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LIST OF ACRONYMS

CIETT	International Confederation of Private Employment Agencies
COSATU	Congress of South African Trade Unions
CSO	Client Services Officer
DHET	Department of Higher Education and Training
DoL	Department of Labour
EEA	European Economic Area
ESSA	Employment Services of South Africa
GTZ	(Deutsche) Gesellschaft für Technische Zusammenarbeit
IES	Inspection and Enforcement Services
ILO	International Labour Organisation
IT	Information Technology
NGO	Non-government Organisation
NPO	Non-profit Organisation
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework of Occupations
PEA	Private Employment Agency
PES	Public Employment Services (in general)
PES-SA	Public Employment Service (of South Africa)
SDA	Skills Development Act
StatsSA	Statistics South Africa
UIF	Unemployment Insurance Fund
WAPES	World Association of Public Employment Services

ABSTRACT

The Public Employment Service of South Africa (PES-SA) registers unemployed work seekers and placement opportunities to enable the Department of Labour (DoL) to place as many of these work seekers as possible in work. The aim of the present study is to identify challenges in the implementation of PES-SA, and to identify and make recommendations on areas for improvement and strengthening. The study is restricted to two of the six main PES-SA service offerings: (a) Registration Services and (b) Recruitment and Selection Services. The study was partially a process evaluation and partially an impact evaluation. The process evaluation assessed the quality of PES-SA's systems, structures, capacity, management and strategic focus. The purpose of the impact evaluation was to understand the challenges and gaps in delivery and implementation, the reasons behind the low matching success, and the extent of uptake by users. The evaluation therefore had a technical data-evaluation component and a component which assessed the reasons behind statistical and other quantitative data patterns.

The study was conducted in Mthatha Department of Labour, Eastern Cape

The sample of the study was drawn from workseekers that are in the database and the Researcher drawn 40 respondents and the use of quantitative method was done. A questionnaire was developed and issued out to respondents. The Public Employment Service staff in Mthatha, Department of Labour was also interviewed. All five Employment Service Practitioners and a Career Counsellor were interviewed. A qualitative study was used for these respondents.

In the responses of both teams it was deduced that the intention of the service is good but up to this far it has not proven any impact on the reduction of unemployment.

Reasons behind the failure of the service were outlined to be the reluctance of the employers to utilise the service and the IT systems that is failing. The staff also mentioned that they were never trained on the service and therefore finds it difficult to render some of the services. Another challenge that was picked up from staff members is that the service is not yet legislated.

1. CHAPTER ONE:

1.1 Introduction

There are widespread expectations that government will play a leading role in solving the unemployment crisis. In addition to the strategic role of national government and its Department of Labour (DoL) in achieving this, the DoL also has at its disposal specific operational interventions and instruments. One of these is the Employment Services of South Africa (ESSA). The DoL recognised that a range of challenges limit the efficient and effective implementation of ESSA. The present evaluation was therefore commissioned in order to identify these challenges and to make recommendations for overcoming them. This study was limited by its terms of reference to two of the six main ESSA service offerings: Registration, and Recruitment and Selection.

The DoL aims to create a more efficient labour market through ESSA, among its other programmes. It pursues this objective by attempting to match labour supply and demand. It also considers rendering its public employment services to be essential in South Africa because of imbalances in the labour market. These relate not only to different levels of unemployment, and access to employment, across population group, sex, geographic area, and other related characteristics, but also to large skills mismatches. There is a shortage of skilled labour in many sectors, an over-supply in some other, and a surplus of labour overall. There are also considerable regional inequalities.

The Public Employment Service of South-Africa (PES-SA) of the Department of Labour (DoL) registers unemployed work seekers, placement opportunities and employers to enable the DoL to place as many of these work seekers as possible in work.

Due to high unemployment rate the Department of Labour introduced the Public Employment Service that has a database of unemployed workseekers and that of employers who are looking for workseekers to employ. The OR Tambo District is amongst the poorest districts in the Eastern Cape Province characterised by lot of rural areas where there are minimal economic activities taking place. The unemployment rate

in the district is currently sitting at 61% with youth being more prevalent in the statistics. The purpose of this service is to:

- promote employment of citizens
- improve access to the labour market for workseekers
- provide opportunities for new entrants to the labour market to gain work experience
- promote employment growth and workplace productivity
- register workseekers in the database and match them with work opportunities.
Register job vacancies and other placement opportunities
- assist workseekers with job hunting skills and career guidance.

The rationale behind engaging in all this exercise by the Department is to reduce the unemployment rate by registering them in the database and equipping workseekers with the job hunting skills. Unemployment is seen as a universal problem with which the political leadership of almost every country has to wrestle. Even the United States of America which has emerged as the dominant economy of the global village is forced to invest considerable resources in job creation and economic development programmes aimed at reducing institutional unemployment.

At transition in 1994, the new South African government inherited an economy that had systematically disadvantaged most of the population. For almost half a century, blacks had been subject to an intentionally second-class education, labour laws that precluded their advancement, business regulations that outlawed many forms of business ownership, and laws that kept them from living in the metropolitan areas that were the centre of commerce.

There are multiple reasons that increase in unemployment. South Africa has been subject to the same skill-biased technological change as many other parts of the world and this has hit especially hard in the mining and agriculture sectors – precisely where many unskilled Blacks worked. Unemployment has increased inexorably basically because economic growth is insufficient for the creation of enough jobs to absorb this unprecedented growth in the labour force.

Keynesian and monetarists approaches are used to give the theoretical explanation of the causes of unemployment. Keynesian explains the causes of unemployment as insufficient aggregate demand and shocks from the supply side of the economy which could be either internal or external such as draught and economic sanction.

In contrary monetarists maintains that unemployment is caused by the forces of demand and supply that the economy is self-stabilising in case there are no disturbances. Hence, the government should practice fiscal subsistence.

It is in this background that the Department of Labour decided to establish the service that will help the unemployed in obtaining the employment opportunities.

A considerable number of clients have been complaining that this service is not working for them as they have been in the Department's database for a long time and have never got employed. Another problem is the reluctance of the employers to utilize the database when have employment opportunities.

1.2. Problem statement of the study

The problem DoL is faced with is that the unemployment is increasing tremendously instead of it decreasing because of this free service that they are offering. They are faced with high number of people that are registering in their system and yet are not getting any help. This brings various questions to mind:

- Does the system respond to the needs of the unemployed?
- Do people know about the service?
- Do workseekers gain the relevant information they need to obtain employment?
- Do employers make use of the database?
- How does the Public Employment Service address the needs of the unemployed in Mthatha?

- Are the marketing strategies meant for the service responsive to the clients?
- How do clients feel about the job hunting skills and career guidance they receive from the Department?
- How is the support from the stakeholders/employer?

- What is employment rate vs. the unemployment reduction resulting from the usage of the service?
- What is the attitude of Department of Labour Employees regarding the service?

1.3. Aims and objectives of the research

This study has the following aims and objectives:

- To identify areas that needs improvement and how this can be achieved
- To offer suggestions that could address possible challenges or failures in the delivery of this service.
- Amongst other things will also be checking the skills that these workseekers have, if are they needed by the labour market or are they the "scarce skills"?
- Does Public Employment Service really empower the unemployed people in alleviating unemployment and empowering them with skills that can help them in obtaining employment?
- To check if the employers are making use of the database

1.4. Motivation for undertaking the study

The Eastern Cape has been identified as one of the poorest provinces in the country. Literature informs us that of the nine provinces the Eastern Cape is the second poorest province. Currently the unemployment rate in Mthatha seats at 65.5% and the illiteracy rate is at 42.2%.

The purpose for doing the study is primarily to investigate if the Public Employment Service assists in reducing the high levels of unemployment in Mthatha. Ever since the inception of the service there has been a cry that it is not any where near assisting the unemployed.

1.5. Delimitation of the study

This study will focus on the work seekers that are in the database of the Department of Labour and a small amount will be those that are not. Even though the study will be conducted on the sample of respondents from Mthatha the conclusion will be generalized based on this town.

The Eastern Cape is located on the south eastern seaboard of South Africa and is the second largest province with an area of 16958 square kilometres and represents fourteen percent of South Africa's total land area. It is made up of the following district municipalities: Alfred Nzo, Amathole, Buffalo City, Cacadu, Chris Hani, Nelson Mandela Metropolitan, O.R. Tambo and Joe Gqabi. King Sabata Dalindyebo is the municipality which is part of the OR Tambo District Municipality and is situated on the east Northern region of Eastern Cape Province. It includes Mthatha and Mqanduli. (Statistics SA, 2004). The population of Umtata, South Africa is 78663 according to the GeoNames geographical database. A sample of 40 respondents will be drawn from this population.

CHAPTER 2

REVIEW OF LITERATURE AND CONTEXT

2.1 Introduction

This chapter reviews literature on employment services systems and practices, and provides a framework for assessing how to better implement efficient job-seeking and placement programmes for South Africa. It considers international standards, approaches and arrangements and reviews the DoL's Employment Service of South Africa systems and procedures. It enquires into the effect that public employment services (PES) can have on reducing unemployment in the long term, addressing socio-economic inequalities, and promoting, preserving and retaining employment, the objectives of the Employment Services Draft Bill 2010.

In order to clarify PES functioning, the literature review begins, in

- Section 2.2, with a survey of theoretical and conceptual frameworks. This is followed, in
- Section 2.3, by a discussion of key lessons from international trends and processes, and global best practice regarding the provision of employment services. It focuses on how PES are organised; provides a rationale for PES; examines the general services provided by PES and the specific services provided to employers; and reviews resourcing of PES, target groups and related issues.
- Section 2.4 reviews the national context, first giving a brief overview of the key characteristics of the South African labour market, indicates the imbalances in the market and thus the potential importance of PES (and ESSA), and provides information on private employment agencies and ESSA including an overview of the aims and services of ESSA. Finally,
- Section 2.5 examines the implementation arrangements for ESSA, in terms of its position in government and governing legislation.

2.2 Theoretical and conceptual framework of public employment services (PES)

In conceptualising the role of public employment services as part of skills development, it is useful to consider them as part of a funnel, positioned at the interface between labour market supply and demand. From the supply side, PES acts as a transition from formal and non-formal education and training to the labour market. The service is a centre point for skills integration, where work seekers make known their qualifications and hope to be integrated into the world of work. PES serves to accommodate skills, knowledge, proficiencies and attitudes and to channel work seekers into effective work placements.

Employers also use PES for formal and informal job placement. The process starts with a formal job analysis, where defined roles and responsibilities are stipulated. The requirements of the job are jointly identified and clarified by the employer and the PES. In this way, the service creates a space where labour supply and demand can be matched. PES systems can thus act as an important point in the funnel through which work seekers proceed to the work place. The neo-classical competitive labour market model that prevailed up to the 1950s (Larsen & Vesan, (2010) sought to explain the functioning and dynamics of the market for labour as similar to those of any other market. It entailed understanding how the supply of labour and the demand for work (employers) resulted in patterns of wage, employment and income outcomes. A critique of the neo-classical competitive labour market model argues that, because of heterogeneities and complexities in the labour market and the lack of transparency of information, disadvantaged individuals can be negatively affected. The critique of this model highlights the point that recruitment, for instance, is best understood and dealt with when new understandings, studies and practices of the “labour market” are made transparent. Applied to ESSA, theory demands that work seekers and employers know enough about each other for reaching placement decisions and outcomes that are good for both parties. (The fact that ESSA is implemented through registering employer, vacancy and work seeker information, and particularly its subsequent matching, invokes the requirement of transparency.

Judging the success of ESSA implementation, and identifying any challenges in this regard, can benefit much from applying conceptual tools, and critiques of them, as recorded above.) Another concept of the nature of the labour market can be found in basic rational choice theory (Larsen & Vesan, 2010). This theory, however, sees PES in a negative light in terms of the tasks that are expected to be performed by the system. It is useful, though, to draw on this theory as it helps contextualise how challenges to PES may be addressed. The main problem with PES, according to Larsen and Vesan, is that employers and employees are not looking for just any information, but are both in pursuit of trustworthy information when intending to enter into a work relationship with the other party. Employers can, however, learn very little about work seekers by means of the information captured in PES. Track records, levels of commitment and other important worker characteristics are not well recorded in PES.

Similarly, the work seeker relies on the PES to place them in reputable and ethical work environments and if this cannot occur, trust in the PES system is compromised. PES also cannot reveal such information reliably. The situation where both job seeker and employer have a lack of trustworthy information can be labelled the double-sided asymmetric information problem of the labour market (Larsen & Vesan, 2010). The way in which the challenges experienced by ESSA are perceived in this report is aligned with this perspective.

2.3 International public employment services trends

In this section, the experience of high-, middle- and low-income countries relating to public employment services is discussed in terms of the following themes: the rationale for PES; the services provided by PES, including those to employers; levels of resourcing; target groups; the use of technology; the link between PES and other service partnerships; labour migration; the monitoring of results; weaknesses of PES; and key successes of PES.

2.3.1 Rationale for public employment services

The PES system is designed to assist job seekers and help employers in providing fundamental and comprehensive services without compromising the protection of the interests of labour. This is achieved by:

- providing legal advice to potential employees about their rights and benefits
- acting as a broker for jobs
- providing labour market information and analysis
- administering unemployment benefits
- providing vocational training
- offering special support to disadvantaged populations (Bhorat, 1999).

The fundamental motivation for PES in all countries is to reduce unemployment (Thuy, Hansen & Price, 2010).² There has been increased policy focus on unemployment since the 2008 global economic crisis, with its negative impact on the supply of jobs. During the current slow process of global economic recovery, the extent to which labour markets are unstable has become increasingly apparent (ILO, 2009). This outcome has caused a surge in the relevance of PES across all economic sectors, according to Thuy *et al.* (2010). This situation even applies to those OECD (Organization for Economic Co-operation and development) countries in the high-income group. With the exception of the Great Depression (1929), when countries like the USA started to increasingly rely on employment services, similar levels of pressure to rely on PES did not exist until 2008/2009 (GTZ, 2010).

According to Thuy *et al.* (2001), the presence of PES facilitates access to labour market information and helps improve economic and social connections within and between various job sectors. Based on this description, the PES system is desirable in that it assists with labour market planning, and more broadly, can be a key element in national employment policy reform. In doing this, it has gradually shifted from its traditional role of acting as a social benefit scheme to positioning itself as a tool for individuals to gain

autonomy through finding work. It also thus reduced reliance on unemployment grants and the costs associated with that (Walwei, 1996).

Public employment services are not, however, a 'provider' of work but rather a facility for job seekers to find employment (Walwei, 1996). Because these services extend into aspects such as career counselling and the provision of labour market information, for instance, this approach may promote innovation in the public service sector and encourage individuals to move into sectors of the labour market that require higher skills. While one can learn from high-income OECD member countries about how to apply innovative and competitive (i.e., extended) job-creation services, PES in upper-middle to low-income countries, like South Africa, are under pressure to accommodate jobseekers from diverse educational and skills backgrounds, many of whom are low-skilled. This makes it difficult to apply innovative (i.e., extended) services in an unbalanced labour sector (Autor, 2008).

2.3.2 Public employment services offerings

2.3.2.1 Service offerings provided by PES in general

The International Labour Organization (ILO, 2009) summarises the general roles and responsibilities of employment services as follows:

Unemployment reduction is a long-term strategy. Alignment between PES and skills categories, accurate PES data and statistics, and registration of enough job seekers and employers on its databases will enable detecting skills shortages and surpluses. This would help shape skills development, which could result in increased employment and a more balanced labour market. In South Africa this would require intense collaboration between the DoL and DHET.

- services for matching offers of and applications for employment, without private employment agencies becoming a party to the employment relationship which may arise

- services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person that assigns their tasks and supervises the execution of the tasks.

At the core of any employment agency business is the match between the candidate, the client and the job itself. The role of public employment services and the extent of their involvement in the labour market have varied considerably between countries over time (Dockery, 2001). In terms of global labour market employment services, the one-size-fits-all approach is not applicable (Dockery, 2001).

In order to aspire towards the competitive edge that many high-income OECD countries achieve, Public Employment Services should pursue the following (Dockery, 2001):

- match work seekers with available work opportunities
- facilitate the placement of work seekers with employers or in other placement opportunities
- advise workers on access to social security benefits
- provide specialised services to assist specific categories of work seekers, including youth, new entrants to the labour market, disabled persons and members of rural communities
- facilitate the exchange of information among labour market participants, including employers, work seekers, and career counsellors
- assess work seekers to determine suitability and other related life skills necessary to secure employment.

2.3.2.2 Services provided to employers

The key indicator of a successful employment system is the frequency of employer and work seeker interface. If employers have had consistent quality experiences with the systems' capacity to match the right candidate, they will continue to use the system for recruitment. Internationally, the trend is

to think about how the PES can assist employers. Emerging from this, the following benefits are identified (GTZ Executive Summary, 2010):

- opportunities to provide job placements
- referrals to employers
- physical space to interview candidates.

There is much international literature (see Thuy *et al.*, 2001) which describes the challenge to the service offerings of PES in industrialised countries. The PES system has been faced with numerous changes relating to the labour market and its institutions, particularly with the move from manufacturing economies to economies with a preponderance of service jobs (ILO, 2009). This has led to the PES losing the significant role it used to play relative to job placement.

2.3.3 Types of resourcing

There are two primary ways in which to fund a PES system. One is by means of government grants. This funding approach is followed to varying degrees across all countries, though lower-income countries tend to solely rely on this method. The second manner of funding includes contributions by employers and employees, through mechanisms such as unemployment insurance funds

(WAPES, 2009). In many OECD countries like Austria, Canada, Belgium, etc classified into the middle-to-high and high-income categories, there are enough resources to provide a variety of funding for PES.

The Czech Republic (middle-to-high) and Germany (high), for example, have PES systems which allow registered job seekers to access a range of social benefits linked to unemployment, such as state-financed health insurance (WAPES, 2009). However, these PES policies apply strict criteria for accessing such benefits. Countries such as the UK and Australia (both high) merge employment services departments with social services; this appears to have had a positive impact on the security of job seekers, to the extent that it is considered 'the' model for public service reform (WAPES, 2009).

2.3.4 Target groups

In all countries an important aim of PES is to target (mainly) vulnerable populations of job seekers. Many high- and medium-income countries have put in place measures to ensure the effectiveness of their PES, and the trend in some instances has been for industry moving towards a self-service option for individuals who can find their own jobs. This can free resources, leaving the PES to focus mainly on the long-term unemployed and target priority groups or historically vulnerable individuals (Berman, 1997).

Most OECD countries use their PES systems to target migrants, people with disabilities, single parents and job seekers who are nearing formal retirement age but are still healthy enough to contribute to the labour market. Countries such as Finland and Ireland take an innovative approach to targets and use the PES to support the development of small businesses or new venture capitalists. The infrastructure and availability of resources make it possible for a range of target groups to be included in virtually all OECD country PES systems. Supporting small business development is also targeted in the low-income countries, but the nature of the enterprises is typically characterised by so-called “informal labour” practices, such as subsistence farming or street vending (Wunsch & Lechner, 2007).

2.3.5 Use of technology

The role of technology in the labour sector has had an impact on effective job seeking, job matching and long-term employment creation (Kroft & Pope, 2007). The architecture of a data system in PES can affect the extent to which job seekers, facilitators and employers establish a symbiotic relationship. If the design of a PES system can enhance synergy with stakeholders in the job seeking and recruitment process, a considerable part of the employment process is achieved. Thus, an effective PES system should enable job seekers, facilitators and employers to clarify their goals, objectives, alternatives and criteria (Kroft & Pope, 2007).

From international best practice, high-income OECD countries emphasise this approach by ensuring job seekers and employers are privy to regular updates (as frequent as every 30 minutes; GTZ, 2010) of job opportunities in their information technology

systems so as to continually facilitate matching between labour supply and demand (Kroft & Pope, 2007). Forms of technology utilised in these PES systems include call centres, plasma screens, touch-screens in kiosks and interactive websites. Cellular phone short-message services help to inform work seekers about updates concerning their applications (Kroft & Pope, 2007).

Unlike high-income OECD countries, some low-middle income countries, such as Cuba, Namibia and Algeria, do not draw on IT when managing job vacancies to the extent that might be expected (GTZ, 2010). This may be because these countries have extremes of wealth and resource distribution, and thus that some parts of the country have IT-related PES policies while in poorer, less-developed areas the information system facilities are still supported by postal mail and paper filing. In order to accommodate such infrastructure disparities, it is necessary to make use both of advanced IT systems and less technologically-based processes of information storage and distribution (GTZ, 2010). A greater focus on IT development could, however, link PES systems to more opportunities for job-creation networks (GTZ, 2010).

2.3.6 The link between PES and other service partnerships

In order to establish a variety of job-creation networks, PES can form service agreements with different sectors. With a high global unemployment rate comes rapid social and economic changes and these can lead to forms of social exclusion and to an increase in social deviance (Autor, 2003).

Thus, many upper-middle income countries make unemployment benefits available to work seekers. In the Slovakian Republic, the PES system receives job seekers' applications and supporting documentation for Unemployment Insurance benefits, but subsequent administration is handled by the Social Insurance agency (Autor, 2003). In middle-to-low income countries there appears to be a greater focus on community-based projects, which allow work seekers access to the non-profit organisation sector.

Job opportunities in the non-profit and the 'informal' sector can be a substantial source of job creation. Non-Profit Organisations (NPOs) are considered "the voluntary sector"

for job creation and social policy purposes. The relationship between PES and NPOs has attracted increased interest in international labour markets because of the perception of a stagnating public sector unable to provide the resources to achieve more effective placement of the unemployed (Slokailis, 2010). In some countries, the costs arising from government failures to deliver on the job-placement issue have outweighed the benefits of government intervention. This is because of government deficits which have induced significant withdrawal by the state from direct social service provision, in an attempt to privatise certain sectors (Slokailis, 2010). Despite the apparent insignificance of PES links with NPOs, these kinds of partnerships can enhance the efficacy of employment services. In Mexico, the New Deal partnership programme includes representatives from different business groups, education and training institutions, labour unions and state government agencies in executive committees (CIETT, 2007). This makes for a PES system, perceived as reliable, for work seekers and which gives them access to a range of job sector opportunities. In parts of Europe, partnerships with private employment agencies are one of the most important trends in the employment services sector. Different types of relationships with the private sector increase the possibility of sharing information, co-operation on placements, and a complementary approach in terms of employment services, offered by both the public and private domain (CIETT, 2007).

2.3.7 Labour migration

Legislation regulating PES often addresses issues about migration. A number of PES systems have to deal with work permits for foreign job seekers with highly qualified training backgrounds (GTZ, 2010). In order for PES systems to be successful with this, they require efficient systems with streamlined procedures as well as close working relationship with their national home affairs department (Autor & Housman, 2002).

Internationally there are some very effective management systems that deal with labour migration (GTZ, 2010). This is particularly the case where there is an appreciation of the economic benefits of immigrants' contributing to a country's labour market (GTZ, 2010). The reason for successful job creation processes through labour migration, in addition to being dependent on each country's foreign policy, resides in the fact that some systems, such as those in high-income OECD countries, have human-resource structures that encourage high-skilled labourers to develop the economy (Clasen & Clegg, 2006). This

also enables such countries to promote high-skilled labour mobility. Members of the European Union, for instance, have policies which enable job-seekers to move between member countries. The EURES network is a partnership between all the PES systems in the European Economic Area (EEA). There are over 700 specially trained advisors, who focus on the practical issues surrounding unemployment in the member states and help to promote mobility across Europe (Clasen & Clegg, 2006). The migrant labour policy is designed to enable the employment of 'quality' employees, making the PES systems very regulated and restricted to specific types of skills. This system is highly effective, though it is conditioned to the availability of adequate infrastructure and resources (Clasen & Clegg, 2006).

In low-to-middle income countries, such as Cameroon, where there is a poor employment infrastructure, systems to support labour migration are not well established in the PES (World Bank, 2003). China, by contrast, although not pursuing labour practices that many countries would prefer to model their own on, recognises migrant labour as a population-management problem, with high numbers of workers having migrated from rural to urban areas over the years (World Bank, 2003).

2.3.8 Monitoring of results

In terms of monitoring and evaluating PES systems, there is a global need to improve mechanisms. Internationally, PES systems in high-income OECD countries are increasingly giving attention to the monitoring of results. Australia, for example, has mechanisms to measure their impact, especially in terms of their outsourcing models of systems (Benner, Leete & Pastor, 2007). Some countries undertake regular, evaluative and cost-benefit studies. The UK, for example, put in place measures to assess the provision of services and determine how effective the involvement of the private sector has been in terms of cost (Vassiliev, Lucci, Fluckinger & Ramirez, 2006). The Netherlands has attempted to develop systems for measuring performance management, but this has proved difficult because of the division between national and local organisations (Vassiliev *et al.*, 2006).

Most medium-to-low income countries have mechanisms to measure the benefits of their PES systems, but, according to the GTZ (2010) there is not enough information

about how these measures have been established and how effectively they are monitored. Monitoring of results generally needs attention across PES systems (Vassiliev *et al.*, 2006). An awareness of this may help identify successes within PES systems and improve on their weaknesses (Benner *et al.*, 2007).

2.3.9 Weaknesses of PES

Larsen and Vesan (2010) argue that public employment services always tend to fail. They support their position by claiming that very few matches are facilitated by the PES across Western countries, despite the effort and resources that governments contribute to the system. Larsen and Vesan (2010) explain that there is a “double-sided asymmetric information problem” in the labour market (Larsen & Vesan, 2010, 1). This means that neither the potential employers nor job seekers are obtaining enough access to the information that they need. Although the PES is meant to reduce search costs for employers and employees, they have strong incentives not to use the PES. This is because employers try to avoid the ‘worst’ employees and employees try to avoid the ‘worst’ employers (Larsen & Vesan, p.1). For this reason PES are caught in a low-end equilibrium and it is difficult to break out of it. PES is required to help all sorts of job seekers, particularly those having problems finding a job. Thus, the employer cannot be sure that the PES will provide the best quality labour because being unemployed may suggest unemployability. It is much easier for a person to find a job when they already have one.

Furthermore, employers tend not to trust the PES as they know that PES has a special obligation to help the worst-off (Kamiat, 1996). Thus, PES often becomes a last resort for obtaining labour. Job seekers also recognise that PES is often considered a last resort for recruitment because they have many bad jobs in their databases. Moreover, job seekers know that PES tend to offer whatever job vacancies they have (Theunissen, 1999). Using PES thus becomes a sub-optimal solution for job seekers. The low take-up of public employment services is another reason why they fail. The channels of communication for employment in the private sector are tighter and more streamlined, making the employment selection process efficient for both parties (Theunissen, 1999). Workers, companies and job seekers may know each other; this reduces the “double-sided asymmetric information problem” (Larsen & Vesan, 2010). Internationally, most

employers are suspicious about persons sent by the PES, especially in countries where employers believe that the labour market works effectively.

However, while this may be true in countries with low unemployment rates, Podivinsky and McVicar (2007) challenge this notion somewhat in their study of the impact of labour-market programmes. The paper examines the case of the United Kingdom's New Deal for Young People (NDYP). One of its findings highlights the negative relationship between the state of a particular labour market and the effect that active labour-market programmes will tend to have on employment. They found that in low unemployment areas the likelihood of 'exiting into inactivity' increases. Thus, in a country with high unemployment, an individual moves from being labelled a registered work seeker through PES, and ultimately becomes discouraged because work is not found quickly. PES can therefore be seen as increasing the number of discouraged work seekers who have given up on actively pursuing work.

Such issues increase the importance of screening procedures. However, employers may not have confidence in the ability of the PES to distinguish between motivated and non-motivated workers. Even if the PES could pre-screen applicants, employers may doubt that the PES will tell the truth about the quality of potential employees (Larsen & Vesan, 2010).

2.3.10 Key successes of PES

Some countries have had some success in outsourcing aspects of their PES (Heinrich *et al.*, 2005). In Finland, an estimated 20% to 30% of unemployed people with disabilities benefited from employment schemes (Heinrich *et al.*, 2005). In the UK, the PES system is now considered one of the most cost-effective in OECD countries. It has sustained a high level of performance by building capacity through streamlining processes, bringing new people into the organisation and increasing productivity (Bunt, McAndrew & Keuchel, 2005).

Within a year, 90% of registered unemployed persons on the system have been employed in one form or another in the 30 countries reviewed in the GTZ (2010) study.

Some low-middle and low-income countries report successes in relation to the distribution of services and increased accessibility. Countries like Cameroon, China, Cuba and Namibia have increased the number of PES offices, access to the Internet and call centres (GTZ, 2010). The following section looks at literature relating to PES in South Africa.

2.4 National context

In this section, the following themes under the South African context are addressed:

- an overview of the labour market as described in the literature on unemployment, the skills mismatch, regional disparities, growth in temporary/casual/part-time work, and the debate about a flexible vis-à-vis rigid labour market
- the South African employment services industry
- additional background information about the aims and importance of, as well as services rendered in, ESSA/ESSA databases
- implementation issues related to ESSA's positioning in government policy, legislation and regulations including the Skills Development Act, Employment Services Bill and ILO guidelines.

2.4.1 The South African context

2.4.1.1 Overview of the South African labour market

The South African labour market is characterised by problems including poverty, inequality, unemployment and dynamic inefficiencies. These problems demand a strong response from the South African Employment Services (ESSA). If ESSA succeeds in identifying those challenges that impede its effective service rendering, it may also succeed in reducing the extent and depth of these labour market imbalances. A brief overview of the key characteristics of South African labour market follows.

- **Unemployment**

The Department of Labour considers high unemployment levels to be one of its biggest challenges (PMG, 2010). Currently, unemployment in South Africa stands at 25, 2%, and is highest amongst youth and women (StatsSA, 2010a). There are different types of unemployment, which Roux (2005, 55) categorises as frictional, seasonal, cyclical and structural. South Africa's unemployment is to a large extent structural, defined as 'a gap between, on the one hand, the education skills, expertise, etc., required for a job and, on the other hand, availability of appropriately qualified workers to fill these posts' (Roux, 2005:4). In other words, jobs may be available in South Africa but not enough skilled people to fill them. Low demand also affects unemployment levels (Standing, Sender & Weeks, 1996); there are not enough jobs for the pool of unemployed people in South Africa, regardless of their skill levels. While those with skills tend to find employment faster than those without them, because employers

opt for those who are relatively more skilled, it does not necessarily mean that if everyone in South Africa were provided with skills, there would be enough jobs for everyone. This suggests that increasing employment requires a two-tier strategy of job creation alongside coordinated skilling of the unemployed.

- **Skills mismatch**

It is generally acknowledged that there is a skills mismatch in the South African labour market. There is a shortage of skills in some sectors (usually high-skill sectors) while there is an oversupply in others. In this context it is important to identify 'scarce skills' for skills-development interventions.

- **Regional disparities**

Although unemployment is high in all parts of South Africa, it is far more widespread in rural areas (Standing *et al.*, 1996). This is because economic development tends to take place in urban rather than rural areas.

- **Growth in temporary / casual / part-time work**

The past decade has seen considerable growth in temporary / casual / part-time work (Standing *et al.*, 2006:11). According to them, this 'reflects an international trend to greater employment flexibility, in which the extent of regular protected employment has been declining relative to temporary and casual employment'. This type of employment is considered to be vulnerable because of employment, job and income insecurity and is therefore considered to be 'informal employment' (Chen, 2005).

- **Flexible / rigid labour market debate**

There is an ongoing debate in South Africa about how rigid or flexible our labour market is. Labour market flexibility, specifically employment flexibility, 'conveys the idea that employers would like to be able to change employment quickly and easily, and in particular be able to lay off workers without problems' (Standing *et al.*, 1996:16). Companies often argue that fewer regulations and more flexibility are needed in order to compete successfully in the global market place, while the Department of Labour argues that we need more enforcement of regulation in order to protect vulnerable workers from exploitation.

2.4.2 The South African employment services industry

The players in the South African employment services industry include private and government (public) employment agencies, online recruitment centres and non-governmental organisations (NGOs). Online recruitment services are websites, such as jobs.co.za, which provide cheap or free channels through which work seekers and employers can make contact. NGOs in the sector, such as the Youth Development Trust,

often play a role in training first-time work seekers to enter the job market and tend to operate in the informal sector (Du Toit & Koopman, 2002).

The focus of this research is the Private Employment Agencies (PEAs) and the Employment Services of South Africa (ESSA). According to the draft bill on Employment Services (2010), a PEA is 'any natural or juristic person, independent of the public authorities, which provides the services for matching offers of applications for employment, without the private employment agency becoming party to the employment relationships which may arise there-from'. This includes labour broking/contracting, permanent employment services and temporary staffing services. Employment Services refer to an integrated system that will allow for the delivery of free public employment services in South Africa that is accessible to all.

2.4.3 Functioning of PES in South Africa

2.4.3.1 Aims and importance

The aim of ESSA is to develop and implement an integrated system that will allow for the delivery of free public employment services in South Africa that are accessible to all (DoL Service Delivery Review, 2007:32).

The aim of DoL's intervention in the labour market through ESSA is to help smooth out the imbalances in the market by redirecting skills and labour where they are needed. Continuous monitoring and analysis of the labour market and job patterns is also essential for understanding which areas need to be targeted for skills development and labour supply as the labour market shifts. It is anticipated that, through this process, it will be possible to offer advice to learners about training programmes to undertake in order to access job opportunities (Philip & Hassen, 2008).

In addition, ESSA aims to provide more effective and comprehensive labour market statistics to assist with predicting labour market trends in order to target areas for policy intervention. ESSA may also be able to assist with targeting informal employment and workers in the informal economy, which is critical for effective labour market intervention (Smith, 2006).

2.4.3.2 Services offered by ESSA

ESSA is made up of six main services. These services include both the IT system (databases) of ESSA and linked to this system, the social services offered by ESSA. The six service offerings are:

1. Registration Services

Registration Services includes the registration of individuals, employers, opportunities and training providers. The registration of individuals includes the development of a skills profile where the person's qualifications and experience are recorded according to the Organising Framework of Occupations (OFO).

2. Career Guidance and Counselling Services

Career Guidance and Counselling includes guiding individuals to career fields based on their interest profile, and providing career and labour market information on skill requirements for specific jobs and the level of demand for certain skills, and counselling.

3. Recruitment and Selection Services

Recruitment and Selection services include the proactive identification of opportunities through networking with stakeholders, matching individuals to opportunities, recruitment and selection for a particular opportunity, and placement.

4. Skills Development Services

Skills Development Services include developing Provincial Implementation Plans, identifying scarce and critical skills, registering training courses with the National Skills Fund, allocating funding for skills development, selecting training providers, contracting training providers, monitoring training, processing training provider claims and scheduling assessments at INDLELA.

5. Information Services

Information services include producing information brochures and pamphlets, and advocacy.

6. Special Services

Special Services include services provided for special interest groups, including for people with disabilities, retrenched employees and ex-offenders (DoL, 2006/7). The two core service offerings are Registration Services and Recruitment and Selection Services, while the other services are considered to be support services. ESSA has a wide range of intended beneficiaries. They include the unemployed, learners who are ready to leave school and require further training, the underemployed and employers in both the public and the private sectors. Research on the impact of ESSA must take service provision to these different beneficiaries into account.

2.4.4 Implementation/positioning in government

The DoL has two core functions: Employment Services, and Inspection and Enforcement Services (IES). These are carried out through four programmes within the Department: Administration;

Inspection and IES; Employment Services (ESSA); and Labour Policy and Labour Market Programmes (PMG: 2010). ESSA is located within the Service Delivery Branch at Head Office, provincial offices and labour centres levels. The public accesses ESSA through 125 labour centres, as well as visiting points and mobile labour centres (DoL: 2007).

2.5 Governing legislation

The legislation governing employment services includes the Skills Development Act (SDA) and its 1998, 1999 and 2003 amendments, the pending Employment Services Bill and the International Labour Organisation (ILO) guidelines.

• Skills Development Act (1998, 1999 and 2003 amendments)

The legislative basis for the provision of employment services and the regulation of PEAs in South Africa is located in provisions in the SDA which is administered by the DoL.

Chapter 6 of the SDA, 'Institutions in Department of Labour and Regulation of Private Employment Services Agencies' identifies the legislation and regulations for the employment services industry and registration of persons providing employment services, and provides for the cancellation of registration of PEAs. The SDA has been criticised for having vague definitions, no clear guidelines on standard practices, and few penalties for non-compliance. It has been termed an 'act without teeth' (Du Toit & Koopman, 2002).

• **Employment Services Bill**

The pending Employment Services Bill is currently under discussion. The Bill builds on the SDA, but unlike it, provides for inspection services to enforce penalties in the case of non-compliance with employment services industry regulations. Amongst other things, the Bill will provide for the establishment of an Employment Services Board. PEAs will not be able to operate if they are not registered with the DoL. Operating licenses will only be issued if PEAs comply with DoL regulations, including the regulation that PEAs may only charge employers fees for services; they may not charge fees to work seekers. This effectively outlaws the practice by which many labour brokers operate of taking a percentage of a work seeker's salary in exchange for placement in a job (DoL: 2010). In the future, penalties will include fines for employers who do not notify ESSA of vacancies within 14 days after a vacancy has become available.

Concern has been raised that these measures will hamper job creation by creating a larger administrative burden on employers trying to remain flexible and internationally competitive. Yet, ESSA maintains that employers are primary beneficiaries of their free services (Ollis, 2010).

Latest developments since the Bill entered the public domain

According to the Portfolio Committee on Labour, the Employment Services Bill will be finalised in March 2011. Organised labour has raised concerns about how their sector's needs would be affected. The manifesto of the Congress of South African Trade Unions (COSATU) argues that South Africa should aim for every work seeker to be able to find a permanent and well-paid job that offers benefits such as a pension and medical aid. In an environment of low growth and poor skills, one of the critiques of COSATU's proposal is that it is not yet attainable. Thus, many experts feel that COSATU, along with the DoL, faces a dilemma of job creation and decent work in which temporary, atypical jobs can be created for many, or decent jobs can be created for a few.

The public debate about the role of labour brokers remains a contentious issue. Labour broking occurs where independent employment agencies employ work seekers and then assign them to third-party clients. As the law currently stands, the assignees are employees of the labour brokers and not the company. The contention lies with two main issues. The first issue is that one million people are currently employed by labour brokers, making the role of labour broking seem helpful in job creation. On the other hand, employee exploitation under the labour broker system is rife due to loopholes in the law regarding the hiring of employees for a third party. Thus, the employment services sector requires increased regulation under the Employment Services Bill in order to cover these loopholes while at the same time acknowledging the role that compliant PEAs play in facilitating employment. Jeffery (2011) and Hastie (2011) participated in two of the most recent contributions to this debate.

• **International Labour Organisation guidelines**

The ILO provides guidelines and support for the implementation of PES and best practices to member countries. Much of ESSA is structured around these ILO guidelines. According to the ILO (2009), 'PES help enterprises and workers adjust to changing labour markets... PES implement new active labour market programmes to mitigate redundancies and speed up re-employment of those who have lost their jobs'. The ILO emphasises the importance of tripartism and social dialogue in the administration of PES. The ILO perspective on PES is aligned with ILO Conventions 88 and 181, WAPES (World Association of PES), Decent Work Country Programmes, the Global Employment Agenda and the United Nations' recognition of PES (ILO, 2009).

The ILO also emphasises the role of PES in supporting the unemployed during the global economic crisis and thus 'the necessity of locating PES within the context of a range of labour market interventions which focus on placement and on the imperative of keeping vulnerable individuals such as youth out of long-term unemployment' (GTZ, 2010). The DoL commissioned the ILO to conduct a labour administration audit for them during October / November 2009 (ILO, 2010). The aim of the audit was to make a rapid assessment to assist the country to improve the efficiency and effectiveness of its labour administration and inspection services. Although the ILO's conclusions and recommendations mainly relate to organisational structure, it is noteworthy that creating a new legal basis, improved linkages between policy making and service delivery, extended human and financial capacity for its employment services, expansion of online availability and integrated skills development all featured prominently, as in this report.

2.6 Conclusion

This chapter explored the literature on the principles and practices of public employment services from a local and international perspective. It presented the tenets of the neo-classical competitive labour market model and rational choice theory, with its useful explanation of the double-sided asymmetric information problem of the labour market; and criticisms of these (Larsen & Vesan, 2010).

PES systems assist employers and work seekers through legal advice about their rights and benefits, job broking, labour market information, unemployment benefits, vocational training, and special support to disadvantaged populations (Bhorat, 1999). All countries use PES to assist vulnerable populations of work seekers. Many countries in the high- and medium-income bracket have adopted measures to ensure the effectiveness of their PES. The industry in such situations may offer self-service options to work seekers focus on the long-term unemployed and prioritise historically vulnerable individuals. In terms of monitoring and evaluating PES systems, there is a global need to improve mechanisms related to resourcing, labour migration, technology and overall recruitment and selection systems.

Furthermore PES systems internationally have the reputation of not matching the 'right' work seeker to the 'right' employer. This explains why in some contexts they are seen as

a last resort for stakeholders. This challenge is encountered in South Africa. The South African Department of Labour's ESSA intervention aims to address labour-market imbalances by redirecting skills and labour to where they are needed. Continuous monitoring and analysis is needed into labour patterns, needs, targets and skills development, especially as conditions change. This process should improve the quality of advice offered to learners about training programmes and access to work opportunities (Philip & Hassen, 2008).

ESSA has a wide range of intended beneficiaries. These include the unemployed, learners who are ready to leave school and require further training, the underemployed and employers in both the public and the private sectors. Further research on the impact of ESSA and the ESSA databases is required to gauge how to improve service provision to the intended beneficiaries.

CHAPTER 3: METHODOLOGY AND RESEARCH METHODS

3.1. INTRODUCTORY REMARKS

The study is going to be conducted in Mthatha from the people that are in the Employment Service database as workseekers, officials of Department of Labour and few employers around Mthatha. The study will be assessing/evaluating the impact of Public Employment Service.

3.2. RESEARCH AND DESIGN

The research is not going to be conducted with one method of collecting data. Martyn Denscombe (2002:103) states that data need to be sufficiently precise and detailed in terms of the specific purpose of the research. This aspect of the issue of accuracy highlights the fact that it is not only necessary to be measuring the right thing in research, it is also necessary to do so with sufficient detail and precision to make the results of some value. This relates to both qualitative and quantitative data. It is as important for precise and detailed data to be held about interviews and focus group discussions as it is for observational results from a laboratory experiment. Vague and woolly data, in either case, reflect a poor methodology.

Earl Babbie et al (2009: 49) believes that when we talk about the quantitative paradigm in social science, we have a number of related themes in mind. These would include an emphasis on the quantification of constructs. The quantitative researcher believes that the best, or only, way of measuring the properties of phenomena (e.g. attitudes of individuals towards certain topics) is through quantitative measurement, i.e. assigning numbers to the perceived qualities.

Qualitative studies usually aim for depth rather than 'quantity of understanding'. Studies are conducted in settings that are bound by the theme of the inquiry and these cannot usually be extensive unless there is a large team of investigators.

3.3. SAMPLING METHOD

Babbie & Mouton (2001:100) define population as the group of participants from whom conclusions are to be drawn. Welman & Kruger (2001:46) further says the population is the study object which may be individuals, groups, organizations, human products and events or conditions which they are exposed. The size of the population then determines whether it would be appropriate to include all members of the population or not. Other issues to be given consideration during choosing the population are those in relation to time and cost effectiveness.

The researcher is going to interview 40 respondents (workseekers) and six (6) Department of Labour – Mthatha officials. The database consists of three thousand workseekers that are from Mthatha and surrounding towns. The research will be costly if the Researcher interviews the entire people that are in the database. People that are going to be interviewed will then represent the entire workseekers that are in the database.

For the purposes of this study, purposive sampling is going to be used to select 40 people (workseekers) in order to find out their views. The purpose is to find credible information from relevant individuals. According to Huysamen (1994:44), purposive sampling is the most important type of non-probability sampling. Judgement or purposive sampling gives the researcher a chance of selecting cases with a specific purpose. The benefits of using purposeful sampling include (Newman 2000:198):

- The researcher uses it to select cases that are especially informative.
- A researcher can use it to select members who are difficult to reach, or a
- Specialized population.
- A researcher can identify certain types of cases for in-depth investigation.

3.4. DATA COLLECTION AND ANALYSIS

The questionnaire has been developed for the study and the respondents will be required to answer it.

The researcher will begin with a structured form of questionnaire to collect data. In this

questionnaire, open ended questions will be used for the purpose of conducting a qualitative study and these set of questions will be meant for DoL officials.

Barbie (2007:153) defines questionnaire as “an instrument specifically designed to elicit information that will be useful for analysis”.

Close ended questions have been combined in the survey study in which respondents (workseekers) will be asked to select an answer from among list provided by the researcher.

3.5 CODEBOOK

According to Creswell (2005:175), one procedure that can aid one in assigning scores to the responses is with the use of a codebook. A codebook is a list of variables or questions that indicate how the researcher will code or score responses from an instrument or checklist. The following is the presentation of the questionnaire results from respondents (workseekers and DoL officials in Mthatha).

In section A “Analysis from workseekers response:

Table 1

Age group	Frequency	Percentage
16-25	13	32.5
26-35	18	45
36-55	6	15
56-55	3	7.5

Figure 3.1 Age group

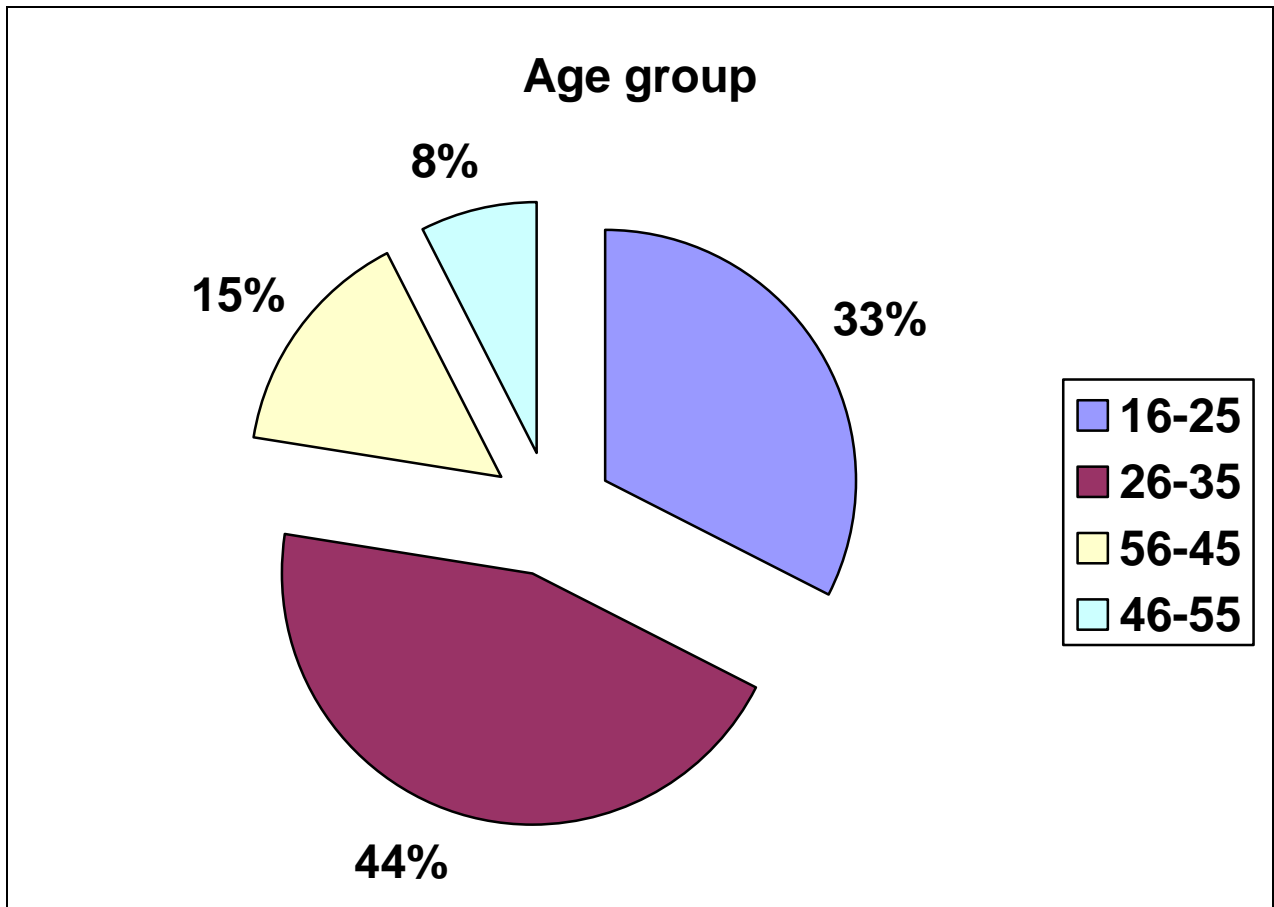


Table 1 and graph 3.1 illustrate that the majority of people that are in Employment Service database and using PES service are aged between 26 and 35 with a percentage of 45% followed by those that are aged between 16 and 25 with a percentage of 32,5%. The table also shows that people aged between 36 and 35 and those between 46 and 55 do not have much number in the database as their percentage is 15% and 7.5% respectively.

Table 2

Sex	Frequency	Percentage
Females	28	70
Males	12	30

Figure 3.2 Sex

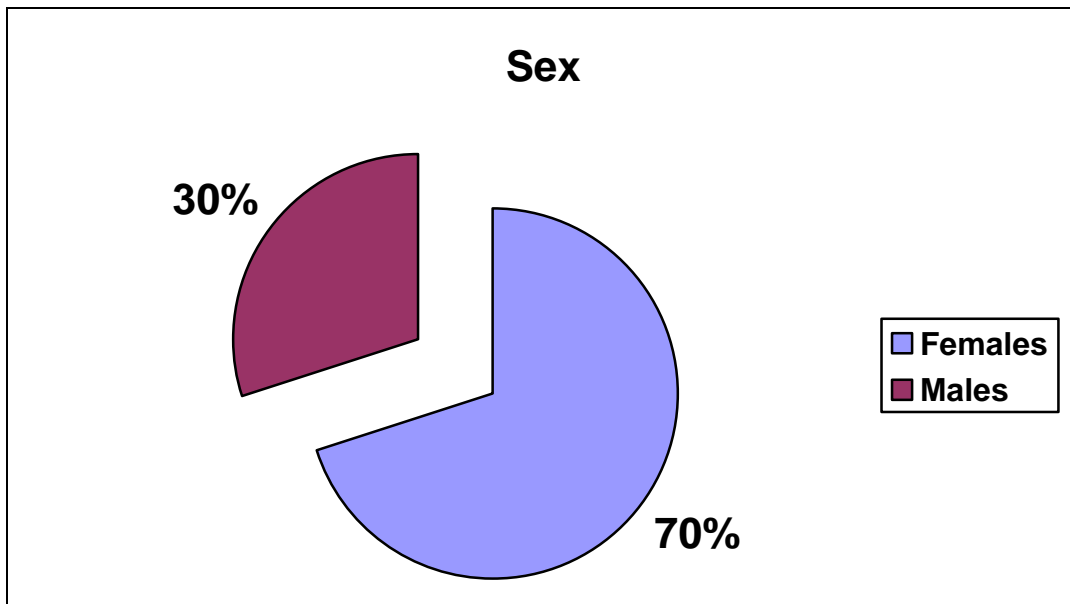


Table 2 and Figure 3.2 indicate that majority of people in ESSA are females with 70% and males are the minority with 30%

Table 3

Race	Frequency	Percentage
Black	40	100
White	0	0
Indian	0	0
Coloured	0	0
Other (Please specify)	0	0

Table 3 illustrate that people that are using the database are black as their percentage is 100%

Table 4

Marital status	Frequency	Percentage
Single	31	77.5
Married	8	20
Divorced	0	0
Widowed	0	0

Living with a partner	1	2.5
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Figure 3.4 marital status

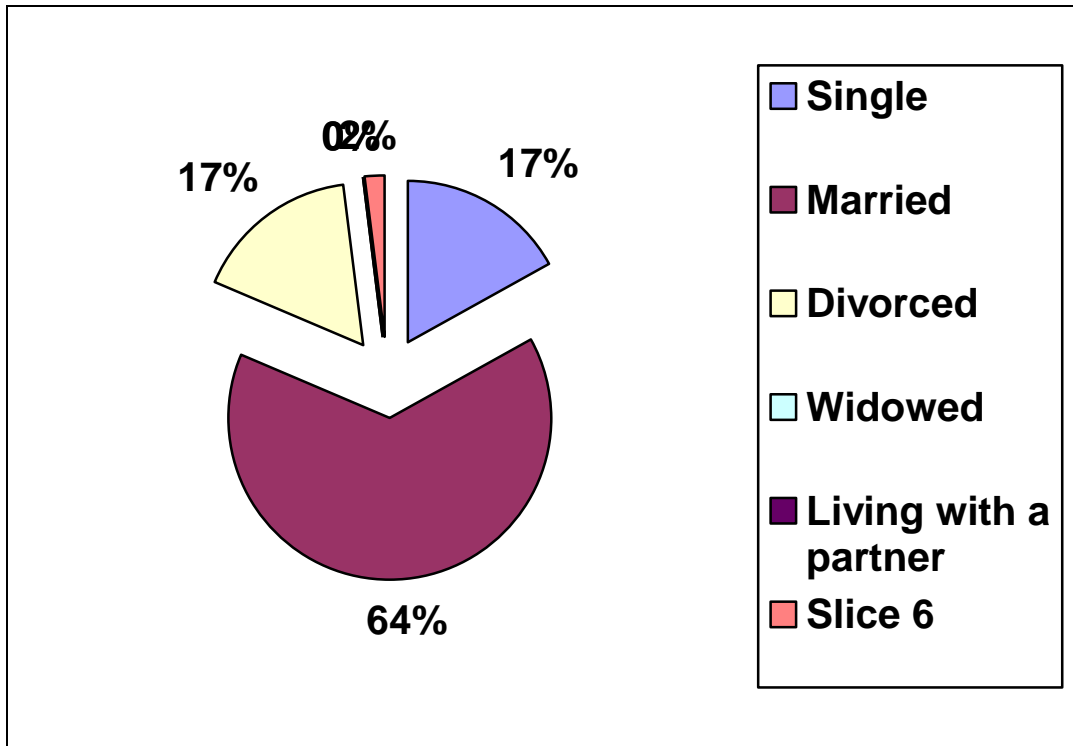


Table 4 and Figures 3.4 illustrate that most people that are unemployed are single with 77.5% followed by married people with 20% and very few of those that are living with partners with 2.5%

Section B of the questionnaire was more on the level of education of the respondents, their work experience, means of looking for a job.

Table 5

Level of education	Frequency	Percentage
Never went to school	0	0
Primary	5	12.5
Secondary	11	27.5

Tertiary	18	45
Post-graduate	6	15

Figure 3.5 Level of education

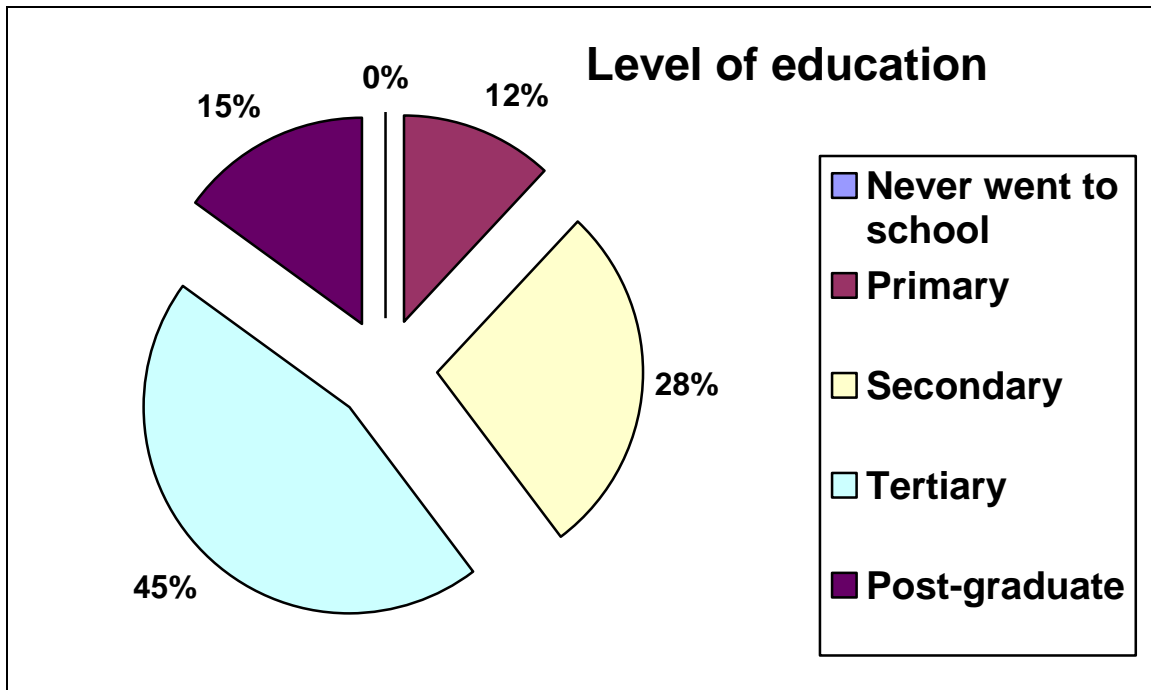


Table 5 and Figure 3.5 illustrate that majority of people that are in the database have at least a junior degree or a diploma with 45%, followed by those who went to secondary school with 27, 5% and then those with post-graduate diplomas/degrees with 15% and lastly primary school leavers with 12.5%.

Table 6

Period unemployed	Frequency	Percentage
Less than a year	8	20
One year	8	20
Two years	9	22.5

Three years	7	17.5
Above three years	8	20

Figure 3.6. Period Unemployed 1

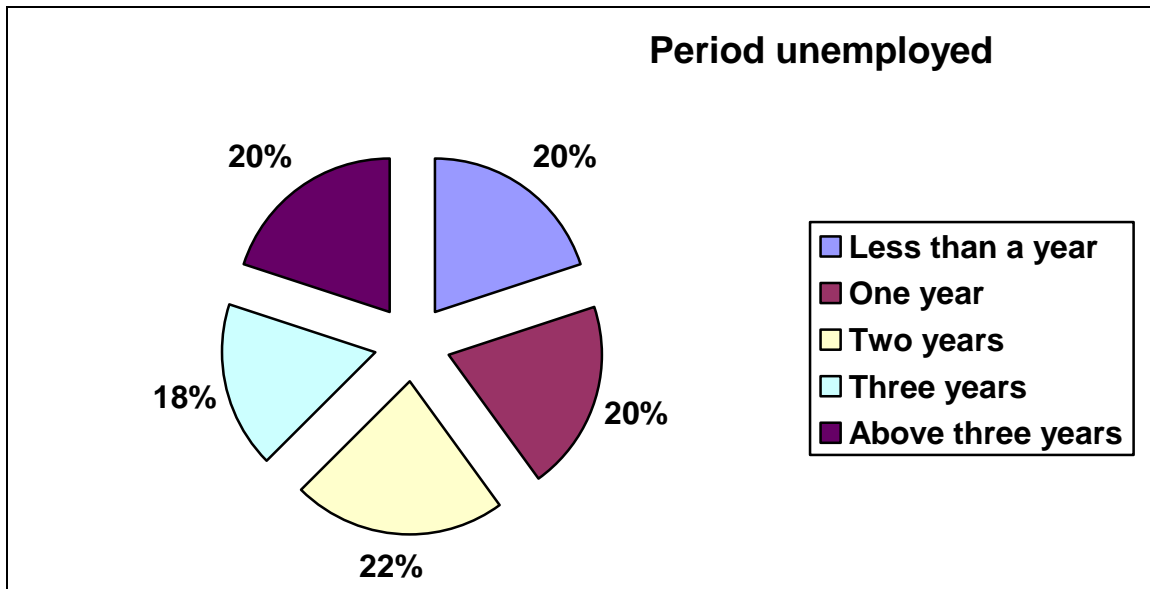


Table 6 and figures 3.6 illustrate that majority of respondents have been unemployed for unemployed for quite a number of years whereas a 22.5% shows that other have been unemployed for two years and 17.5% shows that some have been unemployed for three years

Table 7.

Work experience	Frequency	Percentage
Never worked	6	15
Less than a year	11	27.5
1-3 years	14	35
More than 3 years	9	22.5

Figure 3.7 Work experience

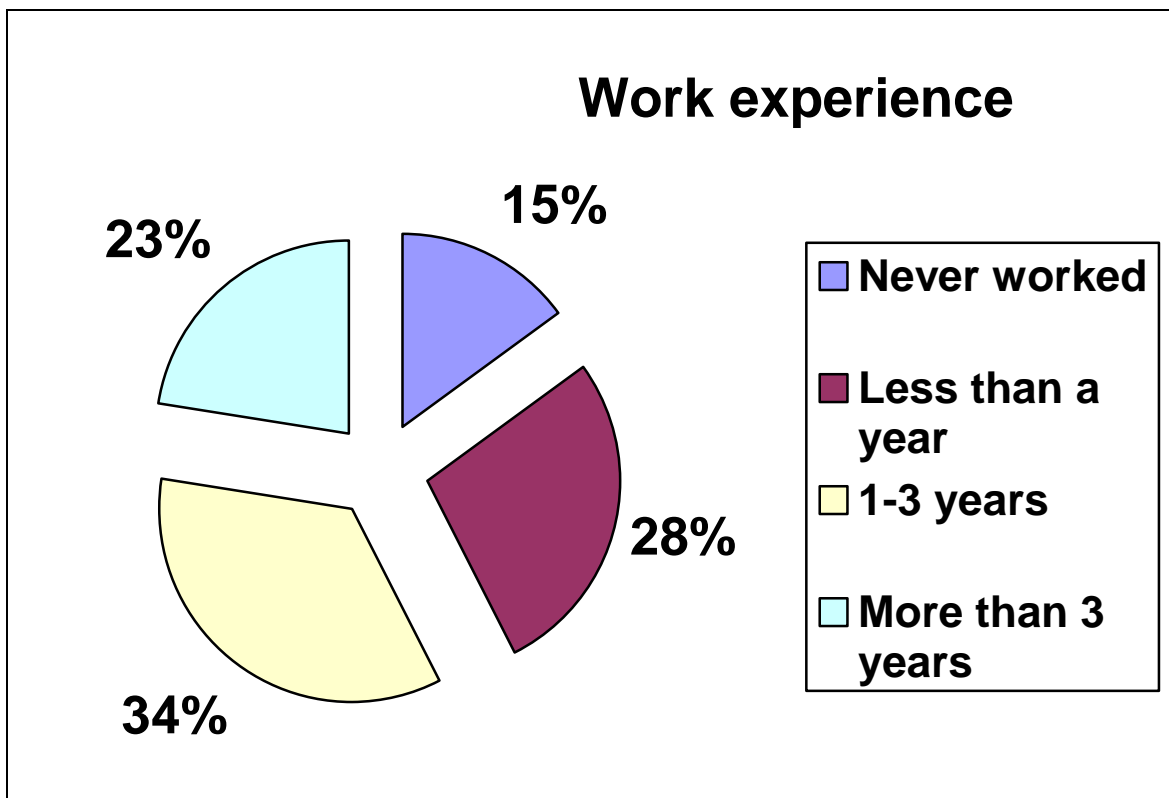


Table 7 and figure 3.7 illustrate that a majority (35%) of respondents have a work experience of between one (1) and three(3) years, 27.5% have less than a year experience, 22.5% have more than three(3) years of work experience and 15% have never worked before.

Section C and D of questionnaire which was distributed to clients and officials respectively. Section C ask them about the knowledge of PES and section D checks the general feeling of officials about the service.

Table 8

Means of looking for a job	Frequency	Percentage

Newspaper	-	-
Private Employment Agencies	-	-
Notice boards	-	-
Word of mouth	-	-
Dept of Labour	-	-
Radio	-	-
All of the above	40	100

Figure 3.8

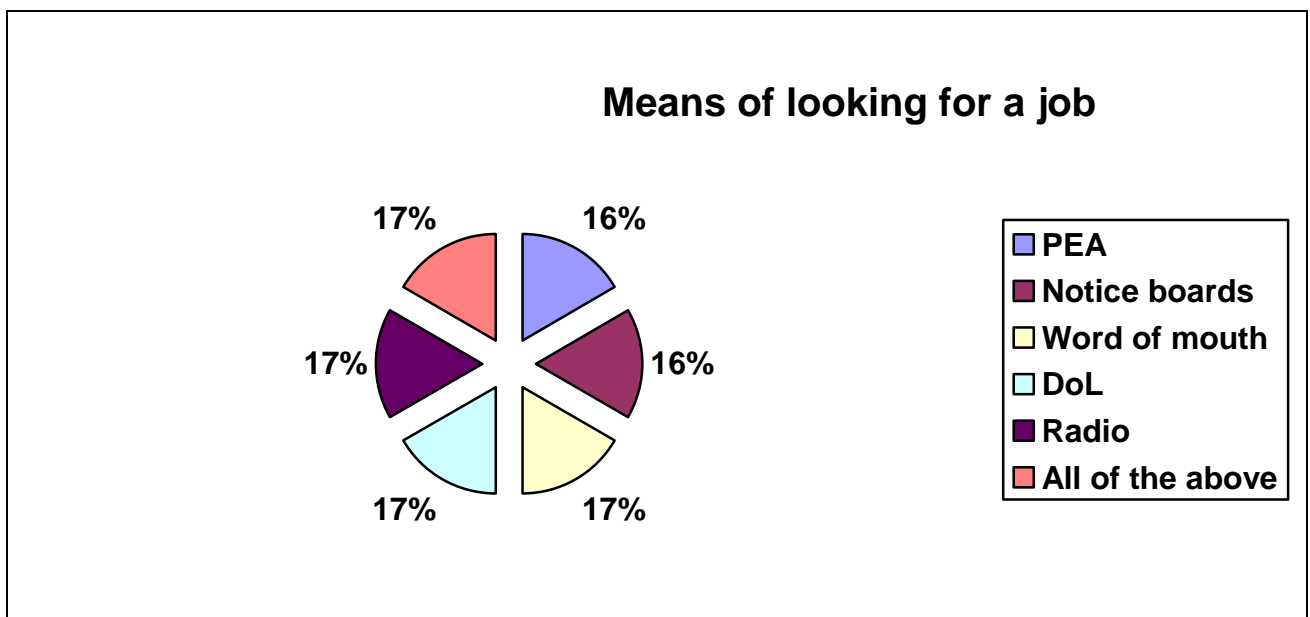


Table 8 and Figure 3.8 illustrate that respondents use all means of looking for a job at that are available at their disposal

Table 9

Where did you hear about PES services?	Frequency	Percentage
From a friend	15	20
Media	0	0
DoL official	20	50
Other (please specify)	5	12.5
Information sessions		

Figure 3.9

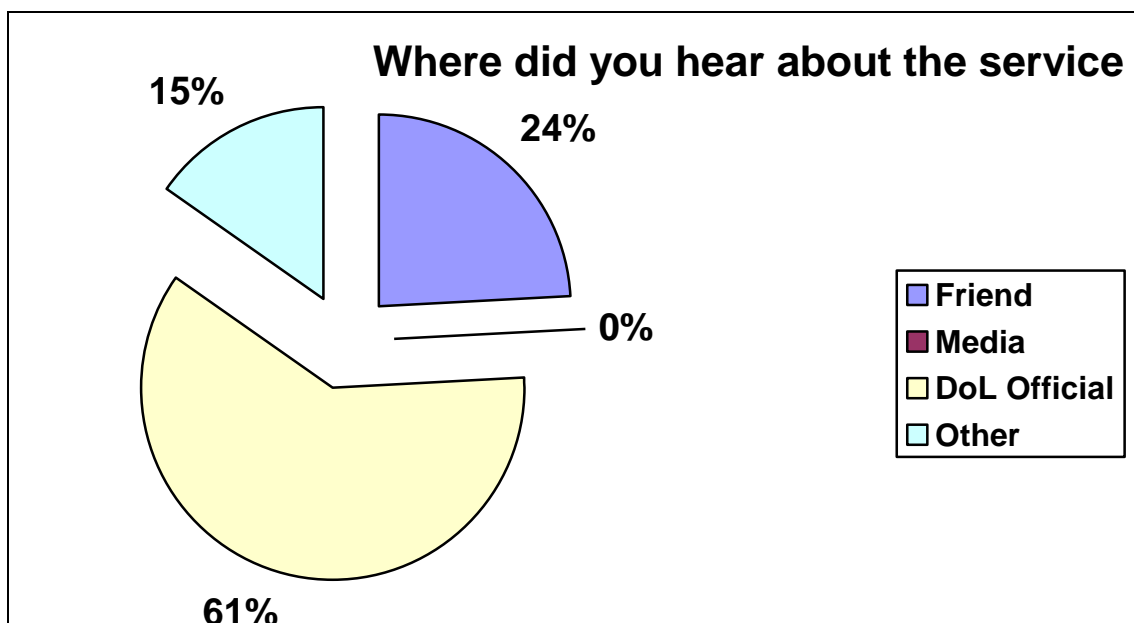


Table 9 and Figure 3.9 illustrate that majority (50%) of respondents hear about the service from a DoL officials, 20% hear it from a friend and 12.5% got the information from attending information sessions/imbizo.

Table 10.

Number of years in ESSA	Frequency	Percentage
Less than a year	8	20
One year	7	17.5
Two years	11	27.5
Three years	8	20
More than three years	6	15

Figure 3.10 No. of years in ESSA

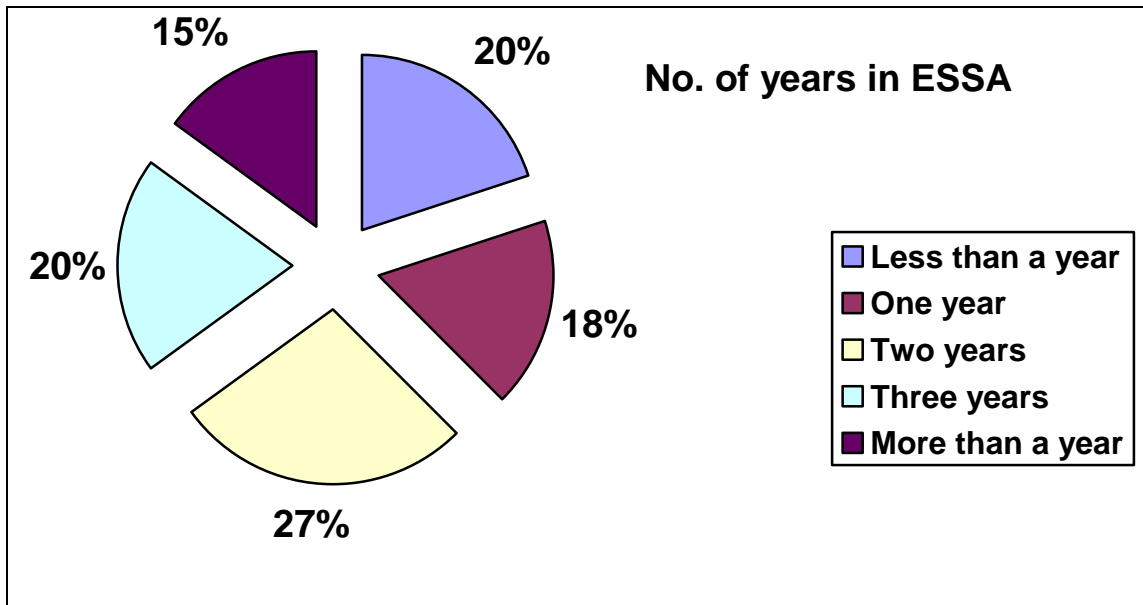


Table 10 and Figure 3.10 illustrate that 27.5 respondents have been in the database for two years, 20% have been in the database for three years, 17.5% for one year and 15% have been registered for more than three years. **Table 11.**

Have you ever received job hunting skills from DoL	Frequency	Percentage
Yes	36	90
No	4	10

Figure 3.11

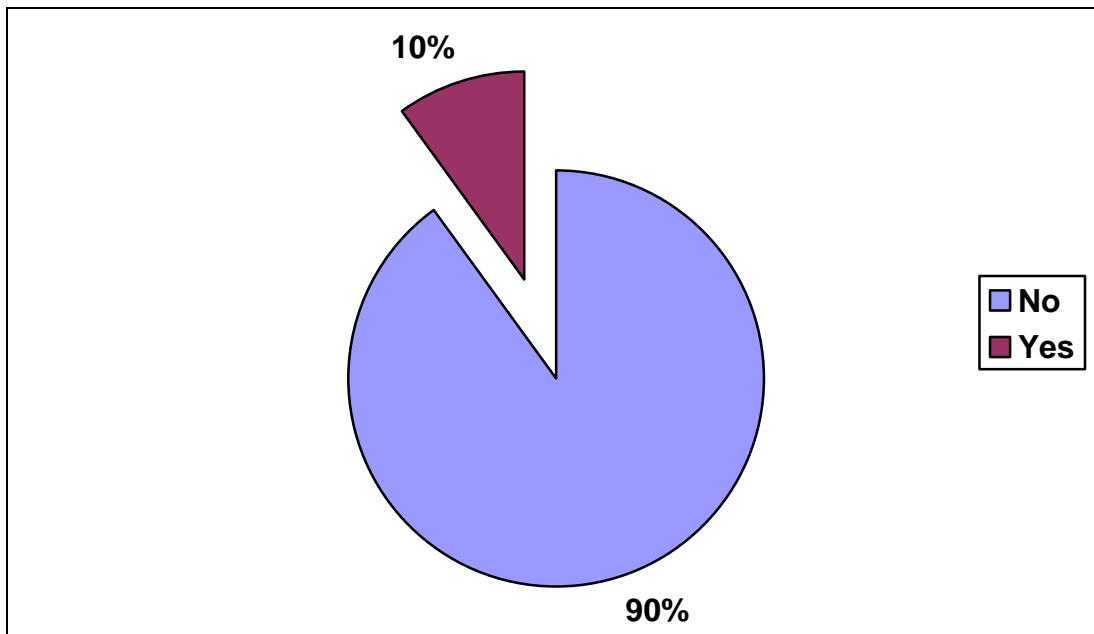


Table 11 and Figure 3.11 illustrate that the majority (90%) of respondents have received job hunting skills and only 10% did not receive them.

Table 12

Have you ever been called for employment by DoL	Frequency	Percentage
Yes	8	20
No	32	80

Figure 3.12

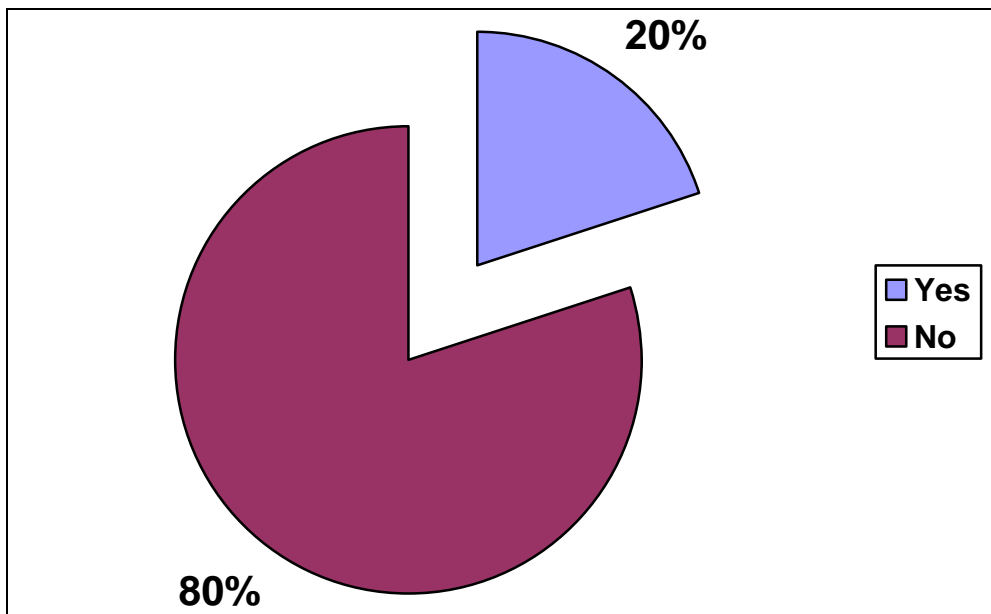


Table 12 and Figure 3.12 illustrate that very few workseekers have been called for employment opportunities by DoL and the percentage is 20% where 80% has never been called for employment.

Table 13.

If yes, what type of a job	Frequency	Percentage
Permanent	0	0
Contract	3	37.5
Learnership	3	37.5
Internship	2	25
Project	0	0

Figure 3.13 Types of jobs

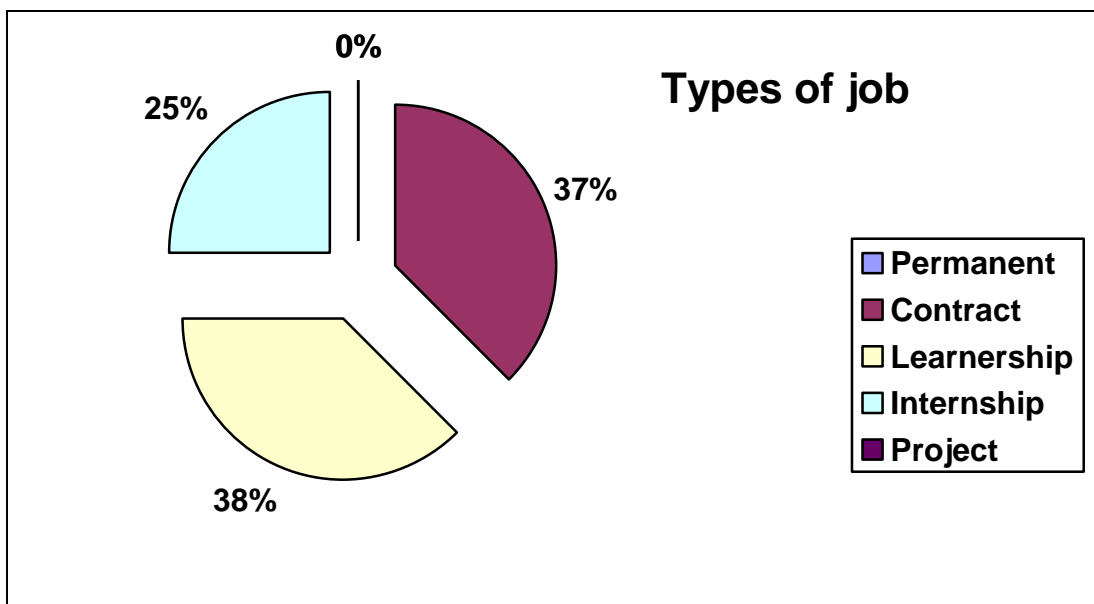


Table 13 and Figure 3.13. Illustrate that the prevalence of job opportunities is the contract and learnerships with both 37.5% each and then internship with 25%

Table 14

How do you find PES service?	Frequency	Percentage
Very effective	8	20
Effective	10	25
Not effective	12	30
Not sure	10	25

Figure 3.14 Effectiveness of PES

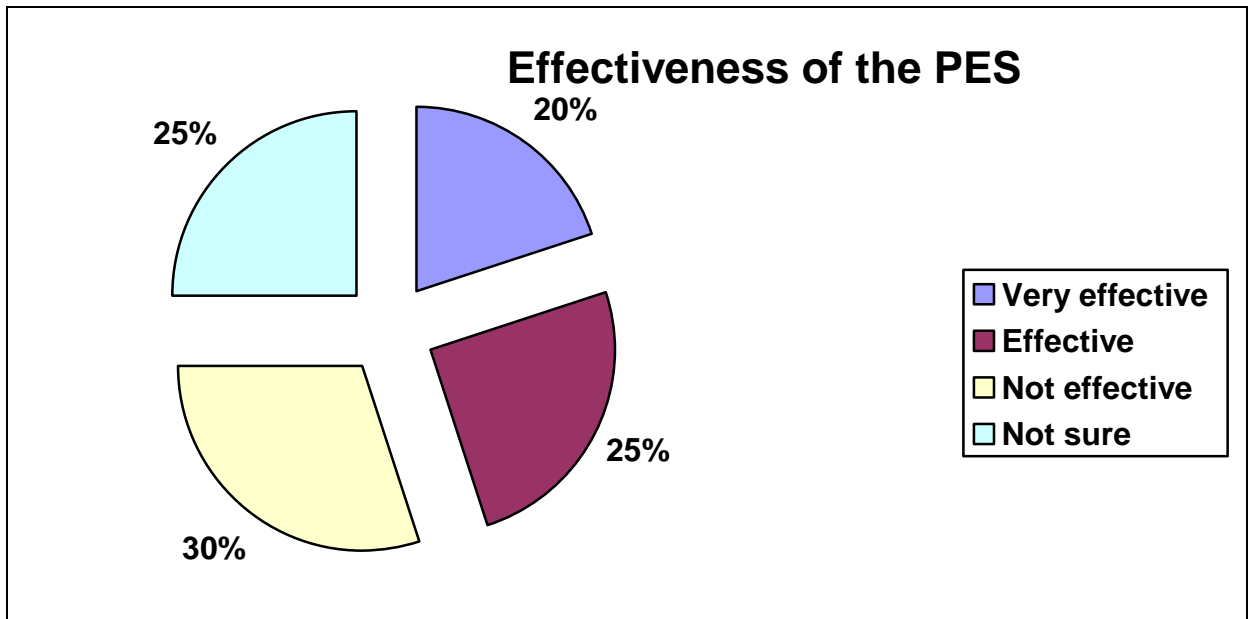


Table 13 and Figure 3.14 illustrate that respondents find the service to be ineffective as the percentage is higher and it is 30% followed by 25% in others

ANALYSIS OF RESPONSES FROM OFFICIALS IN THE DEPARTMENT OF LABOUR

The respondents were the four Employment Service Practitioners and a Career Counsellor. It was evident that most of these officials have been with the Department for quite some time, dating back from 1992 till 2009. When Public Employment Service was introduced in 2009 all of these officials were already with the Dept.

When asked about the transition from ESDS to PES none of them had a positive response on this one as they were complaining that they were not part of the teams that were deciding on who is going to do what and they made it clear that there undergone no training that will help them in executing of the new duties (PES) instead of the old Skills Development.

Even if the situation is not as conducive as they would like it to be but they are happy with the turn out of the clients that come to register in numbers in the database and also showing the enthusiasm in the service. They offer Career guidance (job hunting skills) to the clients that will help them to improve their employability likelihood.

They complained that they do not get a positive feedback from the employers. Employers prefer using the Private Employment Agencies (PEA) than their database. When asked what could be reason they alluded to the fact that most of their workseekers do not have work experience and some are Unemployment Insurance Fund claimants who have little education. Employers also complain that DoL workseekers are not pre-screened as those of the PEA's

In general they said the intention of the service as good because it is also free as compared to those of their counterparts (PEA). Other challenges that they are faced with are that the service is not legislated and the system (Employment Service of South Africa) sometimes has IT challenges. For instance a person would request workseekers in the database and the system will extract those workseekers after 24 hours

CHAPTER 4: FINDINGS, RECOMMENDATIONS AND CONCLUSION

4.1 INTRODUCTION

This chapter offers the findings, recommendations and conclusion of the empirical study undertaken at the Department of Labour – Mthatha in Eastern Cape Province. The aim of the study was to evaluate the impact of Public Employment service in Mthatha. A sample of 40 workseekers/respondents was drawn and all the officials at the Public Employment Service section were also interviewed. This chapter will show the findings of this study and the recommendations thereof.

4.2 FINDINGS

Observing from the responses of the questionnaires it is evident that most people that are unemployed and in the Department of Labour database are the female youth that are not married. Most of these people do have the tertiary qualification that increases their chances of being employed, but due to the fact that employers want people with

work experience they find it difficult to obtain employment as they do not have much work experience as needed by the labour market.

They make use of all means of looking for a job at their disposal and mostly are reliable on DoL database. As much as they have received the job hunting skills from DoL but did not do much in their employability chance as they are still in the pool of unemployment. But most of them have commended the job hunting skill service as having helped them on even how to prepare Curriculum vitae and also prepare for a job interview.

Some of them are losing faith in the database as they have been in it for quite sometimes and are still unemployed and have never received any positive feedback that says they have been matched with a certain job opportunity. Even those that have been referred complained that it is either a contract or an internship programme that takes a year and after that a person will look for a job again. It was also deduced from their responses that the Department of Labour is not doing much in publicising the service to the entire communities as they would really rely on word of mouth.

Responses from the questionnaires from the DoL official shows that they have been with DoL for quite sometime and they have been there even in the inception of the service and therefore might know much. Even though, they mentioned that if they can be offered training based on marketing, maybe that would also enhance their skills in trying to sell the service to the stakeholders and employers.

Officials are complaining that the employers are very reluctant in using the database and that makes their job to be ineffective as they depend on them to reduce the number of workseekers in the database. Some of the reason for their reluctance is that they already use the Private Employment Agency. The officials also highlighted that the enactment of the service can, at least, bring some change as they would have a legislation to base their argument on when they are going out there to canvass for job opportunities.

One other challenge is that of the IT, as the system is new not everything is included as the required information when capturing the workseeker and job opportunity. The

system is also slow as it gives the capturer he requested workseekers after 24 hours and sometimes the employer will want the workseekers immediately.

4.3 - RECOMMENDATIONS

After the empirical study in the Department of Labour the Researcher made the following recommendations:

- fill the present regulatory and legislative vacuum
- provide further training in the technical aspects of implementing ESSA to enhance accurate capturing and more competent searching and matching
- eliminate system failures and shortcomings, slow processing speeds and off-line time, in particular through enhanced service levels from the systems support service provider,
- The DoL should address issues of data quality in the ESSA system by improving data management and data capturing at labour centres.
- Motivation of staff as their see to be demotivated
- A massive marketing of the programme to both the workseekers and employers.
- Clear outlining of the service offered to employers so that they can make use of the service by employing people from DoL database.

4.4 SUMMARY OF CHAPTERS

In chapter 1 an introduction of the study was done. The outlining of the study to be undertaken, the problem statement and the objectives of the study was also written in this chapter. It gave an overview of what kind of study is going to be undertaken.

Chapter 2 was the Literature Review where the researcher was talking about the literature related to the study.

Chapter 3 was the methodology that dealt with the research design, the kind and way of sampling for the study and also how the data is going to be collected and analysed.

Chapter 4 gave an emphasis on the results of the study after the data was analysed and the recommendations thereof.

4.5 CONCLUSION

The conclusion drawn from the study was that Public Employment Service is not doing justice at this point in time in reducing the unemployment in Mthatha area. Reasons are the internal issues that need to be dealt with by the Department of Labour, that include the legislation of the service and training of staff.

It was also deduced that many people that are in the database are not so well educated and have little work experience and therefore makes it difficult to be absorbed by the labour market.

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ANNEXURE A



(Questionnaire for workseekers)

Instructions:

The purpose of this interview is to **Evaluate the impact of Public Employment Service as administered by the Department of Labour in Mthatha**. The information will be treated confidentially as a result your name is not required. Just put an X next to the appropriate box and give explanation where necessary/required.

Researcher : Ntandokazi Miranda Mntuyedwa

Section A: Demographic information.

Please tick with an X in a relevant box

1. Age

Age group	
16-25	
26-35	
36-45	
46-55	

2. Sex

Female	
Male	

3. Race

Black	
White	
Indian	
Coloured	
Other... (please specify)	

4. Marital status

Single	
Married	

Divorced	
Widowed	
Living with a partner	

SECTION B (Level of education and work experience)

1. Level of education

Never went to school	
Primary	
Secondary	
Tertiary	
Post-graduate	

2. Period unemployed

Less than a year	
One year	
Two years	
Three years	
Above three years	

3. Work experience

Never worked	
Less than a year	
1-3 years	

More than 3 years	
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SECTION C (Knowledge about Public Employment Services)

1. Means of looking for a job

Newspapers	
Private Employment Agency	
Notice boards	
Word of mouth	
Dept of Labour	
Radio	

2. Where have you heard of PES service?

From a friend	
Media	
DoL official	
Other (specify)	

3. How long have you registered in the database?

Less than a year	
One year	
Two years	

Three years	
More than three years	

4. Have you ever received career guidance (Job hunting skills) from DoL?

Yes	
No	

5. Have you ever been called for employment by DoL?

Yes	
No	

6. If you answered yes above please indicate what type of a job was it

Permanent job	
Contract	
Learnership	
Internship	
Project	

7. How do you find the service from the Department of Labour?

Very effective	
Effective	
Not effective	
Not sure	

Thank You for Your Participation

ANNEXURE B



(Questionnaire for DoL officials)

Instructions:

The purpose of this interview is to **Evaluate the impact of Public Employment Service as administered by the Department of Labour in Mthatha**. The information will be treated confidentially as a result your name is not be required. Just put an X next to the appropriate box and give explanation where necessary/required.

Researcher : Ntandokazi Miranda Mntuyedwa

Section A.

1. How long have you been working for the Department of Labour?

2. How long have you been in PES section?

3. What is the feedback of clients regarding the service?

4. What is the feedback from the Employers/Opportunity providers?

5. What is your general feeling of services rendered by PES?

6. Have you ever received any training related to PES and how was the training?

ANNEXURE C

The Manager
Department of Labour
Mthatha
Eastern Cape



Dear Madam

REQUEST FOR PERMISSION TO UNDERTAKE RESEARCH

I am currently a student at Nelson Mandela Metropolitan University doing Masters Degree in Development Studies. My studies include a treatise with the following research topic: The evaluation of the impact of Public Employment Service as administered by the Department of Labour in Mthatha. The main purpose of this study is to find out if the workseekers and employees of the Dept of Labour in PES do find the service to be effective and bringing change in their lives.

I would like to request the workseekers and officials in PES to participate in this research by completing a questionnaire. Participation is voluntary with the option of

withdrawing at any stage of the process and there will be no negative consequences linked to non-participation.

Their responses will be used for the purposes of the study only and I undertake to ensure that the information will be used in such a way that they cannot be identified. Therefore, the final report will not include identifying information. Participants are not obliged to answer all questions. If they feel uncomfortable to answer any question, they may not answer it. By participating in the study, they would contribute towards the improvement of the service rendered by Public Employment Services.

Yours faithfully

Ntandokazi M Mntuyedwa
Nelson Mandela Metropolitan University

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