



# Promoting professional skills and employability



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It has already been proven that higher levels of education and skills among workers improve their employability, ensure sustainability for enterprises, and strengthen the inclusiveness of economic growth. Given that employees are the driving forces of competitiveness in business and innovation, there is a constant need for investment in skills development.

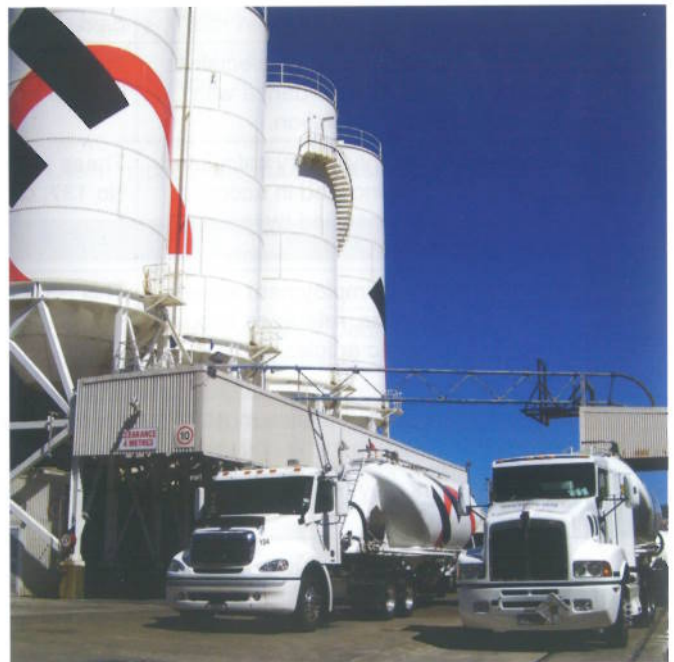
The International Labour Organization (ILO) study, titled *"EuroZone job crisis: trends and policy responses"*, presents trends in labor markets in various EU countries, and analyzes and compares their labor market reform strategies. The report highlights policies adopted by Sweden and Finland to boost youth employment as particular success stories<sup>1</sup>.

## The need for integrated and harmonized policies

The G20 countries increasingly recognize the role of employment policies in addressing the human aspects of the financial and economic crisis. Bearing this in mind, in 2009, the G20 adopted 'The Global Plan for Recovery and Reform'. Through this plan, participating states have committed themselves to "support employment by stimulating growth, investing in education and training, and through active labor market policies, focusing on the most vulnerable."<sup>2</sup>

Policy makers should create a common platform for establishing synergies between skills development and employability. With an integrated approach, this harmonized cooperation should ensure:

- Matching training to demand for skills in the labor market;
- Moving workers and enterprises from low productive activities to high productive activities through re-skilling/ re-training and lifelong learning;
- Building and sustaining competencies for future labor market needs, focusing on the strategic role of education and training policies.



**Structured skills development ensures an easy school to work transition and higher levels of employability.**

- **Improved match between skill demand and supply** – There is often a gap or mismatch between skills learned during the training process and skills required by the labor market. Businesses should work in close consultation with training institutions in order to provide workers with skills that are in demand. Put simply, businesses should be the main drivers of the skills development system. If we take a look at the McKinsey survey, between more than 4,500 young people, 2,700 employers and 900 education providers across America, Brazil, Britain, Germany, India, Mexico, Morocco, Saudi Arabia and Turkey, the survey indicates that more than 70% of employers blame inadequate training for the shortfall in skilled workers, yet 70% of education providers believe they are appropriately prepare graduates for the job market<sup>3</sup>.
- **Quality and relevance of training** – The primary aim should be the development of highly qualified trainers within training institutions, along with updating qualifications, curricula and training methodologies. Building institutional

<sup>1</sup> ILO, "EuroZone job crisis: trends and policy responses", at p. 45.

<sup>2</sup> G20 Leaders' statement, London, April 2009.

<sup>3</sup> The Economist, "Young, gifted and slack", November 21, 2012.

capacity to convert labor market information into training offers must remain the priority for businesses. This approach will build a cadre of highly skilled workers within the local labor market, who will be better equipped to respond to current needs.

Referring to the McKinsey survey again, we can see that "nearly 60% of young people around the world say they would pay more for an education that would improve the likelihood of securing an attractive job."

- **Unlimited access to training, technical and vocational education system, re-training and lifelong learning opportunities** – Formal training outreach should be developed and training opportunities should be extended across all segments of society. A better vocational and technical education system should be put in place, as well as systems to support lifelong learning. Unlimited training access will directly contribute to sustainable growth and rapid innovation among businesses.
- **Better internship and apprenticeship opportunities** – Skills learned in apprenticeship and internship programs are highly transferable. There is, of course, always the possibility that the employer's investment in training may be lost to a competitor who only recruits skilled workers. This is the well-known problem of "poaching". To overcome this challenge, the establishment of the apprenticeship system seems to be the best solution. It has been successfully implemented in various developed countries with very positive outcomes. Developed countries repeatedly emphasize the importance of internship and apprenticeship programs across different development strategies. France has adopted an Emergency Plan for Youth Employment, which focuses on apprenticeship development and ensures easy youth entrance into the labor market through state subsidies<sup>4</sup>.
- **Coordinated process of skills development** – Ministries, central and regional authorities, NGOs, businesses and workers are all involved in skills development. Their stand-alone efforts often overlap but are not coordinated, and labor market indicators are not taken into consideration. These activities need to be better coordinated among different players, and a single and unified system should be created. The ILO Guide for the Formulation of National Employment Policies stresses that "a piecemeal approach to employment promotion does not work, and that a first step is to integrate employment goals and targets into national development frameworks, economic policies, and sectoral strategies. This needs to be supported by multi-component and coordinated employment policies which are adapted to local conditions and contexts, and negotiated by tripartite constituents."
- **Financing skill development** – Initial education and training, in addition to lifelong learning, benefits individuals, employers and society at large. Economic principles indicate that training costs should be split between public and private funding. Financing continuing education and training for maintaining and increasing productivity and

competitiveness is a clear solution for skill development and employability.

Every country has a different approach. The February 2012 UNICEF working paper on Global Crises brings together different examples in this regard. For instance, Germany runs fully subsidized job search clubs for unemployed young people in order to provide them with training and apprenticeship placements; Japan has developed the 'Job Card System' to allow unemployed youth to gain practical job training from participating companies. The card records the participant's training record along with the company's evaluation of the youth's vocational abilities. Croatia's Agency for Vocational Education has mandated that approximately half of all professional training courses must be implemented directly within companies to promote stronger links between vocational schools and the labor market.

The ILO-developed G20 Training strategy, titled, "A Skilled Workforce for Strong, Sustainable and Balanced Growth," (November 2010) is recommended as further reading.

## Private sector involvement

The Economic and Social Council Resolutions in 2007 and 2008 emphasized the importance of a multi-stakeholder approach to productive employment, incorporating Governments, the private sector, and other societal actors.

Stand-alone public support is not sufficient to promote sustainable skills development and job creation. Policy-makers must act decisively and in a coordinated manner to increase the involvement of the private sectors as the impetus for skills and employment creation. Incentives for businesses to invest in skills development and employability will ensure fair globalization and suitable work for all.

### Holcim's approach to professional development

Professional development is one of the fundamental principles of Holcim. Only engaged and skilled employees can deliver a strong company performance. The HR teams are continuously developing strategic frameworks, development and training programs which contribute to professional development through job coaching, training, international and local job rotations, experience exchange activities and channeling information throughout group companies using e-tools. This framework is closely aligned with the Holcim business strategy and implemented within the frame of the "Top Company for Leaders" initiative. ■

### Author's biography

*Mirza Aliyev currently works as a Training & Development Specialist for Holcim (Azerbaijan) OJSC. Previously he has worked for UN Headquarters for Europe and the International Labour Organization in Azerbaijan, in addition to other leading private sector companies. Mirza is a member of the International Institute for Labour Studies.*

<sup>4</sup> See, e.g., OECD Labour and Ministerial Meeting on Tackling the Jobs Crises, Box 6, September 29, 2009.