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## **A foot in the door: are NGOs effective as workplace intermediaries in the youth labour market?**

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*It has been argued that properly focused workplace intermediaries can reshape the labour market to become more youth friendly. Case studies of NGO intermediaries in South Africa offer some optimism but also caution in this regard. Although the intermediaries were able to match unemployed youth to jobs, smooth the transition to work and even positively influence employers' reticence, they are small in scale and costs are high – and they have yet to broker larger pacts to add more jobs.*

### **Introduction**

Workplace intermediaries (WIs) function to match people to job opportunities. If nothing else, they may simply identify a suitable person for an available position. But the function of an intermediary can include much more – such as providing support to potential employees before and after recruitment, getting to understand the needs of industry and convincing employers to hire specific categories of people. At best, WIs may help to expand the number of job openings.

Kraak (2015a) argues that, because the labour market is a socially constructed space, it is possible for workplace intermediaries to *actively* change demand-side conditions and employers' reticence, thereby reshaping the labour market into a more youth friendly stance (see the article by Kraak on [Econ3x3](http://www.econ3x3.org), Sept. 2015). This article presents the results of an assessment of interventions by South African non-profit organisations (or NGOs) which specifically aim to open up employment opportunities to young new entrants into the labour market (Dieltiens 2015). The article examines the extent to which these interventions attain the potential of 'active' labour-market strategies that go beyond simple job matching

## What do these NGOs do?

NGOs may have a number of advantages over both market-based and government-employment initiatives. Because their activities are often on a smaller scale than government initiatives and are not driven to meet large targets, they have the flexibility to experiment with new ideas without the burden of bureaucratic procedures. On the other hand, they often have donor funding and so are free from pursuing market- or profit-driven objectives. They can therefore offer a broader range of services to the unemployed youth than commercial employment agencies could.

Nine NGO workplace intermediaries (NGO-WIs) were selected from a search of Prodder’s website database of NGOs and following the advice of those in the sector. Most were relatively new organisations or were organisations that had recently adopted the role of WI in response to the high prevalence of youth unemployment.

The table provides a brief outline of nature and scope of each. They vary considerably in terms of their scope, focus and range of interventions (also, not shown, in terms of scale, cost and funding sources). Correspondingly, the extent to which they go beyond ‘job matching’ to actively address demand-side conditions and employers’ reticence varies a great deal. Only a few go beyond recruitment, matching and training.

NGO intermediary	Focus of intervention
<b>Ambassadors Youth &amp; and Community Development</b> (Web-based)	<ul style="list-style-type: none"> <li>▪ Multi-faceted website with free online recruitment services for those who are able to use computers and cell phones.</li> </ul>
<b>Action Volunteers Africa</b> (Western Cape)	<p>Offers one-year volunteering positions in NGOs as a transition to finding full-time work.</p> <ul style="list-style-type: none"> <li>▪ Small subsidy to NGOs to cover costs of the management of the volunteers.</li> <li>▪ Small stipend to volunteers to enable them to work.</li> <li>▪ Hand-holding support throughout the volunteer period.</li> <li>▪ Formalised training and development via monthly motivational forums.</li> </ul>
<b>Dinaledi Alumni</b> (North West)	<ul style="list-style-type: none"> <li>▪ Advocacy campaigns to encourage government and business to employ graduates.</li> <li>▪ Database of unemployed graduates.</li> </ul>
<b>Fetola: The Graduate Asset Programme (GAP)</b> (Western Cape/web-based)	<p>Matches graduate interns with SMEs looking for certain skills.</p> <ul style="list-style-type: none"> <li>▪ <b>Web-based candidate selection.</b> A web portal for businesses to find, assess, recruit and support interns.</li> <li>▪ <b>Work-readiness training.</b> Office readiness (MS Office, telephone, productivity) and fundamental skills (driving, English for business).</li> <li>▪ <b>Post-placement support.</b> Intern mentorship (once per week).</li> </ul>

<b>Harambee</b> (Gauteng)	<ul style="list-style-type: none"> <li>▪ <b>Contracting</b> with employers around available jobs.</li> <li>▪ <b>Sourcing</b> youth who are most in need of employment.</li> <li>▪ <b>Matching</b> candidates to different pre-contracted jobs and employers (psychometric profile, interest, competence and commitment).</li> <li>▪ <b>Bridging</b> of candidates (5-30 days) to address their behavioural and basic competence gaps re the world-of-work.</li> <li>▪ <b>Placing</b> candidates with appropriate basic skills and behaviours into pre-contracted jobs.</li> <li>▪ <b>Mentoring/coaching</b> candidates <i>and</i> employers to increase the likelihood of candidates' integrating and performing in their first job.</li> </ul>
<b>Itshepeng Skills &amp; Development Centre</b> (Gauteng)	<ul style="list-style-type: none"> <li>▪ Sourcing opportunities and placement of youth in low-level jobs.</li> <li>▪ Manages work schedules and payments.</li> </ul>
<b>Red Cap Foundation/Jumpstart</b> (National)	<ul style="list-style-type: none"> <li>▪ Life skills training (career guidance, customer service, job readiness, psychological area, etc.).</li> <li>▪ Basic assessment of the candidates, then six-day work experience at a retail store.</li> <li>▪ Targets underprivileged matriculants between the ages of 18 and 30.</li> </ul>
<b>Revolution Labs (RLabs): Grow Leadership Academy (GLA)</b> (Western Cape)	<ul style="list-style-type: none"> <li>▪ Six week social entrepreneurship training to 18-25-year-old unemployed youth, free of charge.</li> <li>▪ Candidates' business solutions to a social problem are evaluated; best candidates placed with professionals in industry for a week. Best three then nurtured in innovation incubator.</li> </ul>
<b>Youth Cafés</b> (Partnership between RLabs and WC Dept. of Social Development)	<ul style="list-style-type: none"> <li>▪ Café where the youth (between 16 and 25 years) can interact and attend life skills training sessions. Computer, Internet and printing facilities.</li> </ul>

## Jobs for unemployed youth: obstacles and intermediary support provided

Broadly speaking, the nine NGOs that were part of the study gave six explanations for youth unemployment:

- the youth lack technical and soft skills;
- employers are reluctant to employ young people who have no experience in the workplace;
- a lack of information on vacancies;
- the high cost of searching for work;
- low availability of jobs; and
- a lack of political networks to get jobs in the public sector.

A range of interventions were offered to break through the perceived obstacles to the youth's finding and holding a job. The solutions that were designed by the NGOs reflect the cause that they believe in most.

The most familiar explanation for youth unemployment is that young people lack the skills and experience that employers are looking for. Businesses are reported to complain that young people are not socialised into the habits and routines of work-life.

Accordingly, skills training – especially in 'soft' skills – is a central service offered by the NGOs. Personal development is often seen as a necessary first step in training young people for the workplace. Understanding that many young people have suffered trauma, family breakdown, have had few role models and lacked ambition, and getting young people to face the daunting prospect of impressing would-be employers begins with building their confidence and self-esteem. (Most intermediaries avoid training candidates in hard technical skills, considering it the role of the employer. Only one intermediary trained young people in ICT skills.)

On the demand side of the labour market, the problem is seen less as deficits of the youth but rather as the frosty attitude of business towards young people with little experience, untested in the workplace. Some NGO-WIs try hard to reassure employers who are averse to hiring young people. Several NGOs conduct stringent selection processes to filter out unlikely candidates. Other intermediaries make an effort to get to know the industry and the employers' needs and try to carefully match their recruits. Some intermediaries try to persuade employers to accommodate the training and other needs of entry-level workers. Since survival through the first year of employment is a crucial test of long-term employment, a few of the intermediaries, having got the youth into jobs, continue to offer mentoring support into the early months of employment.

In some cases, it was the breakdown in the linkages between the unemployed and possible openings that had to be solved – a problem of information sharing as well as the cost of searching for a job. Young people do not know where to look for openings or how to apply. The unemployed youth, especially those outside urban centres, do not have access to print media and Internet cafés and simply do not know about job openings or application procedures. Neither do young people from disadvantaged backgrounds have the networks to introduce them to potential employers. A few of the NGO-WIs help young people to search for jobs. They set up social media platforms to share information on vacancies, provide guidance through application procedures, and give young people the resources to get to interviews and look

presentable. One of the NGO-WIs has established 'youth cafés' that offer a trendy space where youth can access the Internet and find printing facilities. To pay for these and other services (such as hair-cuts and train tickets) young people can earn a virtual currency through volunteering at an NGO or attending a self-development workshop.)

Neither young people nor businesses' attitudes nor procedural hurdles play a role in the final explanation for unemployment amongst the youth: instead, the problems of youth unemployment are rooted in the structural conditions of the economy. There simply are not enough jobs. But that pessimistic assessment sometimes gives rise to innovative solutions. If jobs are unavailable, then work has to be created. One intermediary encourages 'social entrepreneurship', in which young people design technical solutions (that could be profitable) to social problems. In this way the unemployed youth could become self-sufficient. Unfortunately, the lead-in time to successful, sustainable social enterprises can be long, leaving young people without the financial support to see it through. Therefore it seems like a difficult model to take to scale.

## Conclusion

Case studies of non-profit workplace intermediaries in South Africa offer some optimism but also some caution regarding the potential 'active' role of such organisations in addressing youth unemployment.

On the one hand, the NGO-WIs have been chipping away at the youth unemployment figures through a combination of selection, training and mentoring the unemployed youth and persuading businesses to risk new entrants. There are many individual success stories. Although the sector is still relatively young, they have shown that youth unemployment can be tackled by investing time and resources in young people while at the same time convincing businesses to risk hiring untested novices.

But, on the other hand, the exact scale and success rate of the NGO-WI initiatives are difficult to verify – monitoring and evaluation systems are generally inadequate or imperfect. A couple of the NGOs are quite large and deal with thousands of candidates over several years, while others work with fewer than 50 per year. Generally the scale of the interventions has been small and the costs very high (between R2 000 and R30 000 per placement) (see Dieltiens 2015 for more detail on costs and performance). Or, the jobs that have been created mostly are for

low-skilled employees in the services industry (such as store assistants or workers in call centres or fast food outlets).

None of the NGO-WIs match the best practices of international examples (described by Kraak 2015a;b) in which intermediaries bring together firms, education-and-training institutions and governmental development agencies to increase job opportunities. Moreover, none has taken the next big step for an intermediary, which is to broker a local or regional economic pact that would substantially add more jobs as well as more higher-skilled jobs.

This might be due to the absence of an enabling economic policy environment in which the intermediary function can thrive. While the labour market might be persuaded to absorb more untested young people, its capacity to swell the number of opportunities is limited without external inducement or without the scaffolding of some kind of economic pact. NGO workplace intermediaries function best in a context where the policy environment is pushing for growth in the labour market.

## References

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