

Generation Evaluation in India and Kenya: Phase I Report

An outcome evaluation of four Generation programs

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Executive summary

Generation is partnering with Mathematica to conduct an independent evaluation of Generation programs in India and Kenya. The evaluation is guided by the following key research questions:

- RQ.1** What outcomes do we find, corresponding to metrics outlined in Generation’s logic model (with a specific focus on learners)? What other metrics might augment our view of impact, especially related to employers and society?
- RQ.2** To what extent does Generation provide employers with talent with alternative profiles (marginalized and/or non-traditional backgrounds versus their job peers)?
- RQ.3** How do the labor market outcomes of Generation learners compare to those of applicants who were not selected for the Generation program?

We are conducting a two-phase evaluation to answer these questions; this report presents the findings from Phase I of the evaluation, which focuses on short-term outcomes for learners in two Generation programs in India (General Duty Assistant [GDA] and Customer Care Executive [CCE]) and two programs in Kenya (Sewing Machine Operator [SMO] and Digital Customer Service [DCS]).

A. Evaluation methodology

The Phase I evaluation has three main components:

Description and validation of short-term employment outcomes for Generation learners. We independently measure the short-term labor market outcomes of Generation learners through a survey of 348 learners from 20 cohorts in India and 280 learners from 11 cohorts in Kenya. We also conduct a validation analysis that compares key outcomes in the survey data to those measured for the same cohorts in Generation’s monitoring data.

Benchmarking of short-term employment outcomes with a comparison group (India only). In addition to describing the short-term outcomes of Generation learners in India, we compare them to those of learners from cohorts of similar programs offered by other public providers across India under the *Pradhan Mantri Kaushal Vikas Yojana* (PMKVY) scheme. Comparison outcomes are measured through a survey of 179 learners in 21 comparison cohorts. These benchmarking

estimates provide valuable context by contrasting the labor market outcomes achieved by Generation programs against those of “business as usual” training programs in the public Indian training system.

Outcomes assessment for employers. We assess short-term outcomes for employers and employers’ perceptions of learner characteristics through semi-structured interviews with a purposefully selected sample of three employers of Generation learners in each of the GDA, SMO, and DCS programs.

B. Validation findings

Table ES.1. summarizes the findings from the validation analysis in both countries. Overall, we were able to largely validate Generation’s monitoring data in both India and Kenya.

Table ES.1. Validation findings

Metric	India	Kenya
Job attainment	<ul style="list-style-type: none"> • Means for 30-day attainment largely align between survey and monitoring data, despite individual-level differences • Means for 60- and 90-day attainment are between 13 and 15 percentage points lower in the survey data relative to the monitoring data, driven by individual-level differences • Using documentary proof of employment to resolve these individual-level differences, we can closely validate job attainment as reported in the monitoring data 	<ul style="list-style-type: none"> • Means for 30-, 60-, and 90-day job attainment are between 12 and 13 percentage points lower in the survey data relative to the monitoring data because of the composition of respondents in the survey data • Because the monitoring data do not suffer from these compositional effects, we can largely validate job attainment as reported in the monitoring data
Job retention	<ul style="list-style-type: none"> • The survey data confirm the high 30- and 60-day first job retention rates reported in monitoring data • We could not assess the alignment of 90-day retention because the sample size is too small 	<ul style="list-style-type: none"> • 30-day job retention is similar in the survey data and monitoring data • 60-day job retention is 13 percentage points higher in the survey data, but the reasons for this are unclear. • We could not assess the alignment of 90-day retention because the sample size is too small
Monthly wages in first job (base wages)	<ul style="list-style-type: none"> • Mean wages align between survey and monitoring data 	<ul style="list-style-type: none"> • Mean wages align between survey and monitoring data

C. Descriptive and benchmarking findings

1. India

About **one-third of Generation learners attained a job within 30 days of graduation and two-thirds attained one within 90 days**. Job attainment among Generation learners is **substantially higher than in the comparison group**, especially for the 60- and 90-day attainment measures (60 versus 23 percent, and 66 versus 21 percent, respectively). In terms of job retention, about **9 in 10 employed Generation learners retained their first job for at least 60 days**, similar to the rate in the comparison group.

Due to a reduction in the number of cohorts funded by the PMKVY scheme during the pandemic, we were limited in our ability to select comparison cohorts in similar geographies as the Generation

cohorts and still meet our sample size targets. Specifically, there were not enough potential comparison cohorts to restrict to the same states as the Generation cohorts. There were also no comparison cohorts for either GDA or CCE in the South region, so we identified comparison cohorts from other regions. Additional analyses suggest that large differences in job attainment between Generation learners and the comparison group remain even after adjusting for regional imbalance between the two samples. Further, large differences in job attainment remain after imposing conservative assumptions about the extent of survey non-response bias, which is a potential concern given the low response rate of about 40 percent for comparison cohorts. This suggests that differences in regional labor market conditions and non-response bias are not driving the differences in job attainment, **improving our confidence that Generation meaningfully improved job attainment relative to “business as usual” programs.** However, we still cannot fully attribute the differences in job attainment to Generation given the possibility of underlying differences in local labor market characteristics (especially for the CCE program), as well as learner and provider characteristics, between the Generation and comparison groups.

Eighty-five percent of respondents’ first jobs were related to their training, a substantially higher rate than the comparison group. More than **two-thirds of Generation learners who found a job had been offered a permanent contract** for their first job; most of the remainder reported a fixed-term contract. Overall, about three-quarters of respondents who found a job were satisfied with their first job. **Job satisfaction was similar in the Generation and comparison cohorts,** despite the much lower job relevance in the latter.

Generation learners in the two programs earned similar mean monthly wages in their first job, at just over 10,000 rupees (135 dollars). (Almost all learners were unemployed and had zero earnings when they entered their program.) For both programs, **mean monthly wages in the first job are higher for Generation learners than the comparison group,** with a larger difference for the CCE program. However, given the difference in geographic location between the Generation and comparison groups, we cannot rule out that these wage differences reflect different labor market conditions rather than the effects of Generation.

2. Kenya

About **four in ten Generation learners attained a job within 30 days of graduation, and six in ten attained a job within 90 days of graduation.** There is a substantial difference in the pattern of job attainment across the two programs, with SMO learners finding jobs faster and achieving higher rates of 90-day attainment than DCS learners.

Overall, **85 percent of employed respondents retained their first job for at least 30 days and 67 percent retained it for at least 90 days.** Some who did not retain their jobs found alternative job opportunities; **83 percent retained some form of paid employment** 90 days after starting their first job.

About three-quarters of respondents’ first jobs were related to their training, with higher rates for SMO than DCS. Although most first jobs were full time, **permanent contracts were relatively rare**—most jobs were fixed-term contracts or non-contract positions. **Just over half of respondents were satisfied with their first job,** with a similar rate of satisfaction by program.

Average **wages in the first job are about twice as high for DCS learners compared to SMO learners.** For the DCS program, respondents earned a mean monthly wage of 26,247 shillings (about 227 dollars) in their first job, compared to 11,754 shillings (about 101 dollars) for the SMO program. (Almost all SMO learners and about 8 in 10 DCS learners were unemployed and had zero earnings before entering their program.)

D. Employer outcomes

1. India

Employers **have a strong relationship with their Generation point of contact**, who is highly responsive to their labor needs. This gives Generation an advantage in placement relative to other skilling organizations offering GDA programs. However, the benefits to employers of having access to Generation candidates in terms of recruitment are typically limited, because **they already have access to a large pool of GDA candidates from these other organizations**.

All new GDA hires, including those from Generation, **require additional practical training to be job ready**. Employers had **mixed views** as to whether soft and technical skills, job performance, and retention for Generation candidates were better than or similar to other candidates. Employers also **did not identify any consistent difference in the profile of Generation candidates** relative to their job peers.

2. Kenya

For two of the three DCS employers we interviewed, access to Generation DCS learners has **reduced employers' onerous hiring costs**. All employers interviewed concurred that **Generation DCS learners are more skilled and perform better on the job than their job peers**, and two out of three suggested that this has reduced their internal training costs and increased firm profitability.

For SMO employers, the major benefit of access to Generation learners is **the ability to obtain large volumes of workers more easily**. However, two of the three SMO employers we interviewed reported that the **technical skills and productivity of Generation SMO learners fell short of their standards when they started the job**, although they tended to improve over time.

Across both Kenya programs, **Generation provides entry-level job opportunities for those with no relevant work experience**, whereas most other candidates have such experience. Two of the three DCS employers we interviewed partner with Generation specifically for “impact sourcing” of socio-economically disadvantaged candidates from marginalized communities, suggesting that **Generation DCS learners are likely to be more disadvantaged** than their non-impact sourced peers. Otherwise, socio-demographic differences in the profiles of Generation learners and their job peers varied across employers.

E. Next steps

We anticipate that the Phase II evaluation will include the following components: (1) a longer-term outcome evaluation through a survey of Generation learners and a comparison group (both countries, possibly with different India programs than in Phase I); (2) an outcome assessment for learners and society through qualitative interviews with Generation learners (both countries); (3) a longer-term outcome assessment for employers (possibly in India only); and (4) a process evaluation through stakeholder interviews (India only). Most Phase II data collection activities are expected to occur between late-2022 and mid-2023, culminating in a report later in 2023.