screening process that might include written component, interview and results based screening. This way, beneficiary selection can be stricter.

- **Colleges need to provide workshops to equip learners with the necessary soft skills/life skills to be an employee in the private sector, with specific focus on the tourism sector, such as how to write a CV, conduct in the work place etc.**
DEDAT should consider developing a life skills program for beneficiaries that can be organised in with existing partners as well as involve NGO’s and other organizations working in these fields with focus on:

- Work ethics/etiquette
- Attitude and conduct
  - Time management
  - CV writing,
  - Interview preparation

Host companies data management system also pointed to challenges of an inefficiently managed system. Databases should be regularly updated.

7.1.3 Performance Level

7.1.3.1 Short Term Recommendations

- Clearly state the end goal of HRD programmes: Employment in Tourism sector vs. employment in field related to programme in non-tourism related job

Although most beneficiaries continue on to work in fields related to their qualification, it could happen that they are not doing this within the tourism sector (i.e. beneficiary may go on to be an assistant chef at a super-market or fast food restaurant). DEDAT needs that the ultimate goal of the THRD programme is to ensure beneficiaries are employed in the tourism sector and in a position related to chosen qualification for a certain period of time.

- Host Company’s should be required to report to DEDAT and rate learners after in-service training

DEDAT should look into making an in-service training reporting template for host companies to fill out and rate learners’ performance during the in-service training. Host companies should be required to keep these records for the duration of time official M&E of these beneficiaries is being conducted. In this way, information is readily available for all HR department employees and can be sent over to DEDAT upon request. This could also minimize the need for high level persons to complete telephonic interviews which require preparation in future.

- Learners should be encouraged to seek additional work experience throughout the duration of their studies to give them work experience (summer jobs).
Learners could be provided with a database of potential hosts. By encouraging TED businesses to register on a database and making the database available to THRD beneficiaries, and in that way, the skills gaps are bridged.

7.1.3.2 Medium Term Recommendations

- **TCB programmes to monitor whether beneficiaries reach senior positions in the workplace over time**

As TCB programmes are geared towards management positions, programmes could be monitored and evaluated as such. Therefore, indicators could be developed to reflect whether beneficiaries have moved up to more senior positions. This would therefore impact the length of programme review, as programmes would need to be reviewed for a longer period of time.

7.2 TED Recommendations

7.2.1 Strategic level

7.2.1.1 Medium to Long Term Recommendations

- **Pursuing private-public partnerships (PPPs) for providing access to finance for SMMEs**

As access to finance is critical for the growth and sustainability of SMMEs, government should look into alternative methods for provision of funding and support. PPPs for financing could be pursued, especially for Mentorship programme participants.

Businesses should also be made aware of existing funding opportunities such as the PGF. Information on funding already offered by national and provincial level grants etc. should also be provided at courses/workshops. Pamphlets could be handed out or short introductions to the funding could be done at the beginning of the course. This way, programmes are utilized as a platform for information dissemination.

7.2.1.2 Long Term Recommendations

- **DEDAT should create/support Tourism business incubator/hub.**
Business incubators can be set up in parts of Cape Town that are otherwise not accessible to small business owners such as up-market beach fronts. Business incubators/hubs can also be set up in all areas of the province where a hub is needed, serving to grow tourism in areas beyond the city of Cape Town (such as Gugulethu or Ocean View etc.). This can assist in the growth of businesses and the development of networks to encourage partnerships in the sector, serving to provide alternative methods of growth. This can also assist in concentrating support and, therefore, increasing the effectiveness of support given.

Although TED programme managers have stated supporting NGOs/forums is not within their mandate, the benefit of reaching forums/NGOs is that they could potentially impact on a number of businesses within the immediate surroundings. Supporting forums could assist in building tourism hubs in outlying areas, concentrating support given. A strategy targeting NGOs/forums should be considered.

7.2.2 Programme Level

7.2.2.1 Short Term Recommendations

- TED programmes should be exclusively provided for Tourism related businesses.

Findings showed that a few TED business beneficiaries were not businesses operating in the Tourism sector. This impacts the effects programmes have on the sector, and a more rigorous selection process needs to be put in place. This can be done by agreeing on a single definition of an SMME in the tourism sector and/or keeping a detailed database that can filter businesses based on selection criteria of programmes.

- TED Database: business registry

Through the key stakeholder interview, it was noted that TED programme beneficiary businesses are required to fill out a business registry form. Business declarations were not implemented in 2012/13; therefore this information was not available for this study. This form asks companies to detail their businesses annual turnover and number of employees within the business prior to interventions. This business registry should also be recorded onto an online data management system and made available for future evaluations. This way, future evaluations will be able to isolate the effects of the programme for the year in question, leading to more accurate strategic planning to be done by the programme managers.

Further to this, the TED database needs to be organized so that businesses and course participants are linked across course participation registries. In this way, all course participation information
participated can be retrieved easily. Baseline turnovers (prior to participating in first TED course) need to be provided for analysis purposes.

### 7.2.2.2 Medium Term Recommendations

- **Restructuring current indicators**

Work opportunities created may not be an optimal indicator for TED programme success as turnover may not translate to labor absorption for the most part of business growth. The programme only using one indicator of work opportunities created overlooks the additional support offered to business owners through the TED programmes and therefore overlooks other impacts the programmes may be having.

As programmes are viewed as catalysts to growing businesses, progress in businesses growth should be measured in an incremental manner.

DEDAT should consider using the following 3 indicators:

- Increase in the number of clients
- Increase in the number of long standing contracts
- Increase in annual and monthly revenue.

### 7.2.3 Performance Level

#### 7.2.3.1 Short Term Recommendation

- **Businesses need to be made aware of the full support programmes available to them through WESGRO, TEP, and the PGF.**

Information campaigns about SMME provincial and national support programmes should be targeted at business beneficiaries during the TED courses via pamphlets and short presentations.
### 7.3 Improvement Plan

Table 30: THRD and TED Improvement Plan

<table>
<thead>
<tr>
<th>Challenge Statement</th>
<th>Solutions</th>
<th>Indicators for improvement plan</th>
<th>Impact on the overall desired effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short term</td>
<td>Medium - Long Term</td>
<td></td>
</tr>
<tr>
<td><strong>THRD programmes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Strategy level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| DEDAT to increase engagement with Private sector for hosting in-service training | 1. formal meetings with potential Hosts on an annual basis  
2. TED Mentorship programme business beneficiaries to host learners for in-service training | 1. involve private sector in the design of programmes | • Developing a structured and uniform approach to in-service training  
• Increasing access to in-service training  
• Strengthening the impact of in-service training on created work opportunities |
| DEDAT programmes minor focus on up-skilling | 1. Offer TCB bursary to persons currently employed in the tourism sector for up-skilling | 1. No. of tourism sector employees that received | • Contribute to the up-skilling of the current tourism labour force  
• Tourism labour force to fill more senior level |
| Programme level | Data-management systems need to be extensive, up-to-date, verified | 1. Keep electronic database  
2. update databases twice a year  
3. be included in the database include previous employment of learners, contract type, length of employment/unemployment and prior employment  
4. Updated twice a year  
5. Verify database | 1. Greater investment into broadening tourism offerings in the Western Cape to include all year round functionality | bursary (TCB) positions  
- Increases competitiveness of the tourism industry  
- Increasing the alignment of the tourism labour force with private sector needs  
- Increasing the effectiveness of future monitoring and evaluation exercises  
- Ensure greater effectiveness of THRD programmes (better able to affect design of programmes) |
| Improving quality of qualification gained by beneficiaries | 1. Stringent criteria to be put in place  
2. Provide workshops to equip learners with the necessary soft skills/life | • Individual effects: more work opportunities could be facilitated  
• More beneficiaries would enter work force with better work place knowledge |
| Increasing engagement with the private sector for the design of elements of the programmes | 1. Increase involvement in the design of in-service training component and selection of host companies  
2. Review of the duration, quality, nature and relevance of in-service training programmes that they place learners into | • Labour market will be better aligned with the private sector  
• More standardized, effective in-service training can be afforded to learners |
<p>| Performance level | Increase reporting within the programme | 1. Host companies to report to DEDAT and rate learners at the end of the in-service | • Programme managers will be better able to adjust programmes throughout the implementation (more |</p>
<table>
<thead>
<tr>
<th>Training (create template)</th>
<th>Increase monitoring of programmes</th>
<th>TED programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Monitor to see if TCB beneficiaries reach senior position in the work place</td>
<td>1. Monitor to see if TCB beneficiaries reach senior position in the work place</td>
<td>1. Ability to track the reach of THRD assistance</td>
</tr>
<tr>
<td>1. More work opportunities facilitated</td>
<td></td>
<td>2. Track to understand impact of THRD programmes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Strategy level</strong></td>
<td>Providing parallel support to TED businesses</td>
<td>Pursuing private-public partnerships (PPPs) for providing access to finance for SMMEs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. More businesses sustained due to well-rounded support to SMMEs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Growth of businesses due to increased market access and funding and hence work opportunities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Encouraging the development of networks and partnerships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Supporting businesses</td>
</tr>
</tbody>
</table>

**TED programmes**

- More businesses sustained due to well-rounded support to SMMEs
- Growth of businesses due to increased market access and funding and hence work opportunities
- Encouraging the development of networks and partnerships
- Supporting businesses
<table>
<thead>
<tr>
<th>Programme level</th>
<th>Increasing the effect/impact of programmes on Tourism sector</th>
<th>1. TED programmes should be exclusively provided for Tourism related businesses.</th>
<th>• Ensure DEDAT investments support growth and sustainability of Tourism sector businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeping extensive database: Business registry</td>
<td>1. Registry to detail businesses annual turnover and number of employees within the business prior to interventions</td>
<td></td>
<td>• Increasing the effectiveness of future monitoring and evaluation exercises</td>
</tr>
<tr>
<td>Restructuring indicators to better represent growth and sustainability of businesses</td>
<td>DEDAT should consider using the following 3 indicators: 1. Increase in the number of clients 2. Increase in the number of long standing contracts 3. Increase in annual and monthly revenue.</td>
<td></td>
<td>• Increasing and nuancing DEDATs understanding of the impact of the TED programme</td>
</tr>
<tr>
<td>Performance</td>
<td>Create awareness of</td>
<td>1. Businesses need to</td>
<td>• More businesses</td>
</tr>
<tr>
<td>available support programmes for SMMEs</td>
<td>be made aware WESGRO, TEP, and the PGF etc. during TED courses via pamphlets and short presentations</td>
<td>sustained due to well-rounded support to SMMEs</td>
<td></td>
</tr>
</tbody>
</table>
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• [www.youth-employment-inventory.org],

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• “Glossary of Statistical Terms” via www.stat.berkley.edu
Appendix 1: THRD and TED Log Frame Matrix
<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>Programme</th>
<th>Programme Objective</th>
<th>Sub-Programme</th>
<th>Sub-Programme Objectives</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEDAT Tourism Strategy</td>
<td>THRD</td>
<td>(a) Increase the supply of appropriate skills to meet current and future skills' demand  (b) Facilitate workplace learning and employment opportunities for new entrants  (c) Facilitate quality training and career mobility for current workforce</td>
<td>Tourism Collective Bursary Programme</td>
<td>Address gap between the school system and institutions of higher learning or further education and training</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FET Skills Programme</td>
<td>Address the gap between the HEIs and FETs and the workplace; in response to the increasing need to provide youth with access and awareness to employment opportunities in the labour market</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>EPWP FET Skills</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TED</td>
<td>This programme aims to create an enabling environment to nurture the development, growth and sustainability of tourism enterprises</td>
<td>Tourism Intermediate</td>
<td>To equip companies with inter-mediate – level business skills, to assist entrepreneurs to grow and manage their businesses</td>
<td>Productivity  Accommodation  E-Marketing  Social Media  Tour Operator</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tourism Advances</td>
<td>‘Mainstream’ entrepreneurs, who want to grow / invest in a new product / expand their business or take on a business partner.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tourism Mentorship Programme</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: THRD Beneficiary Survey Questionnaire

A. Screening Questions

Good Afternoon (Name), I’m calling on behalf of Department of Economic Development and Tourism. I would like to ask you a few questions regarding the (programme) you participated in, in (month, year) which was run by (service provider/institution).

*If EPWP skip to section D*

Would you please confirm that you studied (course)

*If FET skills skip to section C*

Table to be filled in from database:

<table>
<thead>
<tr>
<th>PROGRAME</th>
<th>Tourism Collective Bursary Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FET Skills Programme</td>
</tr>
<tr>
<td></td>
<td>Tourism Ambassador Programme (EPWP)</td>
</tr>
<tr>
<td>EPWP</td>
<td>Networks</td>
</tr>
<tr>
<td>SERVICE PROVIDER</td>
<td>Networks</td>
</tr>
<tr>
<td>FET SKILLS</td>
<td>Northlink college</td>
</tr>
<tr>
<td>INSTITUTION</td>
<td>False bay college</td>
</tr>
<tr>
<td>COURSE</td>
<td>Assistant chef</td>
</tr>
</tbody>
</table>
B. Programme Participation Bursary (Bursary Only)

1. Have you completed your programme (graduated)?
   - Yes
   - No

   *If No, proceed to Question 3*

2. When did you graduate?
   - Year _____________
   - Month ______________

   *Skip to Question 4*

3. If you have not yet completed your programme (graduated), please specify why you have not graduated? (multiple responses accepted)
   - Changed to a different programme (within tourism)
☐ Changed to a different programme (unrelated to tourism)
☐ Not enough funds to complete programme
☐ No longer interested in the tourism course/degree/qualification
☐ Did not feel the course/degree/qualification would help me find a job
☐ Work was difficult, could not complete the course
☐ Other

4. For which year/years did you receive this bursary? *Tick the appropriate boxes*

☐ 1st year
☐ 2nd year
☐ 3rd year

C. In-Service Training (FET Skills and Bursary Only)

1. Did you participate in in-service training?
   ☐ Yes
   ☐ No

   *If No, skip to section D*

2. Who facilitated access to your in-service training?
   ☐ Tourism Human Resource Development official from Department of Economic Development and Tourism
   ☐ A Placement officer from your institution
   ☐ Your Self
   ☐ Don’t know

3. Which Host company did you complete your in-service training with?
   ☐ CTICC
   ☐ Radison Blu Hotel
   ☐ Gas Light Café


□ False Bay College
□ Protea Hotel – King George
□ Southern Sun Hotel – Water front
□ Southern Sun Hotel – Cullinan
□ The Table Bay
□ Sun Safaris
□ Breede Valley Municipality
□ Don’t know
□ Other
If other, please specify name of company ________________________

4. What was the duration of your in-service training? (Months/weeks)
□ No. of Months

5. What type of work did you do during the in-service training?

□ Administration
□ Operational (Kitchen, housekeeping)
□ Customer Liaison/services (front desk, waiting)
□ Management
□ Marketing (website, etc.)
□ Sales
□ Other
If other, please specify ________________________

6. If received a stipend from your host company can you remember how much you earned per month?

□ Less than R500
□ R501 – R1000
□ R1001 – R2000
□ R2001 – R3000
□ R3001 – R4000
□ More than R4000
□ Did not receive a stipend from Host Company

---

D. Employment Opportunities

1. Were you employed before you started your course/qualification?
☐ Yes
☐ No

*If No skip to question 3*

2. What was your gross monthly salary?

☐ Less than R1000
☐ Between R1001 and R3 000
☐ Between R3 001 and R5 000
☐ Between R5 001 and 7000
☐ Between R7001 and 9000
☐ More than R9000

3. Are you currently employed?

☐ Yes  ☐ No

*If No, skip to section F*

E. Employed

1. Please state the name of the company where you are employed

______________________________________________

2. What position do you hold in the company?

______________________________________________

3. Are you employed in the tourism sector?

☐ Yes
☐ No

4. What are the terms of your employment contract?

☐ Permanent staff
☐ 0 – 6 months Contract
☐ 7 to 12 month Contract
☐ Contract longer than 1 year
☐ Temporary/part-time working once a week or more
☐ Temporary/part-time working less than once a week
5. How long have you been employed by your current employer? (in months)  
___________________

6. What is your gross monthly salary?

☐ Less than R1000
☐ Between R1001 and R3 000
☐ Between R3 001 and R5 000
☐ Between R5 001 and 7000
☐ Between R7001 and 9000
☐ More than R9000

How often are you using the skills learned during your learnership/qualification in your current job?

☐ Frequently
☐ Sometimes
☐ Not often
☐ Never

Thank respondent and end interview

F. Not Employed

7. Are you currently searching for a job?

☐ Yes ☐ No

8. Are you currently searching for a job in the tourism sector?

☐ Yes
☐ No

9. How long have you been unemployed?

☐ 3 months or less
☐ 4 months – 6 months
☐ 7 months – 1 year
☐ More than 1 year
10. Why do you think you have not found a job yet?

☐ Lack of experience
☐ No job opportunities
☐ Do not have the appropriate skills
☐ Other

If other, please specify
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

11. Do you think the programme (in-service training and/or qualification) has improved your likelihood of finding a job? Explain.
__________________________________________________________________________
__________________________________________________________________________

12. Is there any assistance you need from government to help you find a job?
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

G. PERSONAL INFORMATION

1. What is your age?
2. What is your race?
3. What is your gender?
4. Do you have a disability?
5. Where did you live during the duration of the course?
6. What was your highest qualification prior to completing the course?
Appendix 3: Host Company Survey Questionnaire

A. Background Information

Good Afternoon (Name), I’m calling on behalf of Department of Economic Development and Tourism *(avoid the acronym DEDAT)*. For the past 2 or 3 years, the Department has sponsored programmes in the Tourism industry, trying to address the need in the industry for skills. Our records show that your company may have been involved in “hosting” learners from these programmes. The Department needs your help in learning from the results of these programmes, in order to improve its programmes on training youth to be employed in the Tourism sector.

(Check Name & Position of Interviewee in the company)

1. What is the main activity of your business?

____________________

B. Hosting Information

1. How many learners did your company host in the year April 2012- March 2013

<table>
<thead>
<tr>
<th></th>
<th>No. of learners</th>
<th>No. of learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Chef</td>
<td></td>
<td>ND Tourism Management</td>
</tr>
<tr>
<td>NCV tourism</td>
<td>ND Event management</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------</td>
<td></td>
</tr>
<tr>
<td>Waitron course</td>
<td>ND Hospitality Management</td>
<td></td>
</tr>
<tr>
<td>Other programme (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. How many learners completed the full period of in-service training?

<table>
<thead>
<tr>
<th></th>
<th>No. of learners</th>
<th>No. of learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Chef</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCV tourism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waitron course</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other programme (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. On average how much would a learner earn per week during his/her in-service training?

______
4. If no stipend was paid, please provide a reason?

___________________________________________________________________________
___________________________________________________________________________

C. Program Successes and Challenges Factors

1. What would you regard as the top 3 success factors of an in-service training program?

___________________________________________________________________________

2. What are the top 3 challenges that impact negatively on the success of the in-service program at your company?

___________________________________________________________________________

D. Employment

1. How many of your hosted learners did you employ after the in-service training?

<table>
<thead>
<tr>
<th>No. of learners</th>
<th>No. of learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Chef</td>
<td>ND Tourism Management</td>
</tr>
<tr>
<td>NCV tourism</td>
<td>ND Event management</td>
</tr>
<tr>
<td>Waitron course</td>
<td>ND Hospitality Management</td>
</tr>
<tr>
<td>Other programme (please specify)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>
2. Please explain why you did not employ more learners.
___________________________________________________________________________
___________________________________________________________________________

3. How many learners did you employ as (please give total number):

<table>
<thead>
<tr>
<th>Permanent staff</th>
<th>3 – 5 month Contract staff</th>
<th>6 – 11 month Contract staff</th>
<th>12 months and above contract staff</th>
<th>Temporary staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. On average, how much do these employees (learners hired) earn per month?

☐ Less than R1000
☐ Between R1001 and R3000
☐ Between R3001 and R5000
☐ Between R5001 and R7000
☐ Between R7001 and R9000
☐ More than R9 000

5. Would your business take on more learners to do their in service training, currently? Please can you elaborate why you say so?
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

6. Do you think that these skills programmes produced learners/employees that cater to your business needs?
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

7. Are there any other qualifications or skills needed in your business in the future? What would they be?
8. Please describe the extent to which government involved you/your company in the planning of these or any other provincial skills development programmes?

___________________________________________________________________________________

___________________________________________________________________________________

___________________________________________________________________________________

9. How have your company /you been involved with the planning of skills development programmes in the Western Cape?

___________________________________________________________________________________

___________________________________________________________________________________

___________________________________________________________________________________

10. How or what can government do to assist the host company to employ more learners?

___________________________________________________________________________________

___________________________________________________________________________________

___________________________________________________________________________________
Appendix 4: TED Business Beneficiary Survey Questionnaire

A. Screening

<table>
<thead>
<tr>
<th>QID</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewer Name</td>
<td></td>
</tr>
<tr>
<td>Interview Date</td>
<td></td>
</tr>
<tr>
<td>Respondent name</td>
<td></td>
</tr>
</tbody>
</table>

Good Afternoon (Name), I’m calling on behalf of Department of Economic Development and Tourism. I would like to ask you a few questions regarding the (programme) you participated in, in (month, year) which was Sponsored by the Department.

B. Business Profile

1. Name of business: _______________________________

2. Is the business still operating?
   ☐ Yes       ☐ No

3. How long has/was the business operational?
   _____________________________________________

4. In which sector is/was your business?
   ☐ Accommodation establishment
   ☐ Tour Operator
   ☐ Travel Agency
   ☐ Event Management
   ☐ Other Specify _____________________________
1. In which programmes did you participate?

☐ Business Skills (Tourism Intermediate)
  ☐ HR
  ☐ Finance
  ☐ Marketing
  ☐ Business Strategy
☐ Tourism Advanced
  ☐ Productivity SA training
  ☐ Accommodation training
  ☐ Internet marketing
  ☐ Social Media
  ☐ Tour Operator
☐ Tourism Mentorship

2. Who participated in the programme?

☐ Owner of company
☐ Manager
☐ Staff member

3. Do you put the knowledge and skills gained in training to good use in your business?

☐ Yes  ☐ No

a. If No, please explain
_____________________________________________________________________
_____________________________________________________________________
________________________________________________

To be answered by mentorship programme participants only

4. Mentorship

a. How did the Mentorship impact on your business:
### D. Turnover

1. What was your approximate annual turnover in:
   
   a. 2011 (before you participated in the programme): ________
   
   b. 2013 (after you participated in the programme): ________

2. How many people did you employ in:
   
   a. 2011 (before you participated in the programme): ________
   
   b. 2013 (after you participated in the programme): ________

3. What positive or negative effect has your participation in these programmes had on your number of employees?
   
   - <0%
   - 0%
   - 10% increase
   - 25% increase
   - 50% increase
   - 75% increase
   - 100% increase

---

<table>
<thead>
<tr>
<th>Positive impact</th>
<th>Better understanding of your business</th>
<th>Planning and setting Goals</th>
<th>Industry knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>No impact</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Negative impact</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
4. What positive or negative effect has your participation in these programmes had on your company’s turnover?

5. <0%
6. 0%
7. 10% increase
8. 25% increase
9. 50% increase
10. 75% increase
11. 100% increase

a. Can you elaborate on why you say so?

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

5. Are there any additional impacts the programme(s) have had on your business? Explain

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

6. What (if any) other support do you think government could consider providing to small businesses?

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
1. What is your/their age?
2. What is your/their race?
3. What is your/their gender?
4. Do you/they have a disability?