



**Research Division:  
Tracer Study  
Assessing the reasons learners drop out of  
learnership programmes before completion**

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## CONTENTS

ACRONYMS.....	4
1. INTRODUCTION AND STUDY OVERVIEW .....	6
1.1. INTRODUCTION AND BACKGROUND .....	6
1.2. RATIONALE AND PURPOSE .....	8
1.3. OBJECTIVES .....	9
1.4. SPECIFIC RESEARCH QUESTIONS .....	9
1.5. Summary of the findings .....	10
1.5.1. Findings .....	12
2. LITERATURE .....	13
2.1. Introduction.....	13
2.2. Learnerships in the PSET landscape and Fasset Learnership Programme .....	13
2.3. Contextualisation of Tracer Studies.....	16
2.4. Methodological problems with tracer studies .....	17
2.5. Expansion of the PSET system and need for expanded forms of education and training .....	18
3. METHODOLOGY AND APPROACH .....	19
3.1. Introduction.....	19
3.2. Target population and sample size.....	20
3.3. Data Collection.....	22
3.4. Research Instrument and survey procedure.....	22
3.5. Data Analysis.....	22
3.5.1. Coding process.....	23
3.6. Interpretation of Results .....	23
4. PRESENTATION OF THE FINDINGS .....	24
4.1. Survey Findings .....	24
4.1.1. Introduction .....	24
4.1.2. Findings .....	25
4.1.3. Qualitative data findings.....	31
4.2. Findings from Key Informants Interview Findings.....	35
5. DISCUSSIONS OF FINDINGS .....	38
5.1. Introduction.....	38
5.2. Higher proportions of blacks, youths, and females .....	38
5.3. Do they stay in the learnership programme until the end of it, and is the programme seen as having appropriately prepared them to function in those jobs?.....	39
5.4. Competing demands between Professional Accreditation and Learnership Programme .....	39
5.5. The context of Fasset funding for learnership programmes and autonomy of Professional Bodies .....	40
6. RECOMMENDATIONS AND CONCLUSION .....	41

6.1.	Develop Mentors for non-professional designation learnerships.....	41
6.2.	Strengthen training programmes and involve professional bodies. ....	41
6.3.	Improve support of the learners at NQF level 5 and below.....	41
7.	REFERENCES .....	43
8.	APPENDICES .....	45
8.1.	Appendix 1. Interview schedule for learners .....	45
8.2.	Appendix 2: Interview Schedule for Training/Providers and/or Host Companies .....	48
8.3.	Appendix 3: Timetable.....	49

## ACRONYMS

<b>Acronym</b>	<b>Definition</b>
AAT	Association of Accounting Technicians
AAT (SA)	Association of Accounting Technicians (South Africa)
ACCA	Association of Chartered Certified Accountants
ACFESA	Association of Certified Fraud Examiners South Africa
APC	Assessment of Professional Competence
APP	Annual Performance Plan
AQP	Assessment Quality Partners
CAT	Certified Accounting Technician
CA	Chartered Accountant
CPD	Continuous Professional Development
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in the Theory of Accounting
DHET	Department of Higher Education and Training
HET	Higher Education and Training
IACSA	Institute of Accounting and Commerce South Africa
ICB	Institute for Certified Bookkeepers
ICBA	Institute of Certified Bookkeepers and Accountants
ICM	Institute of Credit Management
IIASA	Institute of Internal Auditors of South Africa
IMFO	Institute of Municipal Finance Officers
IRBA	Independent Regulatory Board for Auditors
ITC	Initial Test of Competence
LFS	Labour Force Survey
LMIS	Labour Market Information System
LPD	Learner Professional Development
MBAT	Madiba Bay Accountancy Training
NDip	National Diploma
NDP	National Development Plan
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
PIVOTAL	Professional, Vocational, Occupational and Technical
PPE	Professional Practice Examination
QCTO	Quality Council for Trades and Occupations
SAIBA	Southern African Institute for Business Accountants
SAICA	South African Institute of Chartered Accountants

<b>Acronym</b>	<b>Definition</b>
SAIGA	Southern African Institute of Government Auditors
SAIPA	South African Institute of Professional Accountants
SAIT	South African Institute of Tax Professionals
SARS	South African Revenue Service
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SDP	Skills Development Plan
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SIC	Standard Industrial Classification
SP	Strategic Plan
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TVET	Technical Vocational Education and Training
WBE	Work-Based Experience
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

## 1. INTRODUCTION AND STUDY OVERVIEW

### 1.1. INTRODUCTION AND BACKGROUND

The main purpose of this Tracer Study is to trace and track learners (employed and unemployed) who have been part of the Fasset learnership programme from the financial year 2014/2015 to 2019/2020.

As indicated in the Department of Higher Education and Training (see DHET, 2013, 2019) documents and National Development Plan (NDP), a key mission of government is to strengthen the role of the Post-School Education and Training (PSET) sector in better preparing young people for the labour market'.<sup>1</sup> The White Paper in Post School Education and Training put forth the important role that a range of PSET institutions play in bridging the gap between education and work. Based on this, the Work-Based Learning programmes supported by SETAs are essential, both in addressing the problem of high youth unemployment and developing the skills needed in the economy.

Various forums have indicated the importance of labour market intelligence as part and parcel of strengthening the relationship between PSET and the labour market. DHET attaches to this the important role of a pathway and destination studies which could track whether the completed beneficiaries are active in the labour market and whether their training is perceived as relevant. One factor that has been noted over time as an inhibitor in conducting tracer studies was the lack of standardised methodological approaches and models (Rosenburg & Ward, 2020). A similar observation was made by a team of researchers in a couple of Western Cape research projects (CHEC, 2013), who researched Graduates Destination from all four Western Cape Universities.<sup>2</sup>

What is evident in recent work on tracer studies (CHEC, 2013; Urban-Econ-Development Economists, 2020; Wildschut et al., 2012; Wildschut, et al., 2017), is that there are methodological and practical problems in conducting tracer studies. From a policy level, tracer studies remain an important instrument to assess the impact and measure the value for money as the LMIP study suggests below:

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“It is becoming increasingly important for public institutions to demonstrate the impact of their disbursement of scarce public resources. However, this is often a very difficult or impossible task

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<sup>1</sup> Rosenburg, E. & Ward, M. (2020). *M&E Workshop: M&E Capacity Development - Getting Your Plans in Place*. Rhodes University, Midrand

<sup>2</sup> CHEC (2013). *Pathways from University to work: A Graduate Destination Survey of the 2010 Cohort of Graduates from the Western Cape Universities*. Cape Higher Education Consortium, Western Cape

for officials, for, at all levels (national, sectoral, provincial and local), we lack quality centralised, consolidated and appropriate data sets that can assist in answering the critical question of whether these investments represent value for money. This is particularly the case regarding workplace-based learning (WPBL), where there is a paucity of integrated data sets on enrolment, throughput, and completion, and, most significantly, the transition to the workplace from such programmes.”<sup>3</sup>

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Part of the SETA’s continuous improvement in various intervention programmes is assumed to be informed by a thorough investigation of and tracing of effectiveness and efficiency of these programmes.

The Graduates Destination study from four Western Cape universities in the 2010 cohorts of students, revealed that South Africa is not doing well in managing data about learners’ and students’ destination post their completion or dropouts in given studies or training programmes.<sup>4</sup> Globally, there have been major tracer studies the majority of which focused predominantly on tracing university students but there are very few which looked into learnerships, apprenticeship programmes, and skills programmes.<sup>5</sup>

The White Paper on Post School Education and Training suggests that monitoring could form part of an information loop into the Human Resources Development Strategy, and specifically the post-school strategy for the country (DHET, 2013). This is important to enable a more detailed and informed understanding of the skills deficits (including amongst others, the understanding of efficiencies and inefficiencies) and the areas for focused growth linked to the country’s needs (see Bhorat et al., 2012; Wildschut, et al., 2017). **This implies the need for a regular tracing process in which the lived experiences during and post the learning programme are analysed in a meaningful way for future planning.** The assumption is that varied sources of data should be available and should be integrated into the tracing and tracking processes within the SETA landscape for present and future planning of labour market skills needs. Drawing from these imperatives, this study traces and tracks the cohort of learners (both employed and unemployed) in the learnership programme between the years 2014/2015 to 2019/2020.

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<sup>3</sup> Wildschut, A., Kruss, G., Visser, M., Meyer, T., Tele, A., Rust, J., & Hlakula, Z., (2017). *Institutionalising Tracer Studies to Assess the Impact of Workplace-based Training: Reflections on Feasibility*. LMIP, Pretoria

<sup>4</sup> CHEC (2013). *Pathways from University to work: A Graduate Destination Survey of the 2010 Cohort of Graduates from the Western Cape Universities*. Cape Higher Education Consortium, Western Cape

<sup>5</sup> Schomburg, H., and Teichler, U. (2006). *Higher Education and Graduate Employment in Europe: Results from Graduate Surveys from Twelve Countries*. Higher Education Dynamics 15. Dordrecht: Springer.

## 1.2. RATIONALE AND PURPOSE

Previous Tracer Studies have often shown a low number of contactable trainees, learners or students which seems to be largely attributed to the frequency with which they change their phone numbers. This suggested that the tracing and tracking of beneficiaries during the training programme are often neglected by SETAs.

Binaben Akoobhai's paper which was presented at the 10th International Conference on Researching Work & Learning between the 6<sup>th</sup> – 8<sup>th</sup> December 2017 at Rhodes University note that:

Before a Graduates Destination Study can be conducted, systems, capacity and funding for collection, consolidation and analysis of data is required.<sup>6</sup> The paper indicated for example that, the most notable limitation in tracer studies was a lack of contactable participants (beneficiaries). Akoobhai notes that beneficiaries' information in most cases would have changed by the time the apprentice qualifies and transits to the labour market (Akoobhai, 2017). Thus, mechanisms need to be developed to collect current data of graduates and learners as close to their completion of the study to ensure when to follow up surveys are conducted, the right information is available.

As custodians of the learnership and apprenticeship contracts, SETAs are responsible for maintaining the records of trainees. Learners are supposed to receive regular monitoring visits from SETA technical experts, to check their training performance and achieving learning outcomes. It should be easy for the trainees' contact details to be updated during these visits, but the evidence suggests that this is not happening. The tracking and tracing study seeks to investigate the destination of learners participation in a learnership over the indicated period. The primary focus of this tracing study is to assess the reasons learners drop out before the learnership is completed. The study, therefore, will not be concerned with those who have completed learnership but the ones who never completed it.

The primary focus of the study was to understand the destination of workplace-based learning (WBL) learners who drop out of the learnership programme. This study achieved this through the tracking and tracing of learners supported within the Fasset sector in the learnership programme over the past five years. Tracer studies are designed to determine whether a programme is achieving its mission and assist in demonstrating the programme's outcomes. This should include:

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<sup>6</sup> Akoobhai, B. (2017). *Tracking and Tracing of Artisans*. Conference Paper presented at the 10th International Conference on Researching Work & Learning 6 – 8 December 2017, Rhodes University, Grahamstown, South Africa



- Employment status (employed, self-employed and unemployed)
- Employment rates
- Nature of employment, in terms of employment sector or types of employment (e.g. formal or informal); tenure (Part-time or full time, contract or permanent); salary level; benefits (UIF, pension, medical aid, allowances)

### 1.3. OBJECTIVES

The study should, therefore, address the following related objectives:

- To understand the reasons why certain learners, drop out of a learnership programme before completion
- To understand the factors associated with employment/unemployment
- To determine the nature of employment of learners who received employment

### 1.4. SPECIFIC RESEARCH QUESTIONS

The research study seeks to answer the following specific questions:

- (a) What are the destinations of learners who complete Learnership?
  - Are they employed?
  - Are they not working?
  - Are they studying further?
- (b) If employed:
  - Where are they employed?
  - What is their occupation?
  - Has there been a change in jobs since completing the learning programme?
  - After they have dropped out of a Learnership programme, has there been a job secured and what level is that job?
  - Are they employed full-time or part-time and temporary or contract?
- (c) If not in employment, why?
  - Are they studying full-time?
  - Are they looking for employment?
  - Are they ill?
  - Are they looking after parents, siblings?
- (d) The above questions are asked with a hypothesis in mind, that:

- ✓ All learners who enter WBL programmes (learnership, apprenticeship or skills programme) do so to get theoretical and practical training aligned to a specific occupation.
- ✓ Learners will complete WBL as long as they have all resources (stipends that covered basic costs such as transport and food).
- ✓ The ultimate goal of all learners is to become employed after the WBL programme.
- ✓ Should learners secure a job before completing WBL, they can drop out based on the fact that they achieve their ultimate goal faster than expected and of course, dropping out would have a long-term effect on their careers.
- ✓ Getting a job is the primary reason for dropouts.

The reasons for dropping out of WBL programmes could be nuanced and complex to understand with just the mere fact of a learner getting a job. And for this reason, the background of the learner matters. The background could, for example, explain why a learner would opt for a job without having completed the programme. A learner could be coming from a poor family or could be the sole breadwinner in the family and other reasons. All these are assumptions that could be proved or rejected by digging deeper into learners' different backgrounds. The Haroon Borhat, Natasha Mayet and Mariette Visser study suggest that students or learner family background in terms of socioeconomic status are the highest deterrents of whether they will stay in the learning and training programme until the end.<sup>7</sup>

## 1.5. Summary of the findings

During the last decade and a half, the placement of learners into learnerships programmes have increased. Whilst there are remarkable successes, there has been a consistent pattern of learners dropping out of the learnership programme before completion. In some instances, learners who completed would still not get a job. Consequently, many learners would resort to continuous enrolment into learnership programmes for the sake of having the income (learner stipend). Despite the expansion in participation within this form of the training programme and the growing output of learner completion throughout the years, the evidence suggests that learners often use learnership not just as a form of training through which they could upgrade their skills, but also as an opportunity to contribute to the household expenses. It is at least in hindsight, a form of training through which they can wait for employment and get some income whilst waiting.

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<sup>7</sup> Borhat, H., Mayet N., & Visser, M., (2012). *Student Graduation, Labour Market Destinations and Employment Earnings*. Development Policy Research Unit University of Cape Town, Cape Town

The indicated patterns are often the reasons why learners may drop out of the learnership programme should they find better opportunities. However, this now amounts to a considerable number of people who do not obtain learnership qualifications across the SETA landscape. There are, therefore, legitimate concerns about the effects of withdrawal from learnership programmes upon the individuals concerned and how this rate could be reduced. But who are these dropouts? And what are the reasons they leave the learnership before completion and what happens to them subsequently?

To address these questions the Department of Higher Education and Training encouraged that institutions of higher education, SETAs and other research agencies to conduct tracer studies through which students or learners could be tracked and traced. Such studies have been conducted in some instances through the Labour Market Intelligent Partnership (LMIP).<sup>8</sup> The collection of relevant information from a sample of higher education non-completers and to pursue in-depth enquiry with such individuals.

A sample of learners who participated in learnerships within the financial year 2014/2015 to 2018/2019. In designing the survey, we mandated the first question which is if the individual has been part of the Fasset learnership programme and the choice of answers are “yes” or “no”. For those who said “no” the system automatically excluded them from further participation in the survey.

The online survey was sent to approximately 1300 people. Additional information was also collected via a follow-up telephonic administered survey on 50 respondents. At 33% per cent, the response to the enquiry conducted with the assistance of the research team was low even though well above the accepted research norm of 10% response rate. This is perhaps unsurprising given that people are less willing to provide information about activities that they did not complete. Furthermore, it was found that those who had responded had higher entry-level qualifications than the average non-completer. This potential response bias must be borne in mind when considering the results of the enquiry. These findings should be regarded as minimum estimates. Despite these problems, we are reasonably confident that the findings presented in this report can be generalised to the wider population of persons who withdrew from learnership programmes funded by Fasset.

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<sup>8</sup> Wildschut, A., Kruss, G., Janse van Rensburg, D., Visser, M., Haupt, G., & Roodt, J. (2012). *Developing skills and capabilities through the learnership and apprenticeship pathway systems. Client report commissioned by the Department of Labour Project: An impact assessment of the National Skills Development Strategy II*. HSRC, Cape Town

### 1.5.1. Findings

- Based on survey responses, in respect of Fasset funded learnership programmes, the number of learners who drop out is low compared to those who complete.
- Drop out learners cited the main reason for dropping out as the competition between preparation for board exams (including SAICA articles) or other professional exams with learnership programmes. Many of them (learners) said they were finding it difficult to manage working whilst they also must prepare for the board examination.
- Poor training associated with a lack of mentorship and no mentorship at all in some cases were also a major reason why learners drop out of a learnership programme. This finding was stewed, in the sense that it was predominant amongst learners not in a learnership linked to a professional designation.
- We found that some learners were not satisfied with the learnership stipend. But this problem was associated only with learners in a learnership not linked to a professional designation. For example, most big accounting firms' representatives who were interviewed were adamant that wages for learners serving articles towards CA were well paid. This assertion was also affirmed by learners.
- Other learners indicated that they left the learnership because they were offered good opportunities elsewhere.

## 2. LITERATURE

### 2.1. Introduction

This chapter reviews the literature on tracer studies. We first draw attention to the context of the Fasset learnership programme. The second section of this literature chapter deals with the literature on tracer studies, it shares light on the theoretical and practical ideas of learnership. In doing so, the section explains why tracer studies are important in general and for the PSET in the context of South Africa more especially in the SETA context.

With the entire post-secondary education and training (PSET) system being subject to public scrutiny and extensive criticism, it is becoming increasingly important for subsystems, and programmes within these systems, to demonstrate the impact of their funding support. In part, to achieve this, the post education sector need to have continuous monitoring and evaluation of the programmes to answer the question of whether or not the education and training programmes are creating access to the labour market for the candidates that received them.

### 2.2. Learnerships in the PSET landscape and Fasset Learnership Programme

The DHET WP-PSET system is very instrumental in the idea of a coordinated PSET system. Linked to this is the focus on SETAs as agencies of cross-functional collaboration between the education sector and employers. For instances, the WP-PSET emphasise the idea that SETAs should exist function as agencies to strengthen the PSET system and create employment. In addition, according to National Skills Development Strategy III and the WP-PSET system (DHET, 2011, 2013), SETAs are to collect accurate data about workplace skills needs and to support education providers to deliver programmes necessary in their sectors of the economy.

From the perspective of supply-side mechanism, NSDP 2030 reiterate the aspirations of the NSDS III by emphasising that SETAs need to conduct labour market intelligence research and develop Sector Skills Plan (SSPs) (DHET, 2019). In addition, SETAs are to develop Strategic Plans (SP), Annual Performance Plans (APP) and the Service Level Agreements (SLA) and submit quarterly reports.<sup>9</sup>

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<sup>9</sup> DHET (2019). *National Skills Development Plan Twenty Thirty (NSDP 2030)*. Department of Higher Education and Training, Pretoria

As illustrated by figure 2.2A, SETAs are expected to facilitate coordination between all education and training and the employer (see DHET, 2013, p. 9). As stated in the WP-PSET system:

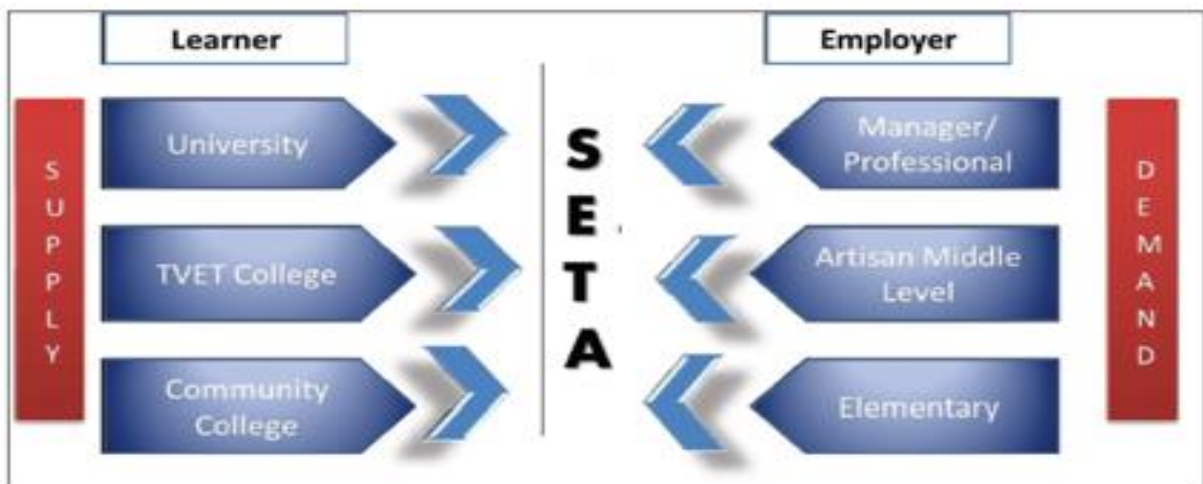
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.....“As the key institutions which mediate between education and work, the SETAs’ focus should be on the skills development for workers within existing enterprises and the development of a skills pipeline to such workplaces (for example, through promoting and supporting learnerships, apprenticeships or internships.”

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This quote taken from the White Paper for Post School Education and Training suggests that there is a greater and important role that SETAs must play in facilitating skills development and transition to work. The learnership programmes fall within this mandate.

Figure 2.2A: Linkage of Education and the Workplace through SETAs



Source: DHET (2019)

The Fasset learnership programme requires that companies or training providers have workplace accreditation regardless of the sector. The accreditation aims to verify the ability of the workplace to host a specific learnership. Criteria for accreditation include access to resources related to the learnership, the relevance of the work experience component to the qualification, and the structures in place to ensure successful implementation and completion of the learnership.

For the majority of learnerships, Fasset has agreements with professional bodies and Assessment Quality Partners (AQP's) which are responsible for the accreditation of workplaces. The most important and unique criteria in most big firms in the FAS Sector is that learners are expected to have an Honours Degree upon the undertaking of the learnership programme. The reason for this (as it will be explained in the discussion) is that the sector often takes learners for giving them on the job training and prepare them for professional certification examination which includes amongst others, Assessment of Professional Competence (APC) and Initial Test of Competence (ITC).

The uptake of learnerships fluctuated during the past 4-5 years, possibly due to the grant criteria being changed at times and the ineligibility of certain employers to comply with the learnership agreement registration processes (Fasset, 2019). However, there has been an increase in the number of employers taking on learners for non-Fasset learnerships such as business management and IT (Fasset, 2019). Table 2.2B shows the number of learners enrolled on our learnerships and the number who completed them during the year under review, compared to the achievements of the previous four years. The sector is generally regarded as a training sector, with large numbers of learners on learnerships – especially on the Chartered Accountant and Professional Accountant learnerships (Fasset, 2019, 2020).

Figure 2.2B: Intake of learners and completions between financial years 2014/2015 – 2018/2019

<b>Fasset Learnership</b>	<b>2018/2019</b>	<b>2017/2018</b>	<b>2016/2017</b>	<b>2015/2016</b>	<b>2014/2015</b>
<b>Number of learners registered on Fasset learnerships</b>	<b>4026</b>	<b>4695</b>	<b>4237</b>	<b>4322</b>	<b>4093</b>
18.1 learners (previous employed)	435	268	282	176	338
18.2 learners (previously unemployed)	3591	4427	3955	4146	2681
<b>Number of learners who completed Fasset learnership</b>	<b>2840</b>	<b>4298</b>	<b>2585</b>	<b>2183</b>	<b>2941</b>
18.1 learners (previously employed)	103	161	252	232	583
18.2 learners previously employed	2737	2872	2333	1951	2908

Table 2.2C: Breakdown of learner numbers per NQF level category in the 2018/2019 period

<b>Learnership NQF level</b>	<b>Learners entered target</b>	<b>Learners entered</b>	<b>Learners completed target</b>	<b>Learners completed</b>
NQF level 6 and above	3330	4095	2360	2830
NQF levels 3-5	700	600	450	203

### 2.3. Contextualisation of Tracer Studies

Tracer studies or graduate surveys are often standardised surveys (in written or oral form) of graduates or learners from educational institutions or training institution, which takes place sometime after graduation or at the end of the training (Schomburg, 2016). Learner destination studies constitute one form of an empirical study that can provide valuable information for evaluating the results of the education and training of a specific institution of higher education (Schomburg, 2014, 2016). This information may be used for further development of the institution in the context of quality assurance. Inseta recent tracer study suggests that outcomes of these forms of studies are to determine whether a type of programme is achieving its mission and demonstrate its intended outcomes.<sup>10</sup>

Harald Schomburg notes that ‘international experience suggests that an overarching labour market information system (LMIS) is the backbone of any education and employment strategy, but no single methodology can generate sufficient knowledge of labour markets to avoid or minimise skills mismatch’ (Schomburg, 2016). According to Schomburg, ideally, the best way to collect labour market intelligence is the right mix and complementarity of different methods to obtain a reliable and comprehensive overview of skills demand and matching but not only linear methodology.

Learner destination research is by far the most underdeveloped research category in South Africa and there are very limited attempts to undertake systemic coordinated tracer studies across the PSET system, in particular the SETA landscape.<sup>11</sup> There are pockets of tracer studies conducted at the SETA level, each SETA doing its tracing learners post the learning programme (learnership, apprenticeship and skills programme, graduates programme). These are often associated with institutional tracer studies. Of

<sup>10</sup> Urban-Econ-Development Economists (2020). *Inseta Tracer Study: Final Learnerships Findings Report*. Urban-Economic Development, Pretoria

<sup>11</sup> CHEC (2013). *Pathways from University to Work: A Graduate Destination Survey of the 2010 Cohort of Graduates from the Western Cape Universities*. Cape Higher Education Consortium, Cape Town



course, recently, the LMIP conducted a study at least across all SETAs (Wildschut, et al., 2017). By far this was the most coordinated tracer study which is comprehensive despite a few methodological issues acknowledged in the study.

According to the LMIP study, vocational and occupational training are aimed at addressing structural issues in the South African labour market through skilling and upskilling the labour force to meet the needs of the economy (Wildschut et al., 2012). As a result, when considering how we put in place systems to show impact, it is important to measure the success of the system not only in terms of absolute employment outcomes but also in terms of the nature of entry into the labour market, as well as the type of employment and the level of earnings received after participation. However, previous studies have shown that in all WBL programmes, a proportion of those who enter has been consistently high as opposed to those who complete the programmes (Wildschut et al., 2012). Wildschut et al. (2012) concluded that learnerships were more inclusive compared to the rest of the other programmes, yet the alarming issue was the high proportion of learners who drop out of these programmes before completion.

#### **2.4. Methodological problems with tracer studies**

Attempting to conduct a tracer study without a clear methodology could lead to an incorrect measurement of impact (Schomburg, 2016). Rosenberg suggests that, as a start, SETAs should identify which indicators are important to measure.

It is well documented that the data for learning programmes including vocational education and training is very limited and not widely available like it is for Higher Education and Training (Wildschut et al., 2012). Through the Higher Education Management Information System (HEMIS), the Department of Higher Education and Training collects data from all institutions (including amongst others, the Universities, Universities of Technology, TVET colleges, SETA and independent education and training colleges) year in and out. This system often makes it easy for various agencies to trace graduates compared to tracing learners who were part of the learning programme such as learnership, or apprenticeship and skills program which is predominantly facilitated by SETAs.

South African PSET is currently sitting with huge amounts of data that is not centralised but managed or kept in various agencies including amongst others the SETAs, Universities, Universities of Technologies, TVET colleges and DHET. Wildschut et al., (2012, p. 41) note that: “very little of this data exists in a central location and the numerous pockets of data are not captured on a single standardised system,

although attempts have been made to do so. The data that is currently available needs to be strengthened and expanded. Most of this data comes from either small, dedicated graduate destination studies, which are not nationally representative, or larger surveys (QLFS and SASAS12) of the labour market, which do not have a focus on WPBL participants.”

## **2.5. Expansion of the PSET system and need for expanded forms of education and training**

In South Africa, ever since the commencement of the Skills Development Act, Act of 1999, the PSET system has continued to be becoming complex. To put you into context, the current system PSET system draws back to the effect of the Skills Development Act in 1999, the instituting of Sector Education and Training Authorities in the year 2000 and the separation of Basic Education from Higher Education and Training in the commencement of the 3<sup>rd</sup> Democratic elected government in 2009, under the then-incumbent President Jacob Zuma. During the period when the SETAs fell under the Department of Labour, a series of National Skills Development Strategies (NSDS) were instituted, these included NSDS I, II and III.

The above-illustrated events brought a lot of changes and complexities in the PSET system, amongst others was the expansion of vocational education. The evolving of the system brought about a lot of changes in PSET by a form of expanded ways of learning and training. The government encouraged the massification of PSET, without substantial expansion of universities, that, consequently, drove the increase in other forms of education and training, for example, the training, vocational education and training colleges as well as expanded forms of training within the SETA landscape such as Apprenticeships, Learnerships and Skills Programmes.

### 3. METHODOLOGY AND APPROACH

#### 3.1. Introduction

International experience suggests that a comprehensive labour market information system (LMIS) is the backbone of any education and employment strategy, but no single methodology can generate sufficient knowledge of labour markets to avoid or minimise skills mismatch.<sup>12</sup> This is also affirmed by the LMIP study<sup>13</sup>:

The right mix and complementarity of different methods are essential for a reliable and comprehensive overview of skills demand and matching.<sup>14</sup> Harald Schomburg (2016), a well-known independent tracer study expert, recommend that regular tracer should include one cohort. This should be done to avoid being an annoyance to the respondents who will have to complete a survey almost every year for the same questions.

The initial methodological step was to identify all learners who completed the learnership programme and those who did not complete the learnership programme. The aim is to determine the destination of all learners but with a specific interest in understanding the reasons why some learners drop out of the learnership programme without having completed the programme. The assumption is that most learners who drop out of the learnership programme, do so because they have secured good jobs.

The main data collection tool used is SurveyMonkey. This tool was used given its potential of storing large data and advanced ways of collating data in various forms for example charts, tables, diagrams. A survey was sent to respondents through a link with which the respondents can click and get to the survey questions that they can reply to.

In a case where respondents were not managing to answer a survey on their own, the research team administered the survey through the telephone with the respondents. While it was anticipated initially,

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<sup>12</sup> Schomburg, H., (2016). *Carrying Out Tracer Studies: Guide to Anticipating and Matching Skills and Jobs*. Vol. 6. European Training Foundation/ European Centre for the Development of Vocational Training International Labour Office, Italy

<sup>13</sup> Wildschut, A., Kruss, G., Visser, M., Meyer, T., Tele, A., Rust, J., & Hlakula, Z., (2017). *Institutionalising Tracer Studies to Assess the Impact of Workplace-based Training: Reflections on Feasibility*. LMIP, Pretoria

<sup>14</sup> Schomburg, H., (2016). *Carrying Out Tracer Studies: Guide to Anticipating and Matching Skills and Jobs*. Vol. 6. European Training Foundation/ European Centre for the Development of Vocational Training International Labour Office, Italy

that, the survey will take up to 15 minutes. During data collection, we realised that it was taking shorter than expected to take the survey. Participants took on average about 5-7 minutes to complete the survey.

### 3.2. Target population and sample size

This tracer study is targeted at all learners who participated in the learnership programme from financial 2014/2015 – 2018/2019. A comprehensive database of a sample of Fasset of learners who were part of the learnership programme from 2014/2015 to 2018/2019 was used to select learners to be surveyed and interviewed. In addition, host company training and development managers were interviewed. The interviews lasted between 10-15 minutes and were semi-structured interviews which consisted of both structured interview questions and open-ended questions.

As it has been noted in previous tracer studies, there tends to be a concentrated high participation rate amongst the cohort of the latest years rather than many years back. As noted in the collaborated study between the World Bank and Japan, that:

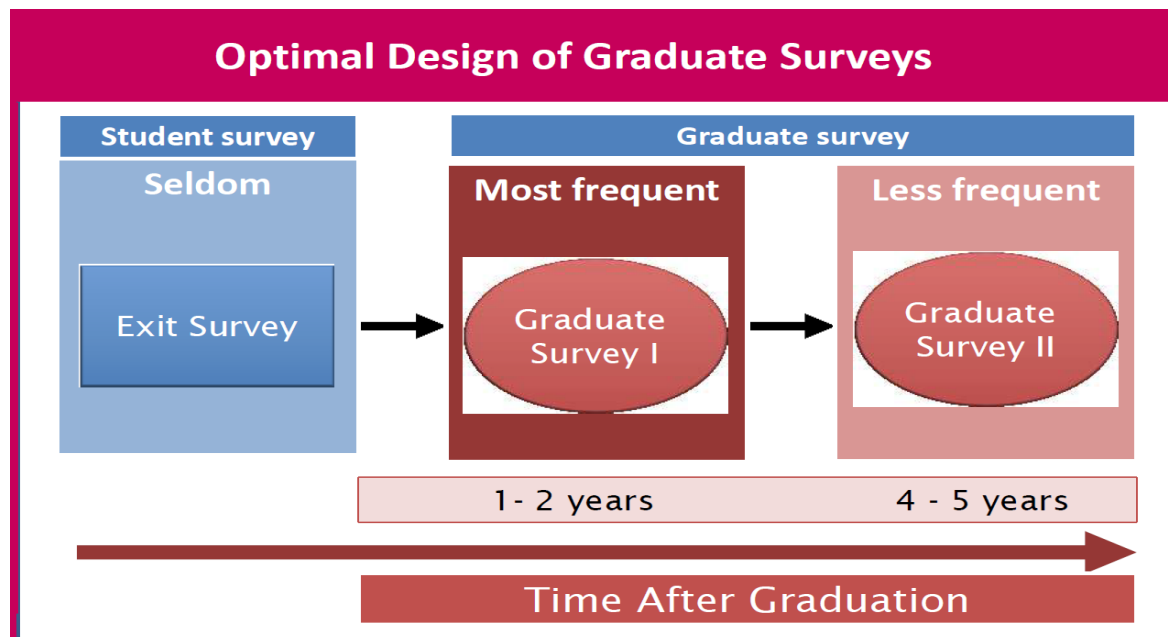
“... survey respondents are more likely to be from recent cohorts after 2001 and before 2012. As is common among tracer studies, current contact information is less abundant among earlier cohorts because those alumni tend not to update their information as requested by the secretariat (figure 2). A “fatigue factor” appears also present: alumni who are retired, or in an advance stage in their career are less likely to answer the tracer study survey (figure 3). In terms of the lack of survey respondents from cohorts 2012 and beyond, the last survey had a similar pattern, providing evidence indicates that it takes a few years for alumni to settle back in their home countries and progress in their careers.”<sup>15</sup>

Harald Schomburg proposes the methodological flow shown in diagram 3.2A. Whilst his survey methodology for a tracer study is meant for graduates, but it could be applied in any learning programme (including learnership programme). The idea with this methodological approach is that beneficiaries of learning and training programme tend to be more responsive if they recently have been a part of the programme, it is unlike when they have been out of the programme in the past 3 years or more.

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<sup>15</sup> Unknown Author (2016). *Joint Japan–World Bank Graduate Scholarship Program Tracer Study*.

Diagram 3.2A: Optimal Design of Graduates Surveys



Source: Schomburg (2014)

This suggests that the issue of covering the latest cohort is motivated by empirical evidence that shows that participation amongst the old cohort tends to be very low. Rather than wasting time tracing a group of beneficiaries who could have maybe forgotten about the learning programme, it is better focusing attention on recent cohorts from which the chances of obtaining credible data are high. Schomburg affirms this, by noting that, if the results are meant to help improve study programmes it is essential for most graduates or learners to have managed the transition to employment and had some relevant work experience or had waited to experience some job hunting and could comment if the learning programme was found attractive by potential employers. In poor labour market conditions, sometimes it adds very little or no value at all to conduct the survey too early when most graduates or learners are still looking for their first job.

Six months after graduation may be considered too early, but it can also be argued that a tracer study should be done only a few months after graduation because this provides rapid feedback, and the graduates are easier to contact. Both arguments can be supported by varying reasonings. For this tracer study, we anticipated a low response rate and therefore decided to communicate the survey to all learners who we obtained their names through the Project department of Fasset. For this reason, our sample was random sampling. Some of the learners from a group that participated in the survey were asked to

participate in the long open-ended interviews. Only 43 learners agreed to participate in an administered survey and open-ended questions.

In addition, key informants' interviews were conducted with the Training and Development Manager and Training and Development Specialist from Training Providers from Host Companies. It became no surprise to us that we have received not convincing responses, more especially pertaining to interviews with sector experts. Due to Coronavirus, most workers work from home and as a result, they could be called to remind them to participate in the study. Importantly, calling these sector experts would have allowed researchers to stress the importance of the study in the sector. Only those who could reply to emails we managed to conduct interviews with them.

### **3.3. Data Collection**

This process will include the following:

- 3.3.1. Make use of a quantitative and qualitative (telephonic interviews and an online survey) research methodology- interviews are projected to last about 15 minutes per respondent
- 3.3.2. The service provider is expected to follow the sampling guidelines provided by the Fasset in order to ensure a stratified random sample of completers
- 3.3.3. Deliver interview data in excel format using the template provided by the Fasset
- 3.3.4. Deliver a report against key outcome indicators based on a template provided by the SETA.

### **3.4. Research Instrument and survey procedure**

The main research instrument employed for this study is the survey. For convenient and keep up with emerging technology, we used survey monkey which is a survey tool that could be self-administered online. Upon completion of the survey by the participants, a group of other participants was selected to conduct an open-ended telephone interview to get nuanced experiences of learners and the reasons why they drop out of the learnership programme.

### **3.5. Data Analysis**

This section deals with the data analysis process. The section explains the process that has been undertaken to analyse data including coding and finding of data themes. For this study, we used the terms "Learner 1" (see chapter 4) and so forth to refer to any learner and for key informant interviews, we

used the term “Informants” to refer to individuals who participated in the study as employer representative and also experts in the sector.

### 3.5.1. Coding process

This tracer study is twofold in terms of methodology, that, it included both quantitative and qualitative approach to data collection. The process of coding data is separated into, that is, we first converted questions to simplified descriptors for each table of information with exception of those which were already simplified from the onset, for example, the demographic related questions. This procedure was performed for survey data. In terms of interviews, we followed the content analysis process, which included coding of data and separated it into themes.

In terms of the coding process, the data was audio-recorded, drafted in the excel spreadsheet post the interviews. After drafting and referring to the tapes for verification, data was then assigned codes to describe the content. In addition, themes across the different interviews were postulated in some instances words or phrases were altered with most suitable phrases or descriptions and thereafter reviewed. The last process was the definition of the themes.

### 3.6. Interpretation of Results

In the interpretation of results, we drew back to our hypothesis, which was, that:

- (a) The learners drop out of the learnership programme could be caused by the small stipends
- (b) Learner finding better job opportunity while still on the learnership programme.
- (c) Poor training.

In addition, we used previous tracer studies, in particular the study by LMIP and others (see Wildschut et al., 2012; Wildschut, et al., 2017), to conclude the meaning of the results of this tracer study. As you will see later in Chapter 4 and 5, our findings suggested very little influence of our hypothesis in learners’ decision to withdraw from learnership before completion. The results show that there are very few candidates that withdrew before completion, in particular, those in process of becoming CAs who are in a three-year learnership programme often stay on (almost 99% do not drop out) until the end. Of course, for those in other roles not necessarily linked to becoming a CA, findings did show that some do drop out of learnerships and they cited various reasons as presented in Chapter 4.

## 4. PRESENTATION OF THE FINDINGS

### 4.1. Survey Findings

This section presents the findings from the survey that were conducted in a cohort of learners in 2014/2015 to 2019/2020 employed and unemployed learners which are five years. The survey was conducted using an online SurveyMonkey platform. As explained in the Methodology section, the survey was a self-administered survey in which candidates answered questions at their pace and time. However, in some instances where participants indicated that they did not understand some sections, we assisted them to complete the survey. The self-administered survey had limitations relating to candidates not completing the survey fully. To strengthen and allow the possibility of obtaining rich empirical data, additional open-ended questions were added towards the end of the survey.

#### 4.1.1. Introduction

This section of the report presents the findings of the Tracer Study. The section highlights findings from documents, surveys, and key informants' interviews. About 553 respondents participated in the study. Of the 553, only 333 of those were part of the Fasset learnership. On the initiation of the study, the impression was that all learners in the list obtained from the projects Department were part of the learnership programme during the years under review.

We did not differentiate between the employed and unemployed learners. The study was a blanket study in which all participants were considered. Due to time constraints and other limitations, the contacts of participants were not cleaned to ascertain their availability to participate in the study. We took all contacts of learners supplied by the FASSET projects department.

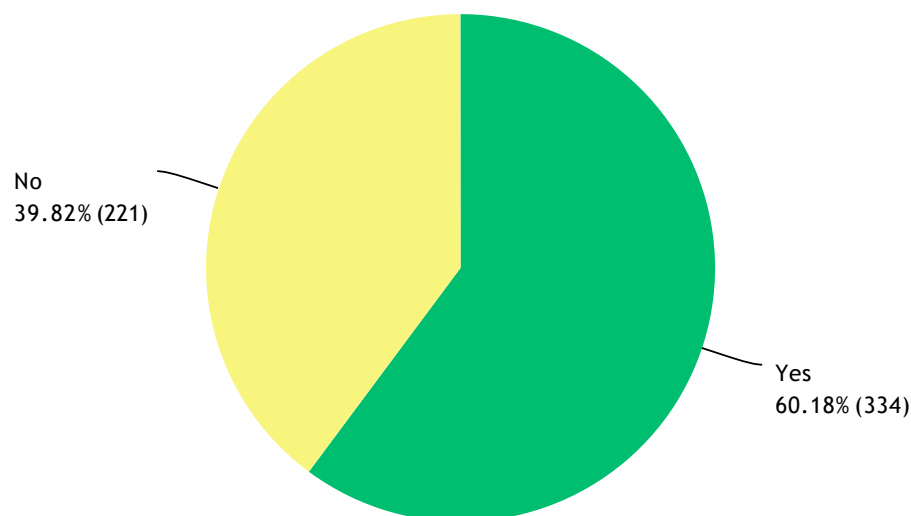
The participants fall into all categories, they fall into any of the NQF levels, no difference was made that only certain NQF level should participate. But it was later discovered through the interviews (see chapter section 4.1.3), that, majority of learners are in NQF level 8. These learners are often at the level of Honours Degree. Learners participate in the learnership programme as part of their articles learning programme, on the job training and preparations for the writing of their board examination.



#### 4.1.2. Findings

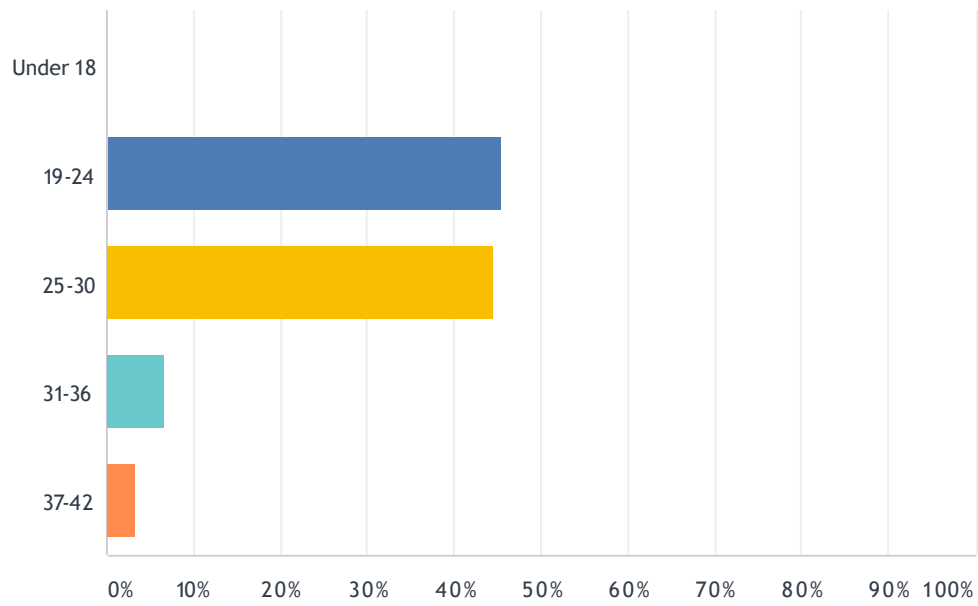
The total number of participants in the survey is 555 people. As shown in figure 4.1.3A below, of the 555 participants, 60.18% (334 headcounts) were indeed part of the Fasset learnership programme, and 39.82% (221 headcounts) did not participate in Fasset learnership programme.

Figure 4.2.2A: Participate in the Fasset learnership programme



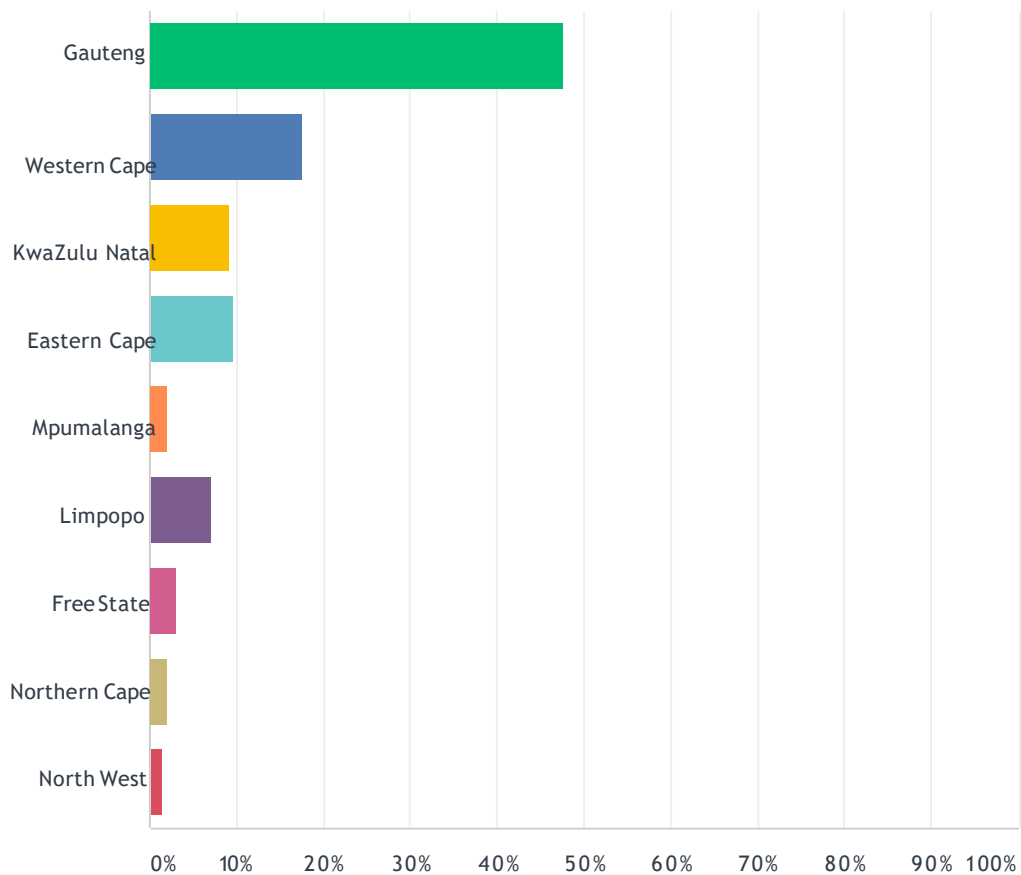
The learnership programme encourages that only youth between the ages of 18 to 35 should be considered for such programmes. On the demographic question on age during the time of learnership, we, therefore, asked the question with the impression that no participants are over the age of 35 years old. As shown in figure 4.2.2B above, we find that 46% of the participants were at the age of 19-24 years old, 44% were aged between 25-30, 7% were aged between 31-36 and 3% were aged between 37-42 years old. No candidates aged 18 and below was part of the learnership.

Figure 4.2.2B: Age during the Learnership Programme



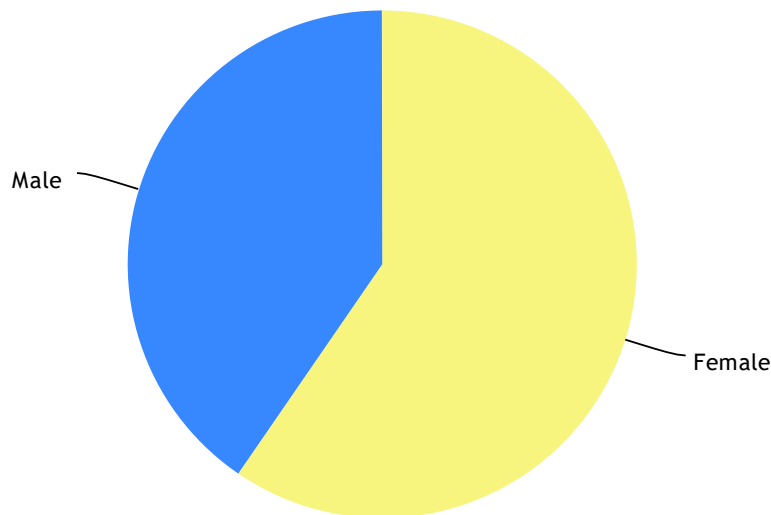
In terms of countrywide provincial participation in learnership programme, figures 4.2.1C below show that Gauteng leads all other provinces with a whopping 47,9%, followed by Western Cape with 17.5%, Eastern Cape on the third spot with 9.5% participation, 9.2% for KwaZulu Natal, 7.1% for Limpopo, 3.1% for Free State, 2.2% for Northern Cape and lastly 1.5% for North West province and 2% was unaccounted for.

Figure 4.2.2C: Province lived at during Learnership programme



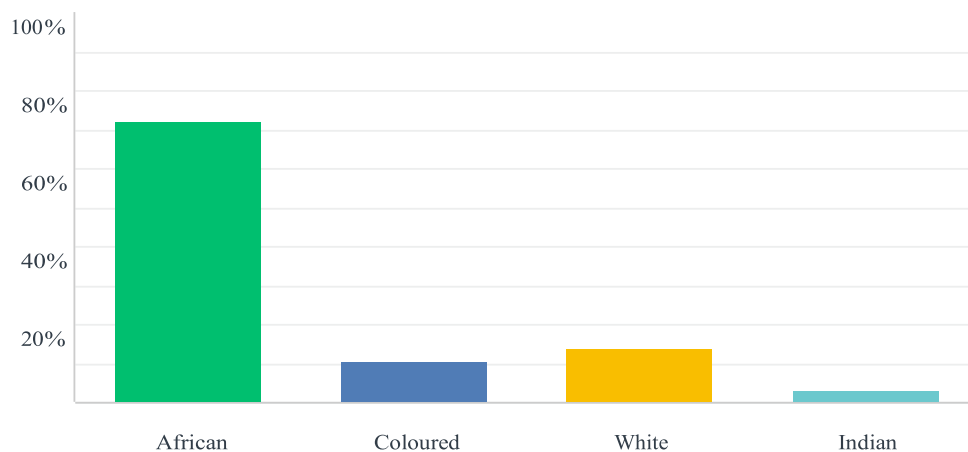
In terms of gender participation, females are participants in the learnership programme. As shown in figure 4.2.1D below, about 59.6% of the participants are females and 40.4% are males.

Figure 4.2.2D: Gender



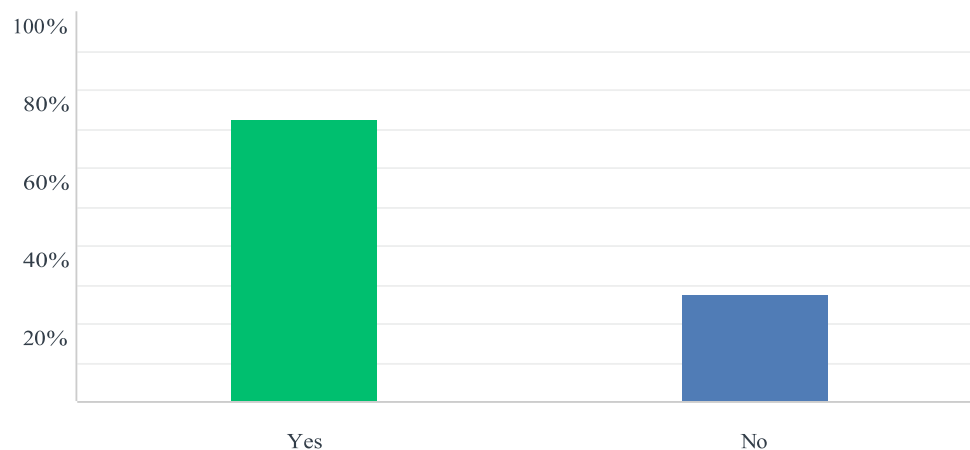
We find that in terms of race, as shown in figure 4.2.1E below, 72,1% of participants are Black, 14,1% are White, 10,7% are Coloured and 3,1% are Indians.

4.2.2E: Race



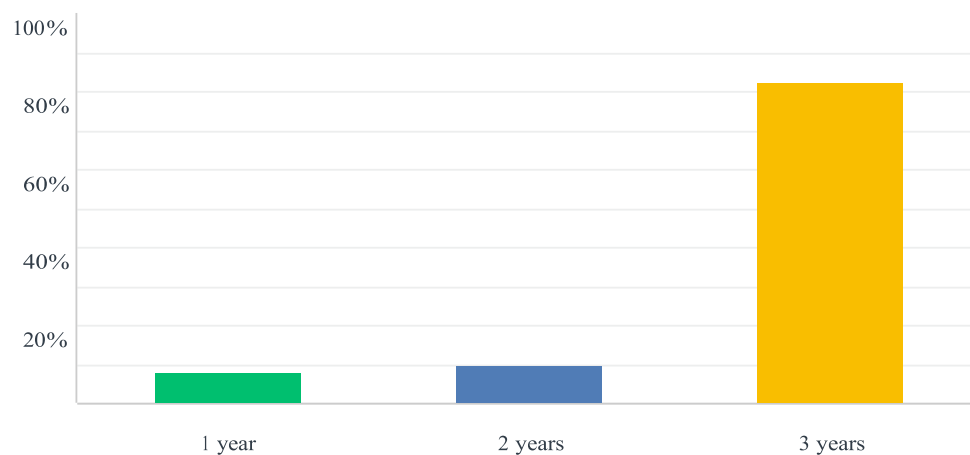
Of the 333 candidates who are or were part of the learnership, only 309 replies on the question of whether they completed the learnership programme. Of the 309, only 224 which is 72,5% who said they completed the learnership programme and 85 which is 27,5% are continuing the learnership programme as shown in table 4.2.2F below.

#### 4.2.2F: Did you complete the learnership programme?



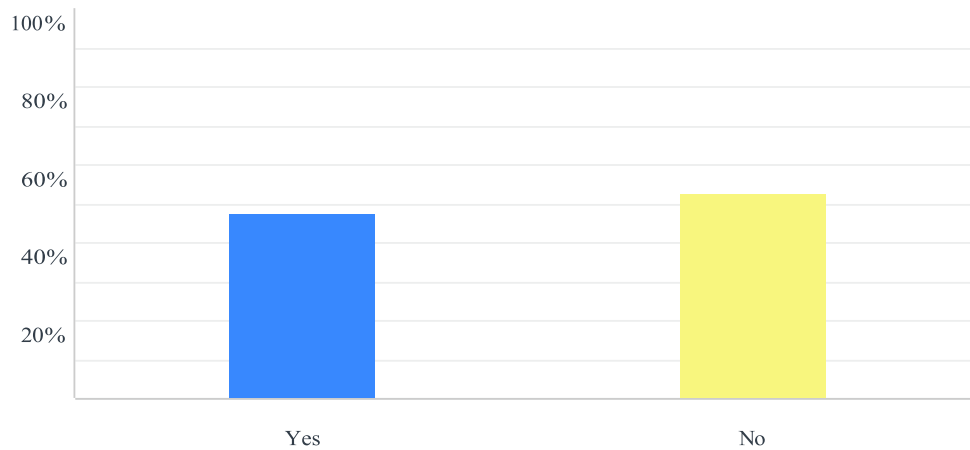
As presented in figure 4.2.2G, very few learners completed answered the question of the duration of their learnership programme. Majority 51 (82,5%) of those who said they completed the learnership programme was placed in the 3 years learnership programme. Learners who were placed on the 2 years learnership programme who indicated that they completed were 6 (9,7%) and those in the one-year learnership programme who indicated completion they were 5 (8,1%).

Figure 4.2.2G: What was the duration of the learnership with the company you were placed in?



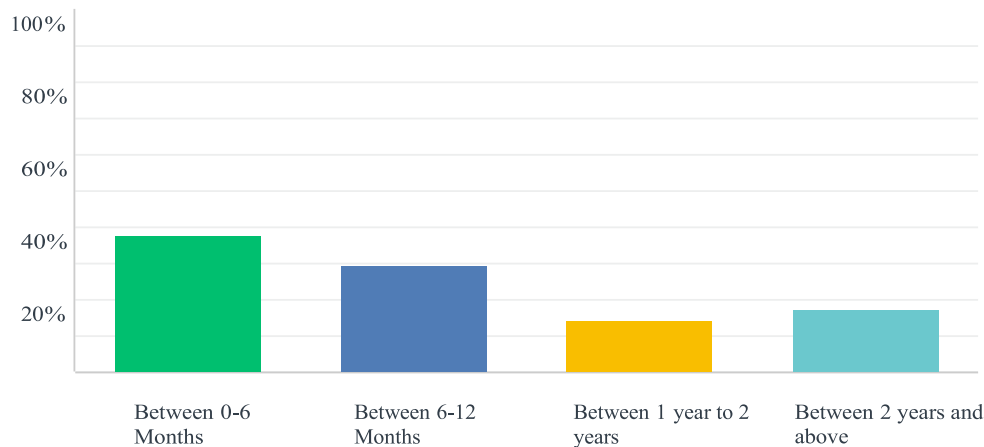
We find that very few learners looked searched for employment during the learnership. As indicated in figure 4.2.2H, only 29 (47,5%) of the 61 who said they looked for a job during the learnership programme, 32 (52.5%) did not search for a job.

#### 4.2.2H: Did you search for a job during the learnership programme?



The study finds, as shown in figure 4.2.2I, that, of the 34 learners who replied to the question, 13 (38,2%) took between 0-6 months for them to get a job, 10 (29,4%) took them 6-12 months, 5 (14,7%) took them between 1-2 years to find employment and only 6 (17,7%) who it took them 2 years or more to find employment.

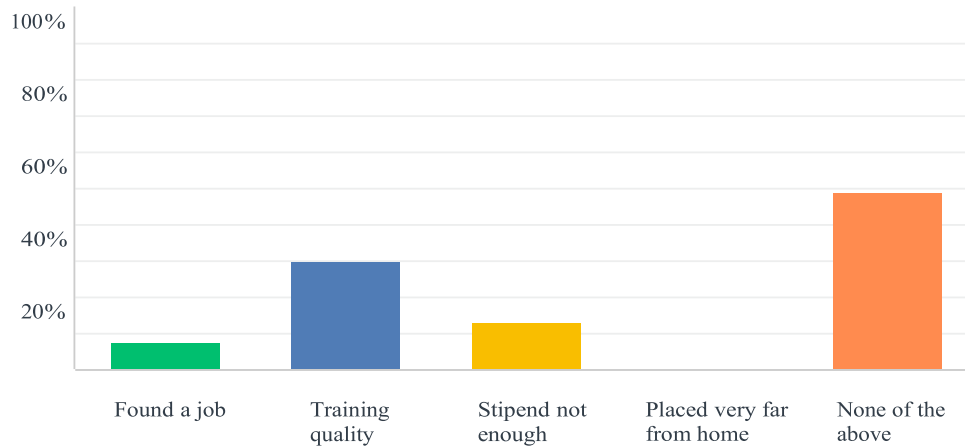
Figure 4.2.2I: Duration of the job search?



The study asked about the reason(s) why learners drop out of the learnership programme before completion. Only 53 learners answered this question, this was in line with the fact that many learners who participated in the study completed the learnership programme. Nevertheless, as shown in figure 4.2.2J those who replied to the question, 4 (7,6%) of the 55 indicated they left the learnership because they found employment. About 16 (30,2%) of the 55 indicated that they left the learnership due to poor training

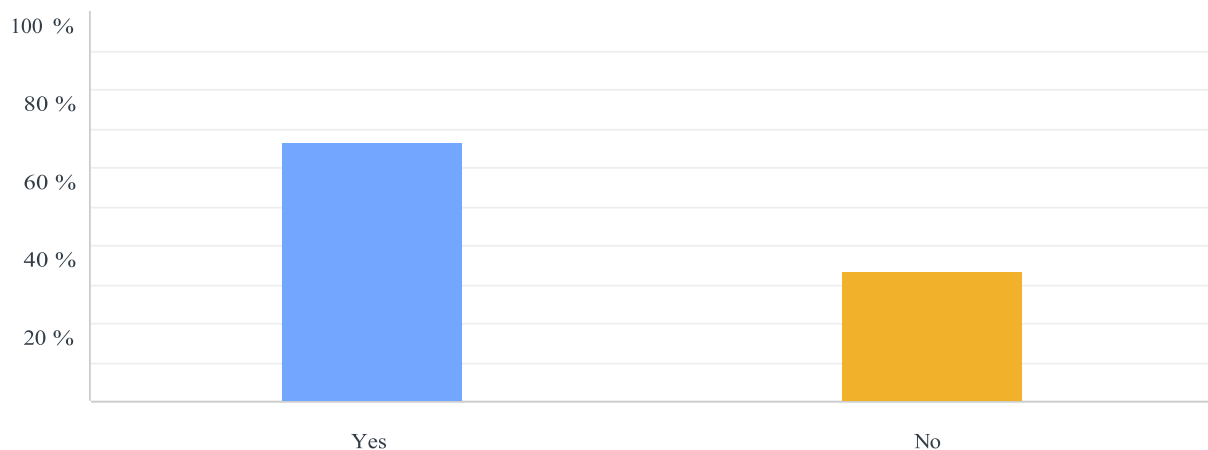
quality. Another 7 (13,2%) of the 55 indicated that they dropped out due to a small stipend. The other 26 (49,1%) of 55 said none of the listed reasons caused them to drop out of the learnership programme.

4.2.1J: What were the reason(s) that made you leave the learnership programme before completion?



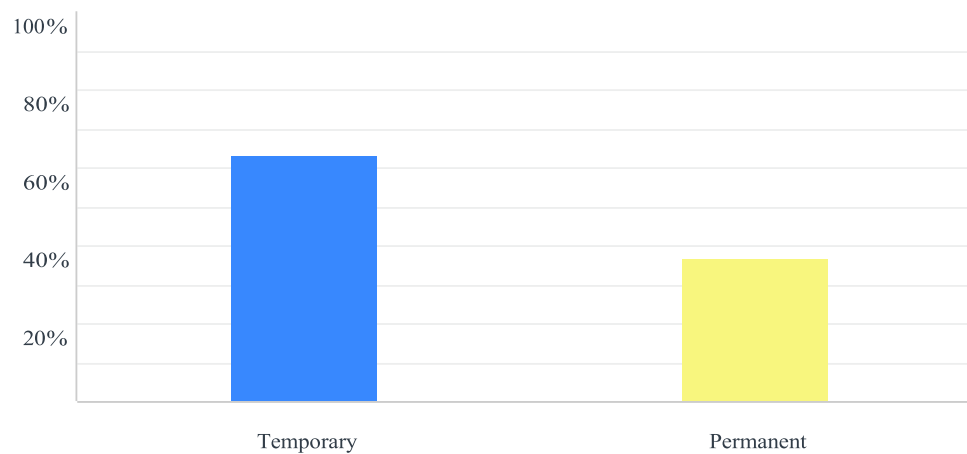
Participants were asked about the role the learnership played in their lives getting a job, only 51 answered this question. As shown in figure 4.2.2K, of those who answered, 34 (66,8%) said “yes” learnership programme helped them to get a job and 17 (33,3%) said “no”.

4.2.2K: Access to the present work opportunity or further studies



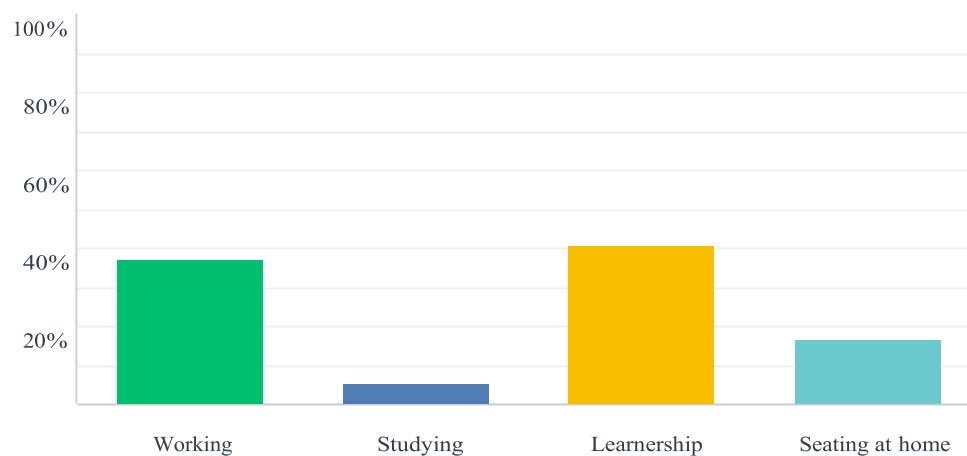
We asked participants about the type of job they secured after leaving the learnership programme. About 41 participants replied to this question, of those, as shown in figure 4.2.2L below 26 (63,4%) said that they secured temporary jobs after leaving the learnership programme. Another 15 (36,6%) participants said they got permanent jobs.

#### 4.2.2L: Please indicate the type of job secured after leaving the learnership programme



In terms of the current status of the learners, only 54 participants answered this question. As shown in figure 4.2.2K of the 54, 20 (37,0%) said they were working, 3 (5,6%) said they were studying, 22 (40,7%) said they were in learnership programme and 9 (16,7%) is seating at home.

#### 4.2.3K: Learner current status



### 4.1.3. Qualitative data findings

As explained in the methodology section, this section generated broader themes and they were then reduced to sub-themes. This process was done to explain the experiences of interviewees about the dropouts and the reason why they drop out. This was further explored through interviews with company Training and Development Managers and Training Specialist.

### ❖ **Are the learners dropping out of learnership?**

In an open-ended question, the respondents were asked to give and describe reasons why they drop out of a learnership programme before completion. Relatively more than 30% of the respondents shared positive feedback about their accomplishments and the impact of the learnership programme on their career development. And the rest of the other learners were whether frustrated by Mentors' or line-managers' treatment and some complained about the amount of stipend, whilst others complained about the poor quality of the training.

### ❖ **Learnership training compete with professional examination preparations**

The below quotes indicates the fact that for those who are non-CA articles (Bookkeepers, Accounting Technicians, Debt Collectors etc.) candidates often find themselves overwhelmed by the idea that they have to do more work responsibilities and yet still expected to perform well in the training.

The training centre is more concerned about the job part rather than the training part. [Learner 1]

### ❖ **Poor Mentorship in non-professional designated learnership**

The below quotes reveal a very disturbing issue, which could be associated with a lack of mentorship or poor mentorship. This has a serious implication for learners in the learnership programme. In cases where learners feel unsupported or even unwelcomed, they could resort to dropping out of the learnership.

The employer never put an effort into my logbook. it was more about making the company money. I had no choice but to drop out due to unfairly treatment. I liked my career, but the everyday pressure did not keep me alive in the company. Not that I don't like a challenge but that was more than that. [Learner 2]

No one wanted to complete my review with me because no-one was familiar with the TSR/PSRs or they simply had no time. I'd have to review myself at times. Left the learnership the first time and went back again after having asked to be placed for the position I applied for. I was performing the forensic and internal audit or other compliance audits. It was just a matter of going where there is work. [Learner 3]



I became discouraged as my manager was a horrible leader, I was very far from home and had no support. [Learner 4]

I was in an internship programme that was coming to an end by October 2019. My employer put me in a learnership programme whilst my internship was two months closer to end, so when it ended they told me I cannot continue with a learnership since my internship has ended and they will not be extending it. When I joined the host employer in an internship, I had a National Diploma in Financial Management. Resigned due to contract which was two months. [Learner 5]

#### ❖ **Candidates find better opportunities**

There are relatively few participants who indicated that they left learnership before completion because they got employment. And in many instances, those who dropped out fell in the category of learnership which is not linked to Professional Designation (i.e. Chartered Accountant professional designation). We found that some of these learners fell into occupations such as Bookkeepers, Accounting Technicians etc.

I got a counteroffer from a client while still training and I took the opportunity. [Learner 6]

While it may be received as a positive development that some learners secure permanent jobs before completion, it is evident in some cases that leaving the learnership before completion could have negative consequences in the future. The other learner (indicated by the quote below) has this to say regarding dropping out before completion:

My learnership programme was Accounting Technician NQF Level 6. I had a National Diploma in Financial Accounting when I joined the learnership programme. I was in a learnership which is 18 months, I resigned last year in October because I got a permanent position to be Cash Book Clerk. I must say I regret leaving the programme before completion, I believe that my host company during the learnership was going to employ me permanently and the conditions there were great. But I was motivated by money to leave as you may understand that coming from the background you have those shortfalls. I believe the learnership programme is the best vehicle to create opportunities for us graduates because we get to learn in the work environment and does accumulate experience that leads to employment. Of course, this may not be the case for some learners, but at least by large learnership do assist us to access the labour market. [Learner 7]

### ❖ **Small stipends problem**

In terms of the stipend problem, it became evident that learners who were in a learnership as part of their fulfilment for Professional Designation (in particular CA candidates) were well remunerated. Only learners who fell in other learnership programmes for middle-level skills in the FAS Sector that experience problem of small stipend.

I live far away from home and the stipend could not cover my basic living expenses. The stipend is not enough more especially if you are far from home. The reality is South Africa economy is ridiculous and highly expensive to survive with the stipend for 3years. I am still in the learnership programme, ending next year in November 2021 but as soon as I get another job. [Learner 8]

I was registered a year after employed and the stipend was too low compared to the workload and targets, we had. [Learner 9]

### ❖ **Training quality**

Unlike the candidates serving articles for Chartered Accountants professional designation, candidates in the occupational qualifications which are NQF level 6 and below, as mentioned earlier, these candidates in most cases were not satisfied with whether the training or stipends. In terms of this category of description, the candidates mentioned that they were either placed in Training Providers who gave so little attention to their training or in some cases the training did not meet the expectations of the candidates. As noted in quotes below:

The company was unable to provide me with the correct training required. I did not get the exposure and experience that I was expecting to get. [Learner 10]

I was not satisfied with the quality of the training I got., as well as the harsh conditions of work. There was a lot of output required for the stipend received. [Learner 11]

There is a lot that did not meet the way that I thought training should be. From rotations to the way the programme is run. [Learner 12]

### ❖ Positive outcomes of the learnership programme

We did not only receive negative comments about the learnership programme. There were some positive comments from the participants, in particular, the learner quoted below was quite happy with the programme although s/he is yet to finish the programme.

The training obtained is necessary to obtain my goal of becoming a professional. It taught me how to work under pressure and work on client-related matters. I gained skills and work readiness experience. I did learn telephone skills, work environment and writing professional email including communication with clients. Current learnership will help me pass APC. It gave me the education I needed to be active in the job market. [Learner 12]

## 4.2. Findings from Key Informants Interview Findings

Findings from key informants draw this attention of this study to a different aspect of learnership programme, which is that learnerships in the Finance and Accounting Services Sector are different compared to many other learnership across many SETAs, that learnership programmes in the FAS Sector are at high NQF Level and the reason for that is because the candidates often come through to the programmes with Honours Degree. This is primarily the case because these candidates are often candidates for Chartered Accountant. Consequently, they join the learnership to serve their articles, get on the job exposé and prepare for their Board Examinations.

These findings should be treated with caution as they represent only the views of two big companies from which we conducted interviews and therefore there could be a lot of limitations and biases. This is not however to suggest that they may not apply to other organisations. For example, we learnt that across all the big four accounting firms in South Africa, it is common that learners in the learnership programme often come through for their fulfilment of articles to become CAs, on the job training and preparations for Board Examinations. As such, these learners as a requirement, ought to have an Honours Degree upon their registration for the learnership programme.

For example, Senior Learning Manager – Audit & Assurance from one of the big four accounting firms said:

*We have got +900 learners in our SAICA learnership programme every year. Effectively, the learners must have an Honours Degree in Accounting or have a Postgraduate Diploma in Accounting to qualify for our traineeship. [Informant 1]*

Learning and Development Specialist who deals with recruitment and management of learnership programme in one big FAS Sector organisations commented that they were experiencing no dropouts on learners who came through as candidates to become Cas and her sentiment was seconded by another interviewee, that even in the case of her company the dropout rate is under 5% amongst the learners who were in learnership as part of their articles.

On the question drop out, the interview from one of the big four accounting firms indicated:

*Your initial question was why people leave the programme before completion, to be honest with the number of those who drop out before completion is insignificant, we have got more than 98% completion rate out of our 300-annual intake. The only reason that they would leave only changes the lock, or they got sick or perhaps if they are unable to meet the competencies required to continue SAICA training programme, and this general not popular so we can it is only under 5% of learners who would leave the programme before completion. [Informant 2]*

Is investment in the programme justifiable?

*100% justifiable, that is what is nice with SAICA learnership is that it is already linked to professional certification of becoming Chartered Accountant and once learners become CAs, they are very marketable in the labour market. It becomes such a fulfilling moment when they become matured professionals for example becoming Partners in Accounting firms. [Informant 1]*

In terms of stipends

*I understand where your question about stipends coming from, I know that in some companies, in particular, small accounting firms' stipends money is not that great in some instances. But in our case, we employ people at learnership as employees of the companies rather just being mere learners and as such our salary scale is very competitive and it increases every year while learners are still in the programme. [Informant 1]*

It is evident from the data that the problem of the stipend is the problem isolated predominantly to learnership not linked to a professional designation. We found that most of the learners in a learnership to serves articles towards professional designation were well remunerated.

## Training quality

*Our learners do not have to rely on Fasset training, everything is done in house or through SAICA. This is a very efficient system as it ensures the success of learners in the programme within the minimum completion time. So, I think the firms do need support from the Fasset as an appreciation of what they are already because that then allows us to put more money in the training. For example, my team is the team that manages all the audit training, the more funding we can get from you guys the more we can hire more people into the programme. [Informant 1]*

*The biggest part of our programme is on the job experience, in essence, learners learn to work more than they learn theory. They come to us with Honours Degree which has sufficiency theory and fundamental theoretical knowledge and for such reasons we make sure that they apply such knowledge on the job. [Informant 1]*

## 5. DISCUSSIONS OF FINDINGS

### 5.1. Introduction

This section discusses the findings of the tracer study. Based on our findings, we only draw attention to only a few variables and indicators which were found to be more important in terms of tracer study. We have used these variables and indicators to denote the most dominant finds and their implication for planning within Fasset and could apply to other SETAs in our cluster.

During the Monitoring and Evaluation workshop organised as part of the study data collection of the Rhodes University and BankSETA, Ms Melisa Erra of the Department of Higher Education said that:

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“It is important to also trace learners that have also dropped out of programmes. For what reasons do learners drop out, did they obtain employment or for other socio-economic or personal reasons? This can provide insights into the challenges for "non-completion"? These insights can direct us in terms of what support and PSET/Skills Intervention may be required to improve completion rates and articulation opportunities if WBL is not completed.”

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### 5.2. Higher proportions of blacks, youths, and females

The domination of blacks, in particular, youth (see figure 4.2.2B reading together with figures 4.2.2D: 4.2.2E) is a very consistent pattern in the learning programmes such as Workplace-Based Learning (WPBL). For example, in 2017, the LMIP biggest tracer study looked across the SETAs showed that there were more blacks, youths and females in the SETA funded learning programmes including learnership and apprenticeship.<sup>16</sup> Of course, this is the most predictable pattern, which is that, in most instances, these programmes target previously disadvantaged populations which in the case of South Africa is Blacks and Coloureds.

Amid the growing enrolment in these programmes, the most vital question to ask, at least, from the point of the SETAs, is the question of whether these beneficiaries do get jobs to post the training. There is

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<sup>16</sup> Wildschut, A., Kruss, G., Janse van Rensburg, D., Visser, M., Haupt, G., & Roodt, J. (2012). *Developing skills and capabilities through the learnership and apprenticeship pathway systems. Client report commissioned by the Department of Labour Project: An impact assessment of the National Skills Development Strategy II*. HSRC, Cape Town

over-reliance on the concept of transition from education and training to employment as the main indicator that could be used to measure the success of the WPBL programmes (Raffe, 2008). Understanding education and training outcomes predominantly on the point of view of beneficiaries finding employment are embedded in the South African education and training system. The expectations have always been that education is an instrument through which youth can get jobs.

### **5.3. Do they stay in the learnership programme until the end of it, and is the programme seen as having appropriately prepared them to function in those jobs?**

In terms of the question of whether or not the learners stay in the learnership programme until they complete, we find that many learners, in particular, those in long term (three years) learnership programme often stay until the completion as their learnership is linked to professional development that includes practical on the job training and board examination that gives the candidates Chartered Accountants (CA) status on completion. In essence, the findings in this study further suggest that most learners do stay and complete the learnership programme.

It cannot be taken for granted however that a small proportion of learners drop out before completion of the learnership. Qualitative data in this study suggested that the reasons for drop out are serious and as such, they are likely to occur once again with bigger numbers and that could have devastating implication for SETA in terms of achieving its mandate. The majority of the non-completers who were interviewed had predominantly National Diplomas in Accounting or Financial Management and were therefore not in the learnership linked to professional certification to become a CA.

It can be concluded based on these findings, that, the majority of dropouts in the learnership programme were often those candidates who are not on the route of becoming CAs, but they were pursuing other roles in the Finance and Accounting Services Sector.

### **5.4. Competing demands between Professional Accreditation and Learnership Programme**

It became apparent to us that there are quite many learners who felt that there were under serious pressure to manage both learnership and preparations for Board Examination [including amongst others Initial Test of Competence and Assessment of Professional Competence (SAICA Board Examination), Chartered Certified Accountant (ACCA), Certified Financial Planner (CFP), Certified Management Account (CMA), Certified Public Accountant (CPA), Chartered Alternative Investment Analyst (CAIA),

Chartered Financial Analyst (CFA)]. In addition to this, there is also demand for work which often take away time for training and preparations for a professional examination.

### **5.5. The context of Fasset funding for learnership programmes and autonomy of Professional Bodies**

Unlike in many other SETAs, Fasset does not pre-advance the funding for learnership to the host companies. For example, companies claim the money after they have already appointed learners into the learnership programme. For the three-year-long learnership programme, for example, Fasset would deposit 40% and so on for the next two years. This often leaves host companies with more room for autonomy over learnership beneficiaries, in terms of remuneration and conditions of work.

The issue of small stipends is rather very complicated to be resolved by the Fasset unless something is done to regulate the system and even that being said, the money advanced by SETA is small on its own to sustain learners costs of living. Since this problem does not affect the majority of learners, there is no justification for regulation. It is however a problem that should be investigated further.

As shown earlier, this is an issue only for learners who fall under learnership programmes that are not linked to Chartered Accountant designation. Contextually, Fasset programmes are hugely under the administration of professional bodies (Fasset, 2019). This leaves Fasset with very little room to control the programmes in terms of the training itself. The role of Fasset in all these processes registering of learners in the system and issuing of certificates upon completion. This role does not include certification of the SAICA articles candidates. SAICA as an accredited body in accounting professional issue certificates for learners.



## **6. RECOMMENDATIONS AND CONCLUSION**

### **6.1. Develop Mentors for non-professional designation learnerships.**

It is easier for big organisations in the FAS sector to manage big learnership programmes due to their resourcefulness. These organisations boast with a significant number of highly competent and experienced professionals and these reasons learners get the best training and mentorship. However, this is not the case for other sub-sectors in FAS in which learners are enrolled in non-professional designated learnership and often in small firms. We find that in these organisations, mentorship often lack.

A good start in ensuring a 99%-100% completion rate of the learnership programme, it is recommended that a relationship between SETA, Training Managers and Mentors should be established and the purpose of this partnership will be to assist learners to do well in their learnership programme. In addition to this, companies who work in partnership with Training Providers need to ensure continues monitoring of the programme to ensure that training is taking place and learners do not end absconding due to poor training.

### **6.2. Strengthen training programmes and involve professional bodies.**

As presented in the findings, we have noted that professional bodies linked learnership programmes are often very successful. This means that professional bodies may play a critical role in strengthen the learning and training and ensure the success of learners. Given the highly regulated model of the FAS Sector, it is a prudent idea that partnership around learnership standards agreed upon and Training Providers need to align their training to standards negotiated and approved by the professional body and SAQA where appropriate.

### **6.3. Improve support of the learners at NQF level 5 and below.**

There is a consensus that there is a general lack of support for learners at NQF level 5 and below. Most evidence suggests that there is a general deterioration of articulation of skills levels in the sector. By this, we mean that the group of learners who enter skills or training programmes in NQF level 5 and below they often stay at those levels of qualification. This suggests the prevailing focus of the FAS sector to

high-level skills in hindsight. If this is to improve for the better, a deliberate decision to cater for learners that are in programmes at NQF level 5 and below is to be made. This will not only improve inclusivity in skills provision but will in addition assist in developing a skills force that is diverse and can cater for all levels of work within the FAS sector.

*In conclusion*, this Tracer Study investigated the reasons why learners drop out of the learnership programme before completion. The focus was on learners funded by Fasset. As discussed, we find that learners in the learnership programme as part of the professional designation requirement were under quite competitive learnership and did not drop out. Where a number of learners would often drop out it was in cases where learners are in lower or middle Finance and Accounting occupations such as Accounting Technicians, Bookkeepers and Debt Collectors.

Across all four big four accounting firms, we find that the standard for SAICA learnership programmes was the same and drop out is at least around 1%. This means that 99% of learners complete their learnership programmes. For the group of those who would drop out who fell in other programmes other SAICA learnership programme, reasons for dropping out before completion varied. This suggested that there is not just one reason why learners drop out but there are many. But we could at least say with almost certainty that there were reasons which appeared more often, for example, poor training and mentorship.

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## 8. APPENDICES

Assessing reasons why learners drop out in learnership programme before completion.

### 8.1. Appendix 1. Interview schedule for learners

<p>Tracer Study: Assessing reasons why learners drop out in learnership programme before completion</p> <p>FASSET Learnership Programme</p> <p>1. Did you participate in the FASSET learnership programme?</p> <p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p>
<p>Tracer Study: Assessing reasons why learners drop out in learnership programme before completion</p> <p>Learnership Details</p> <p>2. Learnership title</p> <p><input type="text"/></p> <p>3. Learnership NQF level</p> <p><input type="checkbox"/> NQF Level 3</p> <p><input type="checkbox"/> NQF Level 4</p> <p><input type="checkbox"/> NQF Level 5</p> <p><input type="checkbox"/> NQF Level 6</p> <p><input type="checkbox"/> NQF Level 7</p> <p><input type="checkbox"/> NQF Level 8</p>

Tracer Study: Assessing reasons why learners drop out in learnership programme before completion

Demographic Questions

4. Age during Learnership Programme

- Under 18
- 19-24
- 25-30
- 31-36
- 37-42

5. Province lived at during Learnership programme

6. Gender

7. Race

- African
- Coloured
- White
- Indian

Tracer Study: Assessing reasons why learners drop out in learnership programme before completion

Decider

8. Did you complete the learnership programme?

- Yes
- No

## Tracer Study: Assessing reasons why learners drop out in learnership programme before completion

### Survey

9. What was the duration of the learnership with the company you were placed at?

- 1 year
- 2 years
- 3 years

10. Did you search for a job during learnership programme?

- Yes
- No

11. If your answer to the above is yes, how long was the duration of the job search?

- Between 0-6 months
- Between 6-12 months
- Between 1 year to 2 years
- Between 2 years and above

12. What were the reason(s) that made you leave the learnership programme before completion?

- Found a job
- Training quality
- Stipend not enough
- Placed very far from home
- None of the above

13. Please elaborate on your chosen answer for question 12 above

14. Did the learnership programme help you in any form to access the present work opportunity or further studies?

- Yes
- No

## 8.2. Appendix 2: Interview Schedule for Training/Providers and/or Host Companies

Purpose of the Study:
<b>Questions</b>
1. At what level of education do you often hire your learners for a learnership programme?
2. Is your learnership recruitment link to a professional certification or separate?
3. Does participation in different types of Work-place Based Learning Programmes offer a high enough return on investment to justify continued, or changes in funding priorities?
4. To what extent does the programme builds the skills and capabilities that enhance employment and match skills demand by your firm?
5. For what reasons do learners drop out, did they obtain employment or for other socio-economic or personal reasons?
6. What kind of incentive do you generally provide to your learners?
7. How many learners do you often have in learnership programme at any given time?
8. Does professional body exams conflict with the time allocated for learnership training?
9. What are some of the reason learners drop out of the learnership programme?
10. Are there any lessons to be learnt?
11. Do learners ever raise a concern about their stipend amount?



### 8.3. Appendix 3: Timetable

Stage	Description	Activities	Outputs	Timeframe	Resources
1.	Study Proposal submission	Determining the scope and focus of research	Determination of the acceptable Proposal	8-12 June 2020	None (all work to be done on the desktop)
2.	Determine cohort of learners to be tracked and traced (i.e. between which financial years will cohort come from)	Gather details of learners to be part of the survey (including contact details, personal information such as full names and ID numbers etc.)	A completed list of learners to be surveyed and their details	15-30 June 2020	Access to learner database, documents and contacts
3.	Input regarding Methodology	Engagement with Research Director and other Fasset interested parties (i.e. M&E and Projects teams)	Final Methodology	1-31 July 2020	Research unit desktop work
4.	Final research report production	<ul style="list-style-type: none"> <li>▪ Design and conceptualisation of the final report</li> <li>▪ Literature review</li> <li>▪ Document analysis</li> <li>▪ Primary data collection in the form of interviews</li> <li>▪ Data analysis</li> <li>▪ Writing the first draft</li> <li>▪ Editing and reviewing</li> <li>▪ Writing the second draft</li> <li>▪ Final editing and formatting</li> <li>▪ Present findings to the Management and Fasset stakeholders</li> </ul>	Final research report	1 August to 15 December 2020	<p>Access to data, documents.</p> <p>Desktop literature review</p> <p>Access to research participants (both for a survey and key informants' interviews)</p>