

## EOH Youth Job Creation Initiative

SNAPSHOT	
<b>Organization(s)</b>	EOH
<b>Project Name</b>	EOH Youth Job Creation Initiative
<b>Location</b>	South Africa
<b>Date(s) of Implementation</b>	March 1, 2014 – February 28, 2015
<b>Funding Amount</b>	USD 1,009,308
<b>Partner(s) / Funder(s)</b>	The Rockefeller Foundation’s Digital Jobs Africa (DJA) Initiative
<b>Number of Youth Beneficiaries Trained</b>	Total: 1,789   Women: 1,109   Men: 680
<b>Number of Youth Beneficiaries Employed</b>	Total: 1,789   Women: 1,109   Men: 680
<b>Avg. Monthly Earnings of Youth Beneficiaries during Program</b>	USD 110 – USD 210
<b>Avg. Monthly Earnings of Youth Beneficiaries after Program</b>	USD 1,000 (projected)
<b>Type(s) of Digital Work</b>	Private Sector – Non-ICT Sector
<b>Source of Metrics</b>	Internal monitoring & evaluation Learner Feedback Survey EOH narrative reports

### ABOUT EOH

EOH is a private technology service provider. They provide end-to-end technology solutions to clients in large variety of industries by following the consulting, technology and outsourcing model. EOH is also a learning solutions provider with specialist skills in linking educational outcomes to labor market requirements, which is also a key strategic priority of the South African government. EOH is leading an employer driven campaign in South Africa to create work opportunities for disadvantaged youth - the EOH Youth Job Creation Initiative. The overall objective of this campaign is to train, mentor and place disadvantaged youth in permanent jobs.

The EOH Youth Job Creation Initiative, trains disadvantaged youth who are typically first-time work seekers over a period of 12 months. The program includes theoretical, class-based learning as well as a workplace learning component and works with EOH’s existing customers and government to train and place young people into jobs.

The DJA grant was used to support the work readiness program, an initiative that is embedded in the larger Youth Job Creation Initiative. The work readiness program aims to facilitate the development of critical skills youth require to function productively in the work environment. The program is a week-long full-time workshop that covers topics such as professional development, social and community development.

## PROJECT DESIGN & IMPLEMENTATION

Program Design	Supply-Side Components		Demand-Side Components	
	Training & Skills Development	✓	Improving Access to Finance for SMEs	×
	Employment & Intermediation Services	✓	Capacity Building & Information Provision	✓
	Subsidized Employment	✓	Targeted Sector-Specific Approaches	×

## ACTIVITIES

Training included 30% classroom or theoretical teaching, followed by 70% of structured workplace learning. During the workplace learning, the beneficiary is placed in a job in the manufacturing, IT, finance and engineering industries, and is tasked with performing the functions associated with their role under the guidance of a mentor. Throughout the period of workplace learning, beneficiaries are expected to demonstrate certain skills or competencies by compiling a portfolio of evidence in line with course requirements. This model allowed youth to embed themselves in organizational culture, increasing their likelihood of continued employment after the program's completion.

On successful completion of this part of the training, 75-80% of beneficiaries are typically absorbed into the workplace. Learners are placed in a variety of sectors including ICT, wholesale and retail, financial services, tourism and hospitality, and parastatal and government departments.

## WAGE SUBSIDY

The EOH training programs are accredited by and registered with the relevant Sector Education and Training authorities (SETAs). As a result, employers who hire graduates from the EOH training qualify for tax rebates and beneficiaries who complete the program received a formal accredited qualification. Employers receive a USD 2,600 tax rebate for every learner that enrolls on a learnership for each year they are on the learnership. There is an additional USD 2,600 paid per learner on completion of the learnership. Furthermore, employers receive USD 4,300 tax rebate for each disabled learner on a learnership and an additional USD 4,300 at the end of the learnership.

## LEARNERSHIP MODEL

EOH engages with employers to determine their entry-level employment needs. EOH then conducts a needs analysis for the organization in order to develop a feasible implementation approach that will meet the employer's needs.

Thereafter, EOH targets disadvantaged youth who meet the employers' requirements and are looking for entry-level jobs. A multimedia and word of mouth campaign is used to encourage young people to apply for the program. Applicants submit their profile or curriculum vitae (CV) and a basic screening process is implemented to filter applicants for acceptance to the next round. Applicants are then required to complete a numeracy and literacy assessment.

Successful test applicants are then interviewed for aptitude, attitude and communication skills. The selected final shortlist of applicants is presented to a panel of employers. Following selection by employers, beneficiaries are placed on a probation period and, upon passing the final assessment which assesses work readiness and aptitude, attitude and communication skills, learners are provided a learnership agreement and fixed term employment agreement for the period of the learnership (usually one year).

This model was initially adopted by EOH for their internal staffing purposes. However, given the success of the model, they expanded this service offering to other employers. In doing so, EOH provides the service of recruiting, training and placing youth to other companies for a fee. EOH's model is also subsidized by grant money such as The South African's National Treasury's Jobs Fund and this DJA grant.

## IMPLEMENTATION CHALLENGES

**Once a beneficiary is selected, it is difficult to ensure that they are placed within the most suitable host site or employer.** Often, host sites that are the most willing are not necessarily the best fit for the beneficiary. This results in learners not being assigned relevant tasks in the workplace that are accurately linked to their qualification.<sup>1</sup>

**Once beneficiaries are placed, mentors do not always fully buy into the learnership process.** Mentors often stated that they were too busy with their own tasks to fully engage with the beneficiaries and the process.<sup>2</sup>

**Several female beneficiaries became pregnant, which was found to halt the progress of the beneficiary within the program.** In some cases, this led the beneficiary to stop participation completely.

**50% of female beneficiaries were single parents.** Because of the additional responsibility placed on female beneficiaries, they had high levels of financial stress throughout the program. However, this was found to contribute to higher levels of determination to succeed in the learnership and secure full-time employment.

## BENEFICIARY EXPERIENCES

Beneficiaries reported that they valued the opportunity that EOH provided them to transition from unemployment to employment. However, some beneficiaries did not complete the year-long program. Program staff understood this to be because the beneficiaries found jobs that offered them slightly higher salaries, however, this was unverified with the learners themselves. As a result, they did not receive the qualification that accompanies the learnership program, which has the potential to increase their income and employability in the longer term.

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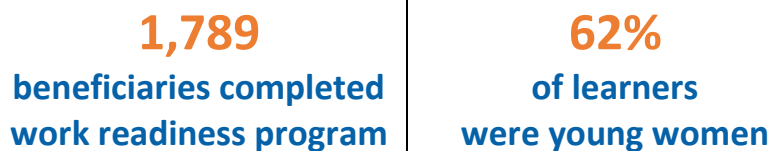
<sup>1</sup> As the learner feedback survey was only implemented at the end of the DJA grant period, this learning was only uncovered towards the end of the grant. As such, measures to correct this are not known.

<sup>2</sup> As with the above, this was unpacked through the learner feedback survey at the end of the grant period, and as such, measures to correct this are not known.

According to the EOH survey, 39% of learners stated that they earned more income since completing the program and 72% of learners indicated that they felt more confident that they would succeed at work. In early February 2015, a sample survey was conducted on learners that had previously attended the program. Of the sample surveyed, 45% of the learners had children.<sup>3</sup> Of those, 25% felt that they were in a better position to meet the needs of their children and household since participating in the program. In addition, over 700 large organizations and small and medium sized corporations (SME's) in manufacturing, IT, finance and Engineering are now part of the EOH network.<sup>4</sup>

## EMPLOYMENT OUTCOMES

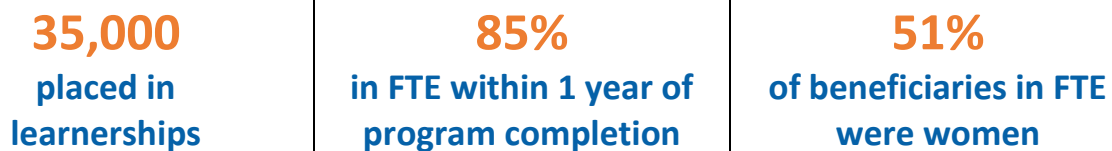
### DJA IMPACT



EOH tracked the effectiveness of the program and its alignment with DJA objectives under two overarching objectives: beneficiary confidence; and expectations for the future. Electronic learner surveys and interviews with a sample of beneficiaries were the primary data collection tools used to collect this data.<sup>5</sup>

At the end of 2015, 1,789 beneficiaries had completed work readiness program that was supported by DJA. Of the learners that completed the program, 62% were female. According to EOH's internal monitoring systems, this week-long training, included as part of the year-long EOH Youth Job Creation Initiative, was found to contribute to increases in the confidence and resilience of beneficiaries.<sup>6</sup>

### WIDER IMPACT



According to EOH's monitoring data, EOH placed over 35,000 beneficiaries in learnerships through the wider Youth Jobs Creation Initiative from 2012 to 2015.<sup>7</sup> 85% of the beneficiaries placed were in full-time

<sup>3</sup> While 1,789 learners formed the total population of program participants, the response was only sent to 572 learners and of that amount, 213 responded but only 155 were submitted. 685 learners were omitted from the survey because they were still busy with it. Another 332 were omitted by error, 96 had no email address for the survey link to be sent to, and the balance (104) had contact details which had changed recently.

<sup>4</sup> EOH (2015). *The EOH Work Readiness Initiative: Final Narrative Report*. South Africa: EOH.

<sup>5</sup> Ibid.

<sup>6</sup> EOH defined resilience as 'the ability to handle change.'

<sup>7</sup> EOH (2015). *The EOH Work Readiness Initiative: Final Narrative Report*. South Africa: EOH.

employment one year after the program ended. 51% of the learners that were permanently employed by their respective host employers after completion of the learning program were female.

**USD 110 – USD 210**  
monthly income  
(during learnership)

**USD 1,000**  
projected monthly income  
(after learnership)

During the year-long learnership, beneficiaries earned an average of between USD 110 per month and USD 210 per month. Upon completion of the learnership, and drawing on information from interviews with beneficiaries, beneficiaries were projected to earn upwards of USD 1,000 per month in full time employment. In addition, full-time employment was found to offer other benefits such as pension fund benefits and medical aid which was, in some cases, subsidized.

## SOCIAL IMPACT

EOH conducted impact assessments, which indicated that this transition resulted in considerable social impact. Research showed that each job received by the youth supported four or five additional people in the youth's environment. Financing siblings and/or children's education was found to be the most significant contribution beneficiaries made to their families.

Beneficiaries who experienced the consistency of work and income over the year-long Job Creation Initiative and thereafter found full time employment, migrated from being dependent on their family to being able to contribute to the costs of their families. EOH beneficiaries also reported increases in their standard of living and the ability to purchase a car as benefits of employment.

## KEY FINDINGS

- 1. The learnership model is an effective way of bridging the gap between labor supply and labor demand.** Employers have twelve months of a learnership period to assess the youth prior to hiring them full time which significantly reduces the risk to employers. In addition, due to the tax incentives employers receive, the model is financially attractive to organizations. During the learnership period, employers have access to trained, productive youth without incurring the additional cost associated with hiring inexperienced employees. In the South African context, there are also advantages for organizations' broad-based black economic empowerment (B-BBEE) scores; whereby because all beneficiaries are previously disadvantaged, they increase their employer's B-BBEE standing.<sup>8</sup>

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<sup>8</sup> In 2003, the Broad-Based Black Economic Empowerment (B-BBEE) Strategy was published as a precursor to the B-BBEE Act, No. 53 of 2003. The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy. The South African government defines B-BBEE as an integrated and coherent socioeconomic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities. B-BBEE process includes elements of human resource development, employment equity, enterprise development, preferential procurement, as well as investment, ownership and control of enterprises and economic assets. The B-BBEE scorecard has eight levels, with level one being the most compliant and level eight being the lowest compliant, and

2. **Beneficiaries reported feeling a greater sense of ‘wanting to give back’ to their communities due to their involvement in the program.** They felt more empowered to make a positive difference to members of their communities. This was often done through information sharing, opportunity scanning and involvement in community-based NGOs.
3. **The impact of the training and placement on the youth’s sphere of influence was further reaching than EOH had anticipated.** Beneficiaries recommended EOH to their unemployed peers and family members. They also become more involved in activities that aimed to improve their communities, such as teaching others how to build their CVs and develop their interview skills.

## RECOMMENDATIONS

1. **Classroom training must allow for open and interactive communication to increase the chance of knowledge retention.** This includes ensuring that training includes opportunities for role play, classroom-based exercises, question and answer learning sessions, group work and peer learning exercises.
2. **Program staff should maintain frequent communication with the beneficiary to assist them with workplace issues as they arise.** If the beneficiaries feel supported, there is a higher chance of retaining them in the program and of future success. To enable this, digital jobs programs should schedule regular check-ins with the beneficiaries.
3. **Digital jobs programs should brief host employers on their roles and responsibilities with regards to the beneficiaries.** Beneficiaries also need to be briefed adequately for them to understand the requirements of the workplace that they are being placed in. There needs to be effective communication and ongoing relationships between the project team, beneficiaries and employers to ensure alignment of expectations throughout the program period.

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a total of 100 points available. Employers can claim eight points if they invest 6% of their payroll on training Black people. If they engage 2.5% of their employees in learnerships and internships they can earn four points; and then gain another four points if 2.5% of their workforce is made up of black, previously unemployed learners. Then there’s an additional five points to be claimed if they employ those unemployed learners at the end of their learnerships program.