



Labour Market Orientation in Skills Development / TVET projects Synthesis paper of the online discussion (September 2011)

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The present paper gives the synthesis of an online discussion on labour market orientation launched by SDC's e+i Vocational Skills Development (VSD) network in September 2011 with the objective to identify ways and approaches to ensure labour market orientation in SDC's VSD projects.

The online discussion focused on two questions which were consecutively fed into the discussion:

How do you ensure labour market orientation in your projects?

How can we ensure that the labour market orientation supported by the project continues after project completion and how can we measure this?

What means labour market orientation in skills development projects?

Labour market orientation in skills development projects means the ability of training providers to meet the demand of the labour market by offering training in occupations which are on demand and equipping the trainees with the knowledge and skills enabling them to successfully enter the labour market.

The core message of the online discussion contributions was that labour market orientation should take place **in every stage of the project cycle** in a **systematic and "institutionalized" way** allowing and fostering the involvement of all stakeholders (especially the private sector).

Labour market orientation in the project planning and design phase

Enough time and resources for a **comprehensive inception phase** is of crucial importance to orient skills development projects towards the needs of the labour market. This implies a thorough analysis of the labour market of the targeted economic sector and the prevailing training system, the identification of skills gaps and labour market demand plus the establishment of first contacts with the labour market actors (e.g. private companies, chambers of industry and commerce, business associations, trade unions, governmental bodies, etc.).

Labour market analysis should not be limited to a single action at the beginning of a project and does not need to be a nation-wide scientific research exercise but should be rather a **continuous (e.g. yearly) monitoring of the regional / local labour market** using **pragmatic, quick and cost-efficient instruments** such as the Rapid Market Appraisal which can be handled by the project partners themselves even beyond external support.

The cooperation of two major players - the training providers and the (local) companies – is the most essential one when talking about labour market orientation. **To get the private sector on board we need to understand what the driving forces are for its enrolment.** Understanding these “motivators” means to design the training according to the needs of the labour market by involving the practitioners right from the beginning in the development of occupational standards, curricula and assessment systems. It is important to market the training (e.g. through attractive start-up events, open days meetings, etc.) and to present the benefits / added values (economical / non-economical) to those ones getting involved in training.

To overcome the obstacle that VSD projects usually produce long-term effects with little visibility during the time of implementation, additional **immediate benefits** for the participating companies (e.g. training courses for upgrading company employees, provision of hands-on tools for employee recruitment and assessment such as job-profiles, assessment tools, etc.) might be useful.

Labour market orientation during the implementation phase

Following the efforts of establishing a network and institutional set-up with all stakeholders (inception / planning & design phase) it is important to develop, intensify and sustain the cooperation of all stakeholders. Labour market orientation in the project implementation phase means to **continuously watch the labour market** carefully and to engage the private sector wherever possible, e.g. in (re)defining training courses and approaches but also in the training delivery (in plant or at school). This too needs a clearly defined and set up network structure which is appropriate and flexible enough to allow all stakeholders’ participation. **Steering / coordinating bodies** keep the networking activities alive and “visible” for all contributors. **Innovative platforms of communication** between the stakeholders (e.g. District Employment Review Forums) are means for bringing all stakeholders – and especially employers – on board of project activities and major decision (e.g. on training offer, trainees intake, placement possibilities).

Areas of cooperation between the private sector and the training providers

- Occupational standards development and revision
- Curriculum design and revision
- Assessment system development and implementation
- Internships in companies
- Apprenticeships
- Teacher training on company sites
- Instructors from companies in schools
- Upgrading courses for employees
- Lobbying for skills development
- Mentorship (practitioners acting as mentors and teachers)
- Entrepreneurship training

Here again, it is important that the companies understand the value added of getting engaged in this endeavor. It is not sufficient enough to offer skills trainings that are in line with the needs of the labour market; the offered trainings need to be acknowledged as relevant and necessary by the labour market stakeholders. For an increased employability of trainees, the trainings must firstly be recognized by employers. Secondly, job-seekers must have a basic understanding of the labour market situation and know that their employability increases with training participation. Thirdly, other stakeholders influencing the decision of job-seekers to opt for a vocational orientation or further training need to be informed about labour market opportunities.

Labour market orientation in skills development projects does not end with training delivery itself but also comprises **supplementary support and after training activities** such as career counseling, matching and placing. Innovative institutional set-ups allow training providers to open their scope of service from a traditional training institute to a (Regional)

Competence Centre (offering not only initial training but also further training / upgrading courses for people in work and unemployed, etc.).

Labour market orientation after phasing out the external project support

Project sustainability has to be considered from the very beginning. When we talk about labour market orientation then we have to ask the question: **How can we get the private sector involved in the long-run?** How can we ensure that the participating companies and even more important their sector associations and chambers do not lose interest in training but consider it as a worthwhile investments in the long-run?

Often things turn around people: **connect VSD projects with people with a winning attitude and certain influence.** It is essential to link entrepreneurs from interested companies as well as intrapreneurs from VSD affiliated governmental and non-governmental organizations and the civil society (e.g. chambers of commerce) who are blessed with empathy; people who show a strong commitment and see the long-term benefit of a high quality VSD project. A lively in-country entrepreneur-intrapreneur network is one important element of an innovative and sustainable VSD concept.

Besides the human aspect of success it needs a certain institutionalization in the sense of innovative and business-oriented organizational structures and approaches, e.g. franchising systems, impact financing, outcome-based payments depending on the success of placing graduates in work.

To ensure a continuous labour market orientation skills development projects need a legal and institutional framework where labour market orientation is laid down as an important aspect. Thus, a construct of cooperation set-up by laws, regulations and contracts which clearly define stakeholders' role and responsibility forms a crucial element for the labour market orientation of a project throughout the whole project cycle.

Furthermore, reliable but quick, cost-efficient and pragmatic instruments / approaches allow identifying the changing labour market needs on a regular basis, e.g. continuous monitoring of regional / local labour markets with hands-on tools such as Rapid Market Appraisal. Broad scientific researches like national labour market surveys instead are very costly, time-consuming and need often external expertise to be implemented.

Labour market orientation should be assessed by clear and realistic (quantitative) indicators. Placement effects of VSD projects (rate of employment / self-employment) are one of the key indicators to measure labour market orientation.

This synthesis paper is supplemented by a detailed [summary paper](#) of the online discussion containing 11 statements for labour market orientation developed out of the participants' contributions. Therein each statement is backed up by 3 sub-categories of analysis: "Problems encountered", "Activities, Methods and Instruments used", "Lessons Learnt".