

**FASSET-CHANGING THE LIVES OF TVET
GRADUATES, ONE PLACEMENT AT A TIME**



BY RHULANI RAMELA & BONGANI KUFA

DATE: 13 June 2018

1. Introduction

Traditionally, placement of graduates from TVET (Technical and Vocational Education and Training) colleges has been a challenge. Employers have not been willing to take on TVET graduates for the work-based experience part of their program for various reasons. Some of the reasons being, finances do not permit, the quality of graduates is not good enough to name a few. This has been particularly true with large auditing and accounting firms, such as PWC, De Loitte, KPMG and EY. For these firms, their bias is towards university graduates, particularly those from the top universities from South Africa. University of technology graduates and TVET colleges have seldom featured in their list of recruitment places. In fact, recruitment campaigns are usually only rolled out at South Africa's top universities.

What also makes this case unique is the funding and recruitment model. SETAs (Sector Education and Training Authorities) usually give TVET colleges money to find placements for students. In this instance of FASSET, the funding was given to employers to recruit students and employ. Furthermore, the payment of the monthly stipend was incremental over the 18month period. In the first six months, students would receive R3500, the following six months R3800 or R4000 and in the last six months R4800. This was done to keep the students motivated and prevent drop out.

2 Links to NSDS III

One of the over-arching objectives of the NSDS III (National Skills Development Strategy) is to improve the placement of students from Universities of Technology and TVET colleges. Placement has been a challenge for students pursuing TVET college qualifications. The Human Resource Development Council (2014: 16) notes that "about two thirds of TVET College graduates are either unemployed or not economically active". However, through the placement initiatives of TVET college students in global companies such as KPMG, DeLoitte and EY the credibility and reputation of those TVET students is improved. This further has a positive consequence to the TVET college sector as a whole.

One critique that TVET colleges have faced, is the fact that the curriculum does not speak to the needs in the industry. This issue is caused by lack of cooperation between TVET colleges and industry experts as well as practitioners. This then affects the TVET college curriculum which is often outdated and not evolving with trends of various industries. However, through FASSET and interaction with industry as proposed by the NSDS III, TVET colleges will become responsive to the skills needs, both nationally and regionally. Furthermore, an outcome

of the NSDS is to ensure that Nated (N)-courses are recognized by employers as important base qualifications through which young people are obtaining additional vocational skills and work experience, entering the labour market with marketable skills, and obtaining employment.

This case study is important because, not only does it tackle the issue of placement of TVET graduates and relevance of curriculum, but it also looks at youth unemployment which are issues dealt with in the NSDS III. The criteria of selection into the programme, is that the student must be South Africans with ages between 16-34years. They should also be pursuing their qualification in N4, 5 and 6 majoring in:

- Financial Management,
- Business management,
- Marketing Management,
- HR Management and,
- Management Assistant.

3 Methodology

This case study sought to answer the following question which has two pieces:

Have FASSET (a) identified TVET colleges with relevant programmes and (b) put in place partnerships to offer vocational courses and work experience for college learners?

To answer this question a mixed method was used. First desk top research was done to understand the programme and the skills needs of FASSET sectors. Then interviews were conducted with FASSET and KPMG. FASSET provided insight into the origins of the programme while KPMG provided insight into the impact of the programme. Triangulation in this context is significant to allow for various data sources to impact and inform the study for richness in regard to data.

4 Background

FASSET is the Financing and Accounting Service Sector Education and Training Authority established under the Skills Development Act of 1998. The Act sought to create a state of capacitated and skilled workforce. FASSET is one of the 21 SETAs The FASSET Work Based Experienced (WBE) project was started in 2013/14 after receiving a directive from the Minister of Higher Education and Training, Dr Blade Nzimande to assist students who have completed their N6 theory component at TVET colleges to do their 18-month practical. FASSET used to

assist university graduates and assisting TVET students presented a challenge. As a result, FASSET decided to pilot the programme with six companies, namely: PWC, De Loitte, IDC, KPMG, Anderson and ITC. Funds were set aside for the companies to recruit students. They were also interviewed to ensure that they would be a good fit for the organizations. The students who were successful, were paid a monthly stipend of R3500.00, the stipend increased in every six months with R400.00.

Since the inception of the programme between 300 and 480 students were funded per year. Students were recruited from financial management, business management, marketing management, HR management, and management assistant, from N4 to N6.

Given that the project was something new, round table discussions were held with the organizations to discuss successes and challenges. These meetings with stakeholders informed strategies to be utilised to make the programme better.

5 Implementation

The implementation process starts with the company applying to the SETA to train interns. Once the application is received by the SETA there are a number of checks done which include:

- The number of staff the company has against the number of interns requested: this is to ensure there will be adequate mentoring and supervision
- The financial standing of the company, to ensure that the interns will be paid. The company pays the intern monthly stipends, the money can then be claimed by the company back from FASSET.

Once the company has passed these checks, they are then allowed to recruit students. Companies follow a formal way of recruitment where an application window opens for students to send their applications, screening and vetting processes are then completed to verify and select best candidates. The candidates are then interviewed, appointed and allowed to sign an employment letter with a clear job description, company policies and stipend. The intern then agrees to participate, a mentor is selected and made known to the intern. An engagement between the intern and mentor takes place to strengthen their relationship and to inform the intern on what the mentor and the employing company expects from the employee, vice versa.

Companies such as KPMG had adopted a rotation system. Even though, FASSET was not impressed with the rotation system, claiming that in the working environment is not what workers do. KPMG followed this approach because they wanted to provide their interns with

various competencies in various subjects. However, interns did not welcome the approach for a long time because it infringed them from fully understanding an approach to problem solving but made them to exposed to piece of problem solving. Ultimately, this leaves interns with very limited knowledge which they could not claim is the correct knowledge. Also, departments created attachment with interns, that made it difficult for rotation to take place meaningfully and with fair consensus from departments. The rotation programme was then halted.

6. Findings

6.1 Impact

The project has had an immense impact on the participants of the programme. There are many students who have struggled to find placement to complete their practical component. The programme has assisted in providing learners with work experience in firms that carry clout in the economy. Graduates from TVET colleges are often passed over when employers recruit, having gotten experience from companies such as the participating companies improves their chances of getting further employment. Employers normally do not employ new graduates due to the lack of work experience from the graduates. They are often referred to as risks by the employers. This initiative then derisk's the graduates by providing them with valuable working experience.

The are interns who were later absorbed by their host companies. After completion, some companies offer students three, six or a year contact. However, the lack of a monitoring tool from FASSET makes it hard for the SETA to have a correct and validated quantity of absorbed interns. Doing so derisk's young people and provide them with meaningful and long term work experience which those employees can capitalise on once their contacts deplete with current employers.

From a socio-economic perspective, the programme has had a positive impact on the students' lives. One student stated that he came from a low socio-economic background. Having an income has allowed him to assist his family financially. Moreover, coming from poor background and being a first-generation student is often challenging and leading to poor academic performance. So, the Work based Experience Project has provided students with reason to stay optimistic and a drive to complete their respective studies.

6.2 Key Success Factors

The programme plays a vital role in derisking students who participate. The programme has managed to forge a cooperation between the government and the private sector. From the governments perspective, the National Treasury wants all provincial treasuries to also implement the programme. Provinces such as the Northwest have a full-fledge programme which has employed 40 interns from 30 interns of the previous cycle.

From a perspective of private companies, the number of participating companies has increased over the years. The programme would previously partner with six companies and that has increased to 30 companies which has shown interest. Increase in companies means increase in the number of young individuals who benefit. Ultimately, there will be a great number of young graduates who are ready for the corporate. One of the FASSET beneficiaries took it to the FASSET Facebook page to say, “I am proud to say I am one of the alumni of fasset #bringing_light_into_the_nation”. This shows that the programme is appreciated and making impact in the lives of young individuals. More young people show interest and also companies shows a great interest in works of FASSET.

6.3 Challenges

There were a number of challenges that came up in the implementation of the programme. From the KPMG side, there was a challenge with content. The content from the colleges and what is done at KPMG differ, with the college content being outdated. For example, the colleges wanted the financial management students to cover petty cash. Large companies such as KPMG do not hold petty cash because there is a preference for electronic transfers. Also, students were expected to cover payroll however an intern would not be allowed to deal with such because it is sensitive and confidential information. The general management students were expected to do stock count.

FASSET faces a challenge of discouragement from students. The lack of support and positiveness from DHET destructively affects the smooth running of the programme. Students have to submit a list of documents to serve as proof of participation and completion of the programme but DHET sometimes makes lives of employees and students horrible by rejecting some documents with no valid and sound reason. Such makes it hard for students and employees to rework their documents as they are sometimes not clear on where they need to fix the documents.

The programme is an 18-month programme, but students Struggle to get certificates from DHET. Some students wait for years waiting for certification, without the certificates students

struggle to secure jobs with either the companies which trained them or with other external companies.

Some TVET colleges can be picky when students submit their logbooks. There are colleges which does not look at the logbook which has data on how interns perform and what competencies have been provided to the interns. They just focus on the motivational letter more than the logbook. The second problem with some of the colleges is that if there is an intern with a well written motivational letter, the college will conduct a validation study. To an extent the ability and reported quality of work is undermined, colleges are more interested in failures than positive outcomes.

FASSET and colleges also fail to come up with a standard track and reporting document and system. This makes it not clear employers on how and where they should report the progress and work being done by the interns. This makes work to be difficult for employers as they are uncertain to which institution has to receive the documents to be assessed. Companies sometimes opt to either contact the examination centre or follow the tireless process of submitting through the college.

6 Conclusion

This case study has shown that TVET colleges have managed to identify colleges which have offer FASSET courses and have also managed to provide WBE for graduates thereof. The programme proved to be effective but challenged by the lack of cooperation and willingness to work from DHET. Even though that might be the case, employers are growing and have shown willingness to participate in the programme in skilling and providing work experience for young graduates. This is a programme that can be replicated in other provinces and by other SETAs to derisk and prepare graduates for the corporate world.

Reference

Human Resource Development Council. (2014). TVET colleges in South Africa: Pathways workstream. Pretoria