



Istanbul International Center
for Private Sector in Development



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United Nations Development Programme
Istanbul International Center for Private Sector in Development

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

Best Practices Guidelines and Toolkit on

Engaging the Private Sector in Skills Development





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ENGAGING THE PRIVATE SECTOR IN SKILLS DEVELOPMENT

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**Best Practices Guideline and Toolkit on
Engaging the Private Sector
in Skills Development**

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PREFACE

Matching people's skills to labour market needs is becoming more complex day by day. Globally, more than 200 million people are out of jobs. Female participation in the labour force remains only around 50 per cent. Youth unemployment rates have reached 28.2 per cent in Western Asia and 30.5 per cent in North Africa. World Bank data from 2016 has shown that almost one young person out of three fails to find employment in fragile and war-torn countries.¹ Overall, integrating youth, women and other disadvantaged groups into the global economy is a crucial but challenging endeavour.



Despite current challenges, there is room for hope. We strongly believe that the private sector's engagement will help to integrate labour market needs in skills training more effectively. It will help to ensure that students and trainees acquire the labour market skills they need to land a job. The private sector has the potential to significantly contribute to our efforts to address the existing skills mismatch. Recent examples include how the private sector has helped to ensure that mastery with the latest technological and industrial advancements, much sought after in the job market, are included in skills training.

As the main technical organ of the Organisation of Islamic Cooperation (OIC), SESRIC works with its partners on major initiatives such as the Skill Development for Youth Employment (SDYE) programme and the Vocational Education and Training Programme for OIC Member Countries (OIC-VET) programme to give young people the tools and skills they need to thrive. The youth bulge is one of the greatest strengths of the OIC member countries, where young people make up the majority of the population. The current state of affairs in the majority of these countries, however, shows that a significant part of their youth populations remains inactive, while those actively seeking jobs in the market face daunting challenges. This situation requires greater focus on promoting young people's participation in the labour market by, first and foremost, ensuring that they have the skills they need to succeed and by fostering the creation of suitable jobs.

The Guidelines and Toolkit, jointly developed by UNDP IICPSD and SESRIC, is a timely global product that will inspire, motivate and mobilize the private sector to engage more actively in skills training for employment and allow stakeholders to collaborate more closely with companies, chambers of commerce and business associations.

At SESRIC, we stand ready to disseminate the best practices and tools for employability highlighted here to build resilient communities and open pathways to sustainable and inclusive development.

Amb. Musa KULAKLIKAYA
Director General
SESRIC

FOREWORD

The 2030 Agenda for Sustainable Development highlights the importance of skills and lifelong learning not only to make potential employees more attractive to employers but also to empower people. Sustainable Development Goal (SDG) 4 reminds us that inclusive, quality education is critical for human development. SDG 8 reminds us that decent work and economic growth can only be achieved through productive capacities. The relationship between skills and employability is fundamental to the success of the SDGs—from eradicating poverty to achieving gender equality to empowering women and girls. All of these are nearly impossible without the much needed competencies, knowledge and abilities that make an individual labour-market ready.



The Guidelines and Toolkit provides targeted guidance for governments, companies, local authorities, training providers, civil society organizations and other actors on how to build partnerships with the private sector and obtain impactful results from skills development that leads to greater worker employability. It outlines how the private sector can help to ensure that disadvantaged youth, women and other marginalized groups are ready to enter the labour force already possessing the skills they need to thrive. It complements existing UNDP work on sustainable employment and inclusive growth and, we believe, augments the related efforts of other international organizations.

Bridging the skills mismatch for greater employability will be a huge leap forward in achieving the SDGs. The Guidelines and Toolkit promises to guide all stakeholders in that direction. The UNDP Istanbul International Centre for Private Sector in Development will help to operationalize the Guidelines and Toolkit in different programme and project contexts. In doing so, the centre will advance the global development agenda by empowering people, giving them the skills they need to succeed in the labour market, and by building resilient nations, making them more competitive and productive.

A handwritten signature in blue ink that reads 'Marcos NETO'.

Marcos NETO

Director
UNDP IICPSD

This publication presents a number of lessons learned from a review of current practice and existing literature on industry engagement in skills development and, based on these lessons, develops a set of guidelines and tools for practical use. The document provides information on and examples of private sector engagement in skills development at the national, sectoral and local level.

There is widespread recognition that the private sector has an essential role to play in enhancing the integration of labour market requirements in training provision and ensuring that students and trainees, especially among disadvantaged groups, such as women and people with disabilities, acquire market-relevant skills. Companies with low-skilled workers can find training beneficial to their enterprises when moving from low value to high value-added companies.

At the national level, an environment that encourages private sector engagement in skills development requires a policy framework that fosters consultation, information-sharing and capacity-building, has a long-term vision for private sector collaboration and ensures adequate funding. The factors that help to build successful private sector collaboration at the national level focus on ensuring that:

- Skills development activities underpin national economic priorities;
- Stakeholder participation is maintained through transparent communication and collaboration;
- Transparent access is available to all through documented processes on the formation of private sector engagement initiatives;
- Document accountability and redress mechanisms are available for all stakeholders, decision-making processes are clear and legal systems, regulatory frameworks and other redress mechanisms are in place to uphold the public interest;
- Funding and financial arrangements meet regulatory requirements on the allocation and expenditure of public funds, offer flexibility to address emerging needs and support employers to invest in quality training;
- The skills development system has the necessary capacity. Stakeholders are given the opportunity to develop skills to manage, monitor and evaluate new private sector engagement strategies. System capacity includes the capacity building of policy developers, government administrators and training institutions to manage, analyse and evaluate local private sector engagement;
- Teachers, institute managers and support staff undertake capacity-building. Teachers have the technical and pedagogic skills to deliver training to meet industry needs and the skills to integrate formal student learning between a workplace and an institution;
- Training institutions have a level of autonomy to adapt learning resources to local needs and to work flexibly to meet documented local demand;
- There is a range of strategies to update teacher's industry experience and ensure their continued exposure to contemporary work practices and new technologies;
- Career advice is reformed to incorporate up-to-date authentic information on career and educational pathways, both horizontal and vertical;
- A systematic approach to workplace learning is adopted. Broadened structured workplace learning opportunities in mainstream skills development is achieved by aligning workplace learning strategies with curriculum, encouraging employer, teacher and student participation, updating apprenticeships and introducing apprenticeships/traineeships in new industry sectors; and
- Inclusive partnerships ensure equal access for all and encourage small and medium enterprises to participate in training.

EXECUTIVE SUMMARY

At a sectoral or regional level there is common agreement that industry engagement initiatives require long-term strategic processes that provide enough time for the projects to succeed. It takes time to establish sectoral collaboration and build an in-depth understanding of workforce development issues, while policymakers must view sectoral engagement as a long-term investment. To be successful, sectoral and regional bodies need the authority to determine their priorities and to implement decisions based on the economic and skills priorities of their sector or region; this requires access to adequate funding and reliable, unbiased data for objective decision-making.

Developing partnerships means building trust and credibility. Delegating authority from centralized bodies to regional and local collaborations can be done by setting broad parameters, if necessary, and by allowing sectoral or regional groups to determine the solutions that are most suitable to their particular contexts.

At the operational level, sectoral and regional partnerships appear to work best when there is:

- Senior-level commitment, with peak bodies, major and senior employers, high-level government representatives and skills-development institution management all supporting the sectoral engagement initiative;
- Strong collaborative leadership at the local level, with individuals acting as intermediaries to facilitate and drive activity to maintain momentum and cross-organization participation;
- A multi-stakeholder approach and greater cross-ministry coordination between skills development and economic development;
- A holistic perspective in analysing skill shortages and identifying solutions;
- An early analysis of skills needs and labour market dynamics;
- Proximity of training facilities to companies or industry clusters;
- Funding to implement solutions;
- Collaboration, with a balance of responsibility and influence between stakeholders;
- Transparency and access to reliable, unbiased data to make informed decisions;
- A set achievable-focused outcomes, so that sectoral partnerships have the time to establish trust and to understand fully the complexities surrounding skills development; and
- A regular review of progress and achievements.

The discussion on micro-level engagement indicates that training institution and company partnerships can extend beyond fee-for-service activities and into activities that build the wider skills of the organizations involved. Developing partnerships at the local level will require staff within training institutions to develop new skills in identifying and developing partnerships. These skills are generally overlooked in professional development programmes for institute management, though managers, trainers and support staff need them to grow such partnerships.

Successful local-level employer engagement strategies require:

- Identifying local skills demand and customizing learning resources to meet those needs in order to make training more relevant to local business;

- Work-based learning, which leads to improved employability for trainees and greater productivity for employers. Work-based learning requires customization of learning resources, where possible, within formal qualification pathways, in order to ensure that trainees can build a foundation for lifelong learning or labour mobility, which will enable them to work in a range of companies;
- Partnership-building skills that lead to valuable teacher and workplace trainer development strategies, such as return-to-industry programmes and mentoring;
- Trainee recruitment strategies to ensure that the more disadvantaged trainees are not left behind. Some useful levers to attract more disadvantaged trainees include: offering pre-initial vocational education training, scholarships and stipends, and conducting student recruitment at the local level;
- Structured on-the-job training coordination skills to manage workplace training so that trainers can monitor student progression and support the workplace supervisor; this should include having a dedicated person from the training institution monitor and support work-based learning; and
- Strategies to assist the student to successfully make the transition into training and then employment. Many of these strategies need to extend beyond the training programme itself and monitor trainees once they are employed.

Developing connections with industry at all levels of the skills development life cycle facilitates the development of workable solutions for school-to-work transitions and for midlife career changes. Skills development is seen to be both a public and private benefit as it develops a skilled workforce to help a country's economy. Skilled workers make individual companies and industry sectors more competitive, and skills development helps to lift individuals out of the poverty cycle. Multiple benefits accrue to businesses that adopt skills development strategies in the context of their overall business strategy. Moving from a low-skills, low-performing company to a high-skills, high-performing company improves competition, helps states to avoid the middle-income trap and results in decent work for citizens.

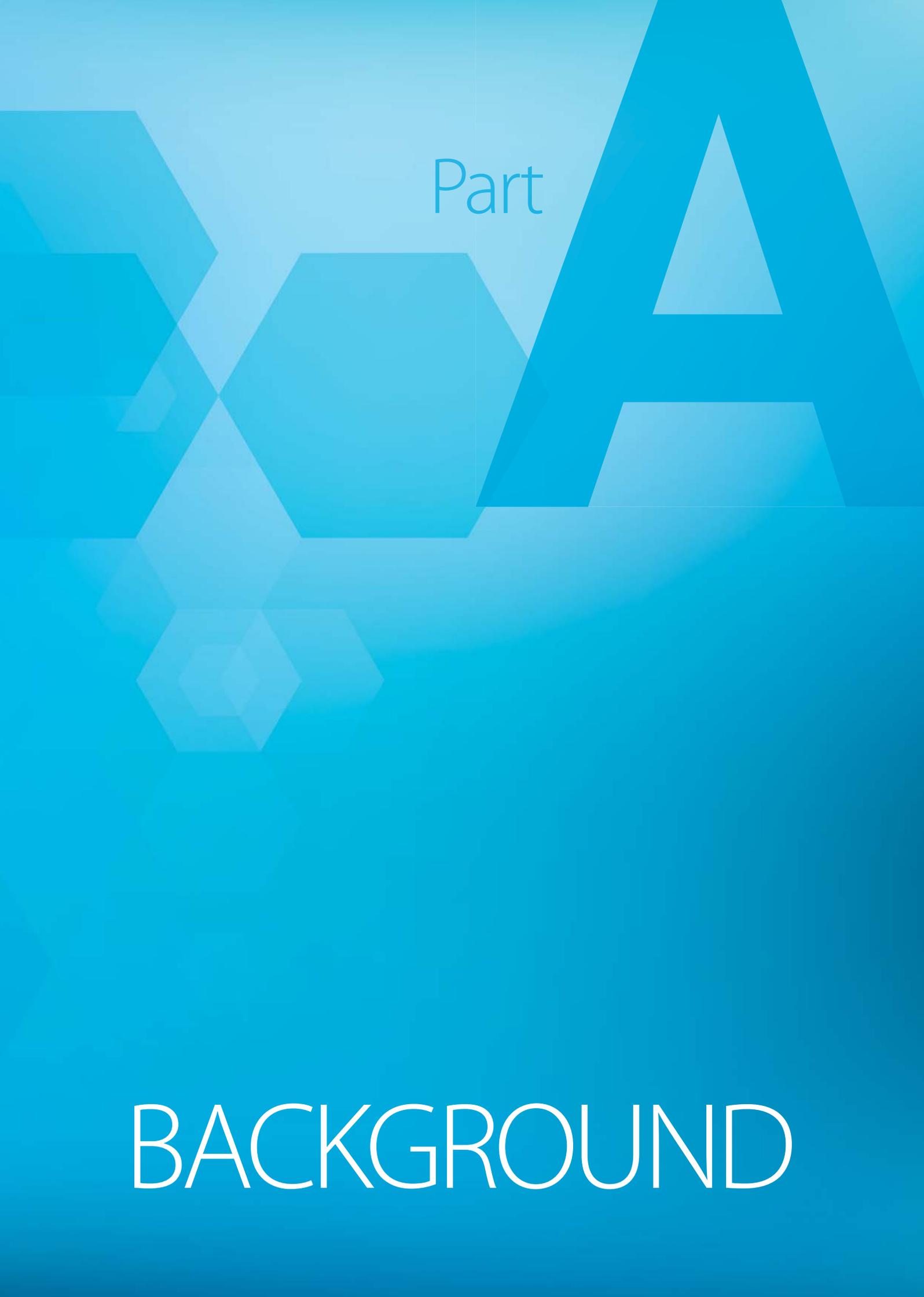
Private sector partnerships ought to represent the stakeholder benefactors of skills development and provide an avenue for collaborative reform of the formal technical vocational education and training system.

Developing private sector engagement strategies can offset costs and reduce overheads in government-run institutions. How this is achieved depends on the priorities of the government, the strength of local industry and the cultural context of the country. However, analysis is required to ensure private sector engagement in skills development does not replace training that industry would normally deliver itself in areas where it would normally fund the skills development of existing and new workers. The goal of private sector engagement should be to increase the relevance of skills development outcomes while sharing the costs of skills formation.

Overall, the examples in the document identify how different companies have met skills-development challenges and show how improving opportunities for greater communication between employers and training organizations leads to new skills development opportunities for training providers. For companies working with training providers, the relationships built around initiatives, such as those highlighted in the publication, help them to appreciate the relationship between skills development, innovation and achievement of their business objectives. In the final part of the document, a series of practical tools are provided to assist in building greater employer engagement in skills development.

ABBREVIATIONS

AISECT	All India Society for Electronics and Computer Technology
ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
B-ABLE	BASIX Academy for Building Lifelong Employability Limited
BCITO	Building and Construction Industry Training Organization
BUTGEM	Bursa Chamber of Commerce and Industry Education Foundation
CATC	Common ASEAN Tourism Curriculum
Cedefop	European Centre for the Development of Vocational Training
CIDA	Canadian International Development Agency
CSR	Corporate social responsibility
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
EDB	Economic Development Board
GIDC	Garment Industry Development Corporation
GHABA	Ghana Hairdressers and Beauticians Association
IATA	International Air Transport Association
IICPSD	Istanbul International Center for Private Sector in Development
IL&FS	Infrastructure Leasing and Financial Services Limited
MLMM	Meslek Lisesi Memleket Meselesi
NAITA	National Apprentice and Industrial Training Authority
NABH	National Association of Beauticians and Hairdressers
NSDC	National Skills Development Corporation
NVQ	National Vocational Qualification
PPP	Private-public partnerships
RPL	Recognition of prior learning
SESRIC	Statistical, Economic and Social Research and Training Centre for Islamic Countries
SEWA	Self-Employed Women's Association
SSC	Sector skills councils
SDF	Skills Development Fund
SDL	Skills Development Levy
SRI	Strategic Reform Initiative
TVET	Technical vocational education and training
UNDP	United Nations Development Programme
UNESCO - UNEVOC	United Nations Educational, Scientific and Cultural Organization— International Centre for Technical and Vocational Education and Training
UUKVS	Uludag University Karacabey Vocational School
VIBINDO	Association of Small Informal Businesses
WBL	Work-based learning
WIB	Workforce Investment Board



Part

BACKGROUND

1. Introduction

The United Nations Development Programme (UNDP) Istanbul International Center for Private Sector in Development (IICPSD) is mandated to leverage the role of the private sector in development. One of the Center's thematic areas of work is the private sector's role in skills generation. The Center conducts research to identify successful examples of private sector-led or public-private partnership-based skills generation initiatives for the purpose of generating knowledge. It has completed five case studies in Turkey and another 10 in India, which it then analyzed, along with other case studies and international examples of good practice, to produce the following manual and toolkit.

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), as the main socio-economic and technical organ of the OIC, is mandated to undertake research activities on various issues of concern to the OIC member countries with a view to analysing the current situations and address the existing challenges at the OIC level and suggesting the appropriate policy actions and providing technical assistance in order to facilitate the development efforts and strengthen the cooperation of its member countries. The Centre works with its partners on major initiatives such as the Skill Development for Youth Employment (SDYE), the Vocational Education and Training Programme for OIC Member Countries (OIC-VET) and Skills, Employment, Entrepreneurship Development (SEED) for Inclusive Growth in order to enhance job and livelihood opportunities in its member countries through increasing public-private sector partnership and supporting the private sector in skills development.

Relevant, productive skills are pathways to sustainable incomes for the disadvantaged, and support increased productivity in companies. The UNDP *Growing Inclusive Markets Global Report 2008* identified the absence of necessary knowledge and skills as one of the key constraints limiting the growth of inclusive markets. Without the required skills, integrating the disadvantaged in the labour market as consumers, entrepreneurs and employees is challenging. Despite this vital role, skills development continues to face serious challenges worldwide, including shortfalls in physical and educational infrastructure; teachers' and trainers' understanding of current workplace practices; the absence of cooperation between the private sector and education and training providers; and financing issues, just to name a few.

The private sector has a crucial role to play in the content and delivery of skills development. The engagement of private sector actors, such as companies, chambers, business associations, unions and professional bodies, can enhance the integration of labour market requirements in the training cycle and ensure that students and trainees, especially among disadvantaged groups such as youth, acquire market-relevant skills.

This document, "Engaging the Private Sector in Skills Development", serves as a best practice manual and toolkit. It distills the findings from IICPSD's case studies and from current skills development literature, and identifies good practices at the:

- macro-level (national level);
- meso-level (sector, region, cluster or value chain specific levels); and
- micro-level (employer/training institution) level.

The manual and toolkit are designed to guide UNDP, SESRIC, international and regional organizations, governments, local authorities, training providers, civil society actors, industry and other key stakeholders in formulating advice on effective partnerships with companies, industry chambers, and other business support organizations, to improve the results of skills education and training. It offers a

BACKGROUND

contextual framework with examples, insights and lessons from the findings of IICPSD's 15 case studies, covering private sector-led and public-private partnership skills development models from Turkey and India, supplemented with international examples.

The manual and toolkit outline strategies of how the private sector can contribute to active labour market measures to complement UNDP's work in addressing the lack of relevant skills for disadvantaged youth, women and other marginalized groups. Private sector engagement covers a spectrum of cooperation and involves small steps to build the trust required to develop more robust long-term engagement strategies. Involvement of the private sector is an essential component of contemporary skills development systems globally, and leads to developing responsive labour market skill needs, supporting priority economic sectors to develop ongoing dialogue with employer and employee groups. Training reform tends to occur in cycles while work continues in most countries on devising approaches to increase private sector engagement. The role of the private sector requires clear purpose, based on a country's skills development system capacity and objectives. Many developed countries consider private training colleges to be part of the education sector. However, in some of the accompanying case studies, private training providers are considered a form of private sector engagement, particularly in skills development systems in the early stages of the reform process, where training infrastructure does not meet demand for training.

There is no doubt that the private sector, as a major beneficiary of skills development, has a key role to play as a state partner. An environment that encourages private sector collaboration in skills development requires high-level commitment to long-term, mutually beneficial partnerships. At the macro-level, a policy framework that fosters consultation, information sharing, capacity building, long-term vision, and adequate funding is a necessary support. Some well-known policy initiatives that foster private sector involvement include formal industry advisory arrangements to enhance the relevance of skills development initiatives, the use of levies and incentives, flexible funding initiatives, and voucher systems. Some of these initiatives can become problematic if a country's governance arrangements are not robust or if the supporting systems are too bureaucratic and difficult to access. Proposed private sector initiatives, therefore, must reflect the capacity and capabilities of the skills development system with a given country.

Active cross-ministerial, multi-stakeholder coordination is a prerequisite for successful sectoral approaches. There is broad agreement on the need for greater coordination among the different government silos covering labour market policy, skills development and economic development in supporting the development of meaningful solutions to skill shortages and skills mismatches, particularly at the regional level.

At the meso-level, there is common agreement in the research that sectoral engagement initiatives need to be long-term strategic processes that allow time for projects to develop and succeed. Gaining the initial interest of stakeholders is the first step, which is achieved by building confidence and credibility through timely action. Initiatives such as the sector skills councils are one approach; others include regional and cluster-based workforce development methodologies that take a holistic approach to addressing skill development needs. It takes time to establish sectoral collaboration and build an in-depth understanding of workforce development issues; many solutions are implemented over the long-term and must be viewed as a long-term investment by policymakers.

At the local or micro-level, identifying local skills demand and customizing learning resources to meet those needs helps to make training more relevant to local business. To ensure that students have labour mobility and access to further formal learning means that the customization of learning resources should occur, where possible, within formal qualification pathways. Structured work-based learning,

which is an under-utilized learning environment, can lead to improved employability for trainees and greater productivity for employers. The integration of structured work-based learning and institutional-based learning can have added benefits for both partners, as teachers become familiar with current workplace approaches and employers have access to graduates familiar with their workplace. Structured work-based learning provides crucial access to the contextual skills needed to develop competence, and, in order to be successful, requires new skills in managing workplace training, so as to monitor student progression and support the workplace supervisor. Developing partnerships requires particular partnership-building skills and means that trainers and other training-provider staff need to develop skills in building partnerships with industry. These skills are generally overlooked in professional development programmes for institute managers, trainers and support staff who need them to grow partnerships.

The task of recruiting and placing trainees demands careful planning to ensure that the more disadvantaged trainees are not left behind. Many of the support strategies, therefore, should extend beyond the training programme, which will reinforce the need for multi-stakeholder partnerships at the local level to provide placement services and follow-up support for trainees.

A number of tools accompany this manual and are designed for UNDP staff and others to support the implementation of partnerships within a skills development system or within a company.

2. Target audience

The manual and toolkit aim to facilitate the work of the following target audiences:

- *Policymakers and donors:* to obtain information on how to coordinate efforts through partnership policies and allocate resources to leverage the role of the private sector in skills development and to support the skills acquisition of the disadvantaged;
- *Companies and other industry decision-makers, including chambers and business associations:* to comprehend how to work with training providers and other key stakeholders towards effective skills development solutions;
- *Local authorities and practitioners:* to access knowledge and expertise on the provision of employability skills at the local level, especially with regard to overcoming skills development challenges through local governance and partnership frameworks; and
- *Training providers:* to understand which good practices to adopt and how, including strategies for building partnerships with different stakeholders in different contexts.

3. Skills development definition

Skills development is defined as the acquisition of practical competencies, know-how and attitudes necessary to perform a trade or occupation in the labour market.²

Skills development has come into common usage, as it encompasses training that occurs in different environments with a range of providers.

Skills development systems comprise the formal technical vocational education and training sector, informal learning and non-formal learning.³

4. The significance of private sector engagement in skills development

Skills development, through the provision of vocational skills, underpins economic growth and supports

social cohesion by providing employment pathways into the world of work. A strong synergy between the needs of the workplace and an individual's ongoing career prospects is a prerequisite for achieving economic and social development.

According to Asian Development Bank (ADB), there is a strong correlation between the proportion of formal technical vocational education and training students at the post-secondary non-degree level and per capita income and higher earnings and employment rates compared to general secondary school students.⁴ Furthermore, an International Monetary Fund study identified that increases in income for the bottom 20% of wage earners has a positive impact on overall economic growth.⁵ While technical vocational education and training is not an economic driver in its own right, it nevertheless underpins economic competitiveness through the use of skilled labour.⁶

The speed at which companies can access skilled workers has an impact on how quickly areas of the economy can be productive. Increased competition can also lead to organizational changes and new work practices within an enterprise requiring new technical and soft skills. Moreover, globalization and competition for foreign direct investment create demands for responsive skill development initiatives. Where a training system is unable to respond, skilled labour shortages can lead to growth constraints.⁷ To ensure skills development initiatives are responsive requires policymakers and training institutions to understand the needs of business, through communication and collaboration.

Identifying areas of economic growth, anticipating future skills and matching training delivery to demand requires ongoing dialogue with industry sectors and local enterprises. Two-way dialogue is not only critical for training institutions to develop training programmes that meet skills needs, but it is also important at a systems and policy development level for planning training provision. Demonstrating the importance of two-way dialogue, a McKinsey Centre for Government report found that employers who successfully recruited the talent they require are those that are in regular contact with education providers.⁸

Additionally, the *Global Competitiveness Report 2015-2016* highlights that strong vocational skills remain an important source of comparative advantage for companies.⁹ Training matched to the skill needs of enterprises not only benefits companies, but linkages with employers are the most significant influence in the success of training, with students more likely to gain employment.¹⁰ With this understanding, many governments have taken or are considering taking steps to strengthen policy guidance to improve engagement with the private sector and employers.

5. Benefits for industry of collaborating in skills development

There is an increasing number of business-led skills development initiatives involving innovative approaches that address commercial, social and environmental pressures for skilled labour.

Some of the more widely known benefits for employers of recruiting personnel who have participated in training include: better productive performance, a reduction in recruitment costs, and reduced staff turnover. Companies become involved in skills development for multiple reasons and end up with many unexpected benefits. Reasons include the need to:

- Build innovation opportunities and improve value chain competitiveness;
- Increase competitiveness;
- Foster comparative advantages through a commitment to inclusive growth; and
- Hire workers with relevant skills.

Companies with low-skilled workers can find training beneficial to their enterprises when moving from low value to high value-added companies. Workplace training strategies are one of the prerequisites for innovation, and varying degrees of innovation are required to become a high value-added company.¹¹ Employers report innovation in production processes and technology as a positive side effect of having trainees in their workplace. Companies, such as PT Astra International, a large Indonesian automotive manufacturer, have designed innovation training projects for students to identify improvements in work practices or technology as part of their formal training programme, which has led to productivity improvements. The ongoing training of students continues to result in innovations, while the company increasingly views the innovation projects as a highlight of training which has proven beneficial to the enterprise.

A growing number of supply chain certifications in areas such as pharmaceuticals, quality, Fairtrade and environmental safety, mean that large anchor companies are working innovatively to improve the quality of their value chain through skills development and business support. The value chain certification trend is likely to continue as more customers demand better quality goods and services and seek to know more about the creation and generation of goods and services. The trend is reinforced as more governments look for practical solutions to meet the Sustainable Development Goals. For companies, becoming certified may not only lead to securing a position within a global value chain, but it can also

Figure 1. Improving value chain competitiveness, the case of IATA

The International Air Transport Association identified that while the pharmaceutical logistics market is growing, air cargo was losing market share to other modes of transportation. IATA mapped the supply chain to identify shortfalls and to standardize the handling of pharmaceutical products in air cargo environment. Additionally, IATA developed a set of temperature sensitive standards that ultimately led to CEIV Pharma certification in the sector. IATA identified that a standardized and coordinated approach, underpinned by training, would boost the competitive advantage of the aviation sector.

Training and certification ensure that the entire value chain—ranging from distributors, trucking and freight forwarding companies to cargo and ground handlers, airlines and airports—complies with handling and storage requirements. There are several certification approaches:

- An individual company can become CEIV Pharma certified;
- A group of businesses at one airport can become CEIV Pharma certified;
- A group of firms can become CEIV Pharma certified at several airports to form several pharmaceutical gateways.

IATA views this as a sectoral value-chain strengthening initiative because it protects the airlines existing market and assists in increasing their revenue in the fastest growing segment of air cargo. Shippers experience lower rates of damage and loss due to temperature excursions (transgressions) while regulators are assured of the safety of pharmaceutical products shipped by air. Because IATA is part of the industry sector, it was able to identify overarching trends and threats, such as the decreasing share of the pharmaceuticals logistics market, and develop a strategy to offset the declining market share. The certification strategy is underpinned by training and up-skilling, which in this example the association was able to provide, but in different circumstances could be provided, if necessary, through partnership with a training institution. In this example, skills development directly underpinned a new business development strategy.

result in improved business opportunities as seen in the International Air Transport Association (IATA) example in the figure one below. The IATA case highlights how thorough understanding of an industry sector led to a solution for the problem of declining market share, which did not initially seem to be related to skills development. In this example, training forms part of a broader range of strategies to overcome a critical industry issue.

Figure 2. Brandix increases company competitiveness through training

Brandix, an apparel manufacturer in Sri Lanka, distinguishes itself by being a green company. It is the first apparel factory to receive ISO 50001 certification and is a platinum-certified green apparel manufacturing plant under the Leadership in Energy and Environmental Design (LEED) system. The company's commitment to the environment stems from top leadership commitment and a desire to be the competitive leader in apparel manufacturing. Becoming a green company required an investment in training all workers and management in green skills and sustainable management. An abandoned school located near one of the factories was refurbished as the training school for the manufacturing unit. The training of all employees in eco-friendly manufacture covers clean technology, waste management and environmental preservation, ongoing environmental awareness-raising, wastewater management, and solid waste disposal through reuse and recycling.^A

Furthermore, training extends to high-level skills development and research fostered through the Brandix College of Clothing Technology, which runs programmes for existing workers and school-leavers and runs a Bachelor of Applied Science Degree programme in collaboration with the Royal Melbourne Institute of Technology University in Australia.^B

In a formal partnership with several Sri Lankan universities, Brandix supports the development of professional and soft skills for undergraduates. As part of the arrangement, the group's management act as guest lectures, organizing student tours of Brandix manufacturing facilities and gaining Brandix feedback on course content in relevant degree programmes. In addition to the training, Brandix offers internships and permanent employment to university undergraduates and awards six Brandix Gold Medal Awards to the top undergraduates.^C In return, the university organizes a Brandix career day so the company can interview undergraduates. One of the Brandix training initiatives has received recognition at the World Bank 2006 Global Development Marketplace competition for concepts that provide tangible benefits to communities.

In addition, the global retailer Marks & Spencer, a major customer, has awarded the Eco Factory Attributes certificate to Brandix for reducing its environmental footprint. All of these initiatives help to provide the company with a competitive advantage, making it one of the two largest apparel businesses in Sri Lanka. Its environmental strategy has helped to secure Brandix's position as an attractive supplier of garments for major international markets. The strategy has been made effective through the skills development of all staff. In this example, the company invested resources to run business-strategy-linked skills development activities in-house. By keeping the training in-house, the company creates and maintains a competitive advantage, which is lost if training is outsourced and open to competing businesses.

Source:

^A Brandix. Reach 2009. Issue 1. http://www.brandix.com/books/reach0901/reach_issue_0901.pdf.

^B Brandix. College of Clothing Technology. http://www.brandix.com/brandix/brandix_college.php. Accessed May 2016..

^C Brandix. http://www.brandix.com/news/brandix_forges_partnership_with_university_kelaniya.php.



Source: UNDP / Daro Sulakauri

Multiple benefits accrue to businesses that adopt skills development strategies in the context of their overall business strategy. Moving from a low-skills, low-performing company to a high-skills, high performing company improves competition, helps states avoid the middle-income trap and results in decent work for citizens. The Organisation for Economic Co-operation and Development (OECD) points out that demand for high-level skills is a foundation for the generation of research and innovation, which has an impact on the long-term growth potential of companies and economies.¹²

Avoiding the middle-income trap requires a critical mass of enterprises engaging in innovation and investing in human capital as part of an overall strategic framework. The textiles and garments industry has traditionally been a low-value sector that follows low-cost labour markets. In figure two below, Brandix, a Sri Lankan apparel manufacturer, has managed to avoid the “competing on cost” nature of the industry by moving from a low skilled to a high-skilled workforce producing value-added goods. The strategic investment in training for sustainability has improved productivity, reduced overheads, brought recognition to the highly competitive international garments sector, and secured its position as a member of several high-value global supply chains.

Commitment to inclusive growth is a strategy some companies employ to distinguish themselves from similar companies operating in the same highly competitive marketplace. By formulating a strategic approach to inclusive growth that incorporates skills development, employment and supplemental income for rural microenterprises, Jetwings, a hospitality company in Sri Lanka, has realized some added benefits for their businesses, including improved services for guests, reduced transportation costs for food produce and a larger pool of local workers. The example in figure three below draws attention to the benefits of an inclusive-growth training strategy, not only for the company but also for local and remote communities.¹³

For many businesses, the difficulty finding skilled workers hinders the implementation of new technology and requires them to conduct skills training. Information and communications technology (ICT) skills change rapidly and are expensive to develop. For companies using new information technology products, finding people with these skills can be difficult. The McKinsey Centre for Government found that 39% of employers say that skills shortages are the leading reason for entry-level vacancies.¹⁴ Delays

Figure 3. Brand differentiation through a commitment to inclusive growth

In the hospitality sector, responsible tourism is now a significant market segment in Sri Lanka, and the customer profile of individuals prioritizing responsible tourism is the high-income category. Jetwing in Sri Lanka, a high-end hotel group, became concerned about local rural community members who saw the wealth surrounding the hotels but not the economic benefits. Under the leadership of the General Manager, Jetwing set up a project to eliminate antagonism by training trishaw drivers in dealing with guests and in turn making them the local transport service providers for the hotel. Other locals were given training in growing and preparing or transporting vegetables that the hotel required. Jetwing also provided hotel staff cultural sensitivity training so they would accept the local community and environment as an essential part of running the hotel efficiently. This cooperative and supportive environment has resulted in a welcoming local community for guests and has reduced transportation costs for food to the hotel. Moreover, responsible tourism is becoming a key element in potential guests' decision-making process; promoting these local skills-development initiatives helps the company to position itself as a responsible operator.

In another project, as part of their social inclusion strategy, Jetwing Hotels delivered 13 youth development programmes across Sri Lanka. Rural youth received free English language and vocational training in skills needed for employment in the tourism sector. While these socially inclusive skills development projects may not directly support an operational business development strategy, they do serve a wider business strategy. Through these initiatives and several other projects, Jetwing has won national and international awards and gained an international profile that distinguishes it from its competitors as a responsible tourism operator.

in finding suitability-trained individuals can seriously affect business operations, causing delays and lost revenue. This negative impact extends beyond the company which purchased the information technology products and can impact on the software developer, as the product can be seen as difficult to use and inefficient if it is not used to its full potential. To counter this situation, many ICT companies develop skills strategies to support the rollout of new products or to build new markets. The supply of skilled workers helps these vendors to secure the position of their products in the marketplace as highly useful business tools. 4 below provides an overview of one solution initiated by the company SAP.

The skills development strategy in figure 4 ensures the software vendor has skilled people in its customer network who are competent and know how to get the most out of the products.¹⁵ At the same time, the purchasers of SAP products interact with skilled workers who can reduce technology disruptions that might occur during implementation and maintenance of new software systems. The skills development strategy helps to strengthen the relationship between the vendors and current and potential customers.

In all examples, companies have successfully developed their businesses by integrating skills-development initiatives in their business strategies and often achieved additional benefits as a result of training. These examples identify how different companies have met skills-development challenges and show how improving opportunities for greater communication between employers and training organizations can lead to new skills-development opportunities for training providers. For companies working with training providers, the relationships built around initiatives, such as those highlighted above, help them to appreciate fully the relationship between skills development, innovation and achievement of business objectives.

Figure 4. Getting workers with the right skills

SAP is a developer and vendor of enterprise applications. Skills for Africa is SAP Africa's umbrella skills development and job creation programme. The programmes last for three months and provide accessible SAP-oriented business and ICT training to unemployed youth in Africa.

The programme has three components:

- The SAP Africa Scholarship programme, a classroom-based, intensive three-month course with formal SAP Academy training in SAP application products. The training results in internationally recognized Associate SAP consultant certification;
- The SAP Africa Dual Study programme, which provides the same vendor certification as above to university students via an online learning platform; and
- The SAP Africa University Alliances programme, in partnership with major universities, provides enterprise resource planning (ERP) knowledge to students, building student's skills in SAP products and providing an opportunity for innovation from universities to the vendor.

Before training starts, SAP identifies companies that use SAP products and are committed to taking on graduates once they finish training. On completion, trainees are offered internships with firms and SAP as a trial for employment. The programme has national support from in-country governments, the private sector, public sector and civil society. In Kenya, the ICT Authority advertises the programme to relevant organizations (government, companies, hospitals, for example) that use SAP products and provide facilities and personnel for student recruitment. The project gives high importance to securing jobs for trainees upfront, which helps to grow the number of skilled workers available in the future workforce while maintaining student motivation.

Part

B

GUIDELINES

1. MACRO-LEVEL

1.1. Macro-level sectoral approaches to skills development

In many developed countries, training reforms have led to greater emphasis on labour market analysis—improving the relevancy of training and assessment content and delivery—and to developing partnerships with industry. Despite these reforms, a significant number of employers globally still experience skill shortages, recruitment and retention problems, while at the same time employees report that their skills are underutilized¹⁶ With current high levels of youth unemployment, policymakers and industry bodies have been exploring ways to maintain strong labour productivity growth while concurrently creating decent, inclusive work. The challenge for many states is identifying private sector engagement strategies that match the strengths of their skills development systems.

Skills development and labour market policymakers have a contribution to make beyond providing skilled workers, particularly through policies that facilitate entrepreneurship and support economic development during the early phases of training reform, and by building innovation in more developed skills-development systems. Notwithstanding this potential contribution, past policy practices have restricted the focus of skills development to providing entry-level training and matching job seekers to vacancies, while training organizations have not always been alert to business demands and local economic development needs.¹⁷ The separation of economic development policy from labour market policy compounds these shortcomings, so that now there is greater emphasis on aligning skills development policies with economic development policies.

There is widespread agreement that training programmes provide only part of the solution when working to address skill shortages and skill mismatches; training programmes on their own do nothing to guarantee skills utilization, employment or retention. Taking a sectoral or cluster approach to skills development is more likely to produce positive outcomes.¹⁸



Source: UNDP / Sveta Ten

Globally connected companies and emerging domestic sectors all require capable, skilled workers for economic prosperity and inclusive growth. Unfortunately, there is no automatic connection between the skills development of young people and employment or training programmes and improved business competitiveness. Dialogue and close relationships with companies and industry groups improve employment opportunities and the likelihood of boosting a company's comparative advantage in their marketplace. While reducing unemployment may be an aim of government, doing so requires a thorough understanding of issues facing companies, as training strategies alone will not necessarily achieve greater rates of employment, improved wage rates, or strong, robust enterprises. Consequently, it is important to view skills development as part of a broader set of strategic approaches towards improving prosperity.

There are many potential private sector engagement models in skills development, and the country context is important in determining the best model. The country's governance structures, financial management arrangements and administrative capacity are all a consideration. The size and nature of the non-government sector, the economic situation, industry need and the strength of the economy, for example, all play a role in determining the model of private sector engagement in any one country.¹⁹ Additional issues beyond training that can affect perceived skills shortages and mismatches, and have policy and resource implications include:

- A lack of structured career paths;
- The structure and nature of jobs offered in a sector;
- Aspects of work not compatible with desired lifestyles;
- Heavily regulated industries;
- Access to technology and contemporary production processes;
- Attractiveness to potential employees; and
- Improving competitiveness.

1.2. Macro-level strategies and interventions

At the macro-level, a skills development system operates at the national and, with growing regularity, the international level. Dimensions of a policy framework supporting an enabling environment for private sector engagement vary. Some well-known policy levers for encouraging private sector involvement include the formalization of industry advisory arrangements to enhance the relevance of skills development initiatives to the current labour market and to identify emerging skill needs, the use of levies and incentives, funding initiatives and voucher systems. Some of these enablers can become restraints if governance arrangements of the skills development system are not robust²⁰ or the supporting systems are too bureaucratic and difficult to access.²¹

1.3. Policy frameworks for private sector engagement

International policy guidance and private sector cooperation

Skills development supports economic development, improves enterprise productivity and profitability, and facilitates social inclusion objectives by underpinning access to decent work. Policy frameworks built on core government aims help to clarify the changing demands placed on skills development actors. There are a range of international principles and directions that countries can draw on when evaluating and formulating institutional and policy frameworks. The following section highlights some of the central themes presented by international development agencies concerning private sector engagement in both low, medium and high-income countries.

The World Economic Forum

The World Economic Forum 2016 report, *Disrupting Unemployment: Business-led Solutions for Action*, observed that a significant gap exists between the skills employers are looking for and the skills potential employees can offer.²² In 2014, 36% of employers globally reported facing difficulty obtaining skilled workers required for their positions. Rapid technological advancement, new work processes and practices, and economic instability—factors that had changed the nature of work—have made the situation particularly difficult.

The World Economic Forum argues that business clearly has a vital role in providing a solution to this growing issue. The report identifies three key solutions in which business can play a key role in addressing rising unemployment and the mismatch between business needs and the skills of new labour market entrants. These include: (a) developing employment skills by working with the technical and vocational education and training (TVET) sector to make skills more relevant; (b) fostering entrepreneurship; and (c) connecting graduates to markets.²³

The World Economic Forum calls for more tailored development of employment skills, recognizing that, in order to address the gap between skill supply and demand, education and training systems require stronger input from business to prepare students for the requirements of the market.²⁴ Developing entrepreneurial skills is essential for addressing the unemployment-skill mismatch. The Jetwings example in figure 3 details a practical example of how one company fostered local entrepreneurship that also benefited the company by reducing overheads. According to the World Economic Forum report, entrepreneurship and self-employment are a major source of economic growth that will play a vital role in job creation in the coming decades.

OECD G20 skills strategy

The Organisation for Economic Co-operation and Development (OECD) G20 Skills Strategy for Developing and Using Skills for the 21st Century states that the principle of investing in skills is crucial to driving better economic performance, improved productivity, and the take-up of new technologies and innovation, which together deliver robust and inclusive growth.²⁵

While the World Economic Forum report is a clarion call for business engagement in skills development, the OECD report examines the policy frameworks for effective private sector participation. The report recognizes the value of a comprehensive and integrated framework for policy action. For policymakers, the report presents a useful platform for consideration when developing a national skills development policy incorporating private sector engagement. The broad policy aims are:

- Building skills for work and life;
- Encouraging firms to invest in skills; and
- Ensuring that skills are fully used.²⁶

The OECD G20 Skills Strategy encourages quality apprenticeships and other forms of work-based learning. The report also calls for stronger engagement from social partners in providing guidance on current and projected skill needs and the mix of training programmes necessary to address these skill requirements.

The G20 Skills Strategy recognizes that skills development initiatives are successful when part of a wider group of strategies. The report states that the utilization of competencies within the workplace are a key determinant of labour productivity. The report identifies that a firms' investment in training is crucial to becoming less dependent on low-skilled strategies, moving up the value chain and addressing

skill shortages, which make the overall economy more productive. The G20 report reasons that skills upgrading in the informal sector can increase productivity and facilitate a transition to the formal economy.

Under the policy aim of encouraging firms to invest in skills, the policy and principles identified below are practical actions that companies can undertake as part of their workforce development strategy.

Policy principles	Indicator measuring progress
Foster employers' investment in quality training, focusing on small and medium-size enterprises (SMEs).	Increased provision of training in SMEs.
Encourage investment in skills through shared public-private financing, especially for low-skilled workers.	Increased incidence of training for low-skilled workers.
Improve training opportunities for informal workers.	Increased incidence of training for informal workers.
Promote job stability to increase access to work-based training.	Reduced incidence of precarious jobs.
Encourage firms to move up the value-added chain and increase the use of more highly skilled workers.	Increased share of jobs requiring higher skill levels.

The OECD G20 report identifies that skills development policies must take a strategic approach to anticipating and responding to changing skill needs. Anticipating skills demand requires changes to management and planning tools, by strengthening processes and the hardware for the compilation and usage of information on skill demands. At the same time, companies need to review their organizational practices to reduce skills mismatch and increase the level of skills utilization.

The OECD report concludes that successfully combined policy strategies require the involvement of all relevant stakeholders to achieve better social and economic outcomes.

ILO national skills policy formulation

Similar to the OECD report, the International Labour Organization (ILO) examines the role of skills policy in enabling industry collaboration. The ILO policy brief, "Formulating a national policy on skills development", examines the role and importance of national skills policies, analysing what they can achieve and the key principles of effective policy development, implementation and monitoring and evaluation.²⁷ According to the policy brief, many countries aim to become or retain their status as high-income countries, which means that, in order to succeed, they must prioritize value added, higher quality goods and services that result in higher wages and profits. Achieving or maintaining higher-income status requires a skilled workforce and a skills development system that prepares skilled people for entry into a high-skills labour market.

Developing good practice national skills-development policy builds coherence in a skills development system, facilitates coordination, clarifies institutional arrangements, anchors existing good practices and secures stakeholder commitment. Skills development is considered the shared responsibility of government, industry and workers, with social partners having a critical role.



Source: Centum WorkSkills

The three international agencies concur on the main policy principles for skills development as being: (a) a shared responsibility; (b) skills being an integral part of economic growth; and (c) supporting countries' employment strategies.

In the ILO policy brief, research of country experience shows that successful countries have succeeded in linking technical vocational education and training to improved employability, productivity and employment growth. Successful countries have focused on matching supply and demand for skills, while balancing the broader employability of workers and the ongoing viability of companies, while still preserving a flexible and diverse skills development process. The key message is that skills development should not be considered or provided in isolation. Skills development is a way to foster decent work, improve productivity and promote economic and social development. The policy brief emphasizes that coordination with other policies and strategies, in particular, national development strategies and sector growth strategies, is critical.

This holistic approach presented by ILO parallels the OECD G20 Skills Strategy recommendations and reflects the broadly accepted view that successful skills development solutions are not based solely on the supply of training.

UNESCO: Shanghai Consensus

The Shanghai Consensus rethinks the nature and role of TVET in establishing more equitable and sustainable patterns of development.²⁸ The declaration recommends that Member States of the United Nations Educational, Scientific and Cultural Organization (UNESCO) implement a series of actions to address the challenges of underemployment and unemployment, particularly among young people and women. The Consensus identifies goals and specific actions that Member States should undertake, several of which reflect recommendations made by other international organizations on how to enhance the relevance of TVET. The Consensus does make several recommendations, primarily for international organizations and governments, on how to implement TVET through private sector engagement:

- **Enhancing the relevance of TVET** by developing frameworks and incentives that promote the active involvement of relevant stakeholders in planning, governance, curriculum, qualifications development and assessment, as well as school-enterprise cooperation and workplace learning;
- **Strengthening governance and expanding partnerships** through approaches and frameworks that involve representatives of enterprises, workers, learners and civil society, including young people and develop partnerships for regional cooperation initiatives;
- **Increasing investment in TVET and diversifying financing** by underlining the essential role that TVET plays in promoting economic prosperity and social cohesion and by diversifying sources of funding by involving all stakeholders, using appropriate incentive mechanisms; and
- **Underlining the essential role that TVET plays in promoting economic prosperity and social cohesion** and by raising the public profile and attractiveness of TVET among learners, families and all other stakeholders.²⁹

The 2030 Agenda for Sustainable Development

A growing number of multilateral initiatives targeting businesses, such as the 2030 Agenda, aim to promote responsible business behaviour that leads to inclusive growth. The 2030 Agenda, through the Sustainable Development Goals, aims to inspire companies to align their strategies and operations voluntarily or involuntarily with the common principles of human rights, labour, environment and anti-corruption and to take action that progresses collective goals.³⁰



Source: UNDP

The Sustainable Development Goals, especially Goals 4 and 8, stress the importance of skills development for work, entrepreneurship, employment, livelihoods and development. Goal 4 on quality education mentions inclusive, equitable and quality lifelong learning, along with education, and highlights skills development as a strong dimension in the development process. The goal emphasizes the role of skills development in the inclusion and empowerment of youth, women, persons with disabilities and other disadvantaged groups. All of the reports discussed in this section identified youth unemployment as a major threat to society in general, and for women, the marginalized and disadvantaged groups, in particular. Moreover, they highlight the importance of delivering skills for gender mainstreaming, poverty alleviation and sustainable development. Goal 8 on decent work and economic growth suggests that the promotion of continued, inclusive and maintainable economic growth will lead to full, productive employment and decent work for all.

The Sustainable Development Goals provide the relevant topics that policymakers should consider when developing private sector engagement strategies. Many of these topics reflect those discussed in the documents discussed in this section, although each with a slightly different focus. Some common themes emerge when comparing the reports identified above. Foremost there is agreement that employers have an important role to play in alleviating unemployment by working in partnership with skills development organizations; second, that employers have a critical role in identifying their skill needs to make skills development more relevant.

Furthermore, a focus on sustainability in the OECD, UNESCO Shanghai Consensus, ILO work on green jobs, and the Sustainable Development Goals, identifies that skills development policy incorporating green skills and green jobs is an essential aspect of sustainable, inclusive growth. The ILO states that green jobs are key to sustainable development, facilitate the greening of enterprises and workplace practices, and spread green practices deeper into the labour market. The international trend towards sustainability is now more strongly visible in national policy frameworks. The Sustainable Development Goals that are connected to skills development also underscore the importance of access to inclusive, sustainable TVET and employment, thereby further mirroring themes in the UNESCO and OECD position papers.

In these papers, there is general acknowledgement that employers receive productivity and economic gains when firms invest in training. The need to develop incentives that help to create closer links between enterprises and skills development organizations, so that they develop training content relevant to current and future labour market needs, is a consistent theme throughout. Increasing workplace learning opportunities is also a common theme. Each organization has highlighted that more is needed to smooth the transition from school to work by linking students with the job market, providing on-the-job training, and fostering institutional and enterprise collaboration. Furthermore, the Sustainable Development Goals, the OECD G20 Skills Strategy, the ILO policy brief and the UNESCO Shanghai Consensus all identify the importance of basic education as a foundation for future skills development.

1.4. Formulating skills policy: acknowledging the private sector role

At the national level, skills development policies guide implementation and resource allocation decisions. Since there is no ideal model of a skills development policy, each state must formulate its policy based on individual needs and conditions within the country. A skills policy requires a both shared vision of the purpose and objectives of a skills development system for a particular country and policy guidance for each objective. The ILO policy brief discussed earlier argues that a well developed policy addresses some of the skill challenges facing low and middle-income countries. These challenges include:

1. Skills mismatch resulting in skill shortages and a surplus of competencies that are not in demand and which contribute to unemployment;
2. Limited involvement of social partners;
3. Poor quality and relevance of training, which negatively impact the adequacy of training materials, teacher qualifications and labour market understanding;
4. Restricted access to training opportunities; and
5. Weak coordination in the system, leading to overlap of effort among stakeholders, including employers and workers, non-governmental organizations and government agencies involved in skills development.³¹

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Addressing these challenges requires greater input and involvement from all interested parties, including industry, employers and workers. Fostering private sector collaboration through supportive policy frameworks can result in a modified role for government. Research suggests that government ministries involved in skills development often choose to relinquish control over direct provision of some services while maintaining responsibility for policy frameworks that support:

- Skills formation;
- Education's sector-wide cohesion to promote articulation and recognition;
- Equity and access; and
- The quality of the system.^{32,33}



Source: MLMM

The same research notes that economies of scale (development of resources, learning materials and assessment resources) and standardization issues (such as, accreditation, qualifications, articulation and teacher training) often operate best within a centralized framework. On the other hand, evidence suggests that in decentralized models local ownership of training provision is higher and the alignment of training to local labour markets is better.

As noted in international development agencies' recommendations, centralized and decentralized structures influence the formation and the effectiveness of national skills development policies differently. Combining central coordination mechanisms with local flexibility assists in increases the applicability of training to local business needs, while ensuring workers have nationally relevant skills for the movement of workers to different regions. However, getting the balance between centralized and decentralized models requires consideration of the capability of local level actors to design quality local level solutions.

At the macro-level, centralized coordination arrangements include sector skills councils. Although the role of the private sector in these bodies varies from country to country, some activities are common

and include skills standards development and labour market intelligence. Examples of countries that have national skills development policies, with formal private sector advisory roles, include Australia, Bangladesh, India, Malaysia, Nepal, Netherlands, New Zealand, Singapore, Rwanda, South Africa, Sri Lanka, the United Arab Emirates, the United Kingdom and a number of other European Union member states. These sector advisory bodies complement the role of government in skills development by providing evidence-based recommendations on skill shortages and by developing skill standards that form the content of national qualifications. Government's role in countries with national sectoral advisory bodies is to regulate the quality of products developed by these organizations. Some common roles of sector advisory bodies include: identifying sectoral skill needs, developing national skill standards, raising awareness of skill development, improving the status of technical vocational education and training, promoting skills development in industry, and developing sectoral qualifications.

Many more countries engage with the private sector based on the development of skills standards (though the title may vary across countries: competency standards, national occupational standards, skills standards, for example) based on industry consultation to identify training and assessment content. The development of skills standards by industry provides the government with the assurance that training and assessment content are relevant to industry needs and that prior learning will be recognized.

International development agencies universally highlight the importance of labour market information and analysis in reducing skills mismatch. According to the ILO policy brief, skills development policies should provide mechanisms for anticipating skill demands through the active engagement of stakeholders. The role of government, therefore, changes from *relying on internal data to determine training needs* to *validating decisions based on the data*. Policies to support labour market information and analysis need to facilitate active and regular engagement among industry stakeholders and those collecting, compiling and analysing information.

Another critical area for private sector participation in skills development policy is the professional development of teachers, which the ILO policy brief and the UNESCO Shanghai Consensus emphasize, and is considered essential to the quality of education and training. Together, policies supporting teacher professional development (to update technical skills) and industry knowledge and experience give the private sector the opportunity to offer government the expertise that government cannot provide.

Core skills, such as literacy and numeracy, are a central building block in contemporary skills systems and are usually developed early during compulsory education, as noted in the OECD G20 Skills Strategy, the ILO policy brief and the UNESCO Shanghai Consensus. Good early basic education provides a strong foundation for lifelong learning and employment. Universally, employers need soft skills beyond technical expertise to operate successfully in a workplace. Many of these soft skills include problem solving and teamwork.

In training systems that have undergone various reform phases, workplace learning is an essential element. A systematic approach to workplace learning is a significant area in which the private sector can participate and is sometimes overlooked in skills development policies. Workplace learning extends beyond traditional apprenticeships to include integration of on-the-job learning opportunities for students in full-time and part-time formal TVET programmes, along with new forms of apprenticeships and traineeships in new industry sectors. Structured workplace learning opens up the types of learning environments where formal TVET is delivered, requiring the government to assume a greater regulatory role over the quality of work-based learning.

The World Economic Forum, the OECD, the Sustainable Development Goals, the UNDP Growing Inclusive Markets Initiative, and the ILO emphasis that systematic consultations and the development

of common methodologies with industry underpin the success of each skills policy initiative and foster private sector engagement and acceptance of skills development.

Skills policies that involve stakeholders in the policy development process should include centralized coordination mechanisms combined with local flexibility, a strategic vision for skills development, and high-level formal industry advisory arrangements. Key initiatives in this area vary according to the local country context, but there are notable trends in introducing skills standards for: training and assessment purposes, the professional development of teachers in current industry skills, the identification of core and soft skills, the establishment of labour market information systems, the creation of financing and incentives, and the introduction of structured workplace learning.



Source: UNDP / Anastasiya Kasyanova

1.5. National policy enablers for private sector engagement

There are many different strategic initiatives that stimulate industry engagement. Since the 1990s, governments have sought to make skills development more relevant to labour market needs, increase dialogue with industry stakeholders, and strengthen employment outcomes for graduates. The push for industry relevance has led to the introduction of many different policy, funding and levy initiatives to encourage industry involvement in skills development. More recently, in countries where corporate social responsibility is mandatory, the incentive and flexibility for companies to participate in skills development activities have increased.

Frequently, when planning training provision, historical data (such as previous training delivery), current capacity and available facilities form the basis of planning decisions and future activities. As noted in the previous section, successful skills development policy processes are not developed in isolation. Encouraging a strategic approach to skills development planning with better coordination of skills development initiatives across ministries and agencies is crucial. Strengthening the relevance and value of a country's training provision means the country has to reposition its strategic national skills development initiatives so that they support its economic development and regional competitive advantage for foreign direct investment. Removing ministerial silos and introducing inter-ministerial coordination improve the responsiveness of skills development at the macro level. Malaysia provides an interesting example (figure 5) of the close alignment between a nation's skills development planning and its economic development strategies.

Figure 5. Supporting economic development priorities through interministerial coordination

Malaysia has an economic transformation policy platform to move from a middle income to an advanced knowledge economy by 2020. Malaysian industry is experiencing rapid changes in technology and leading to more complex work. There is greater emphasis on workforce productivity by Malaysian industries, which is creating new demands on the labour market. To help industry achieve this goal, the Government has developed the Human Capital Development Strategic Reform Initiative from recommendations proposed under the New Economic Model.

The operational arm of the initiative is the Human Capital Development Unit, which is part of the Economic Planning Unit in the Prime Minister's Department. At the planning level, the Unit identifies labour supply and manpower requirements and coordinates programmes for the development of skilled workers. The Unit can work flexibly because it is outside the normal ministry structures and decision-making processes. It formulates policies on education, training and lifelong learning, and monitors delivery.

The development of skilled workers in Malaysia requires inter-ministerial coordination and cooperation with the private sector, and the commitment of all government agencies to coordinate their efforts to achieve national outcomes. Inter-ministerial coordination is a necessary function of the Unit. Its location in the Economic Planning Unit of the Prime Minister's Department means the Unit has high-level support to coordinate and set directions across ministries and industry. Because it has ready access to senior levels of government, The Unit has a strong mandate and can make and implement decisions based on a coordinated approach to skills development.

Governments can facilitate ministerial coordination by establishing joint ministerial committees, panels of experts and advisory boards to identify clear roles and responsibilities and memoranda of understanding, and by delineating clear lines of responsibility. Inter-ministerial coordination can provide greater agility and responsiveness and contribute to the coherent design of skills development responses. Such coordination also enables the efficient allocation of limited financial and human resources to support the implementation of training programmes.³⁴ Skills development planning, which considers national economic priorities and labour market trends while working to coordinate ministries, also requires:

- Clear, non-bureaucratic governance arrangements to ensure coordination between ministries, agencies and institutes;
- Close coordination between ministries and industry;
- High-level commitment within government;
- Embedded training strategies within the economic planning process;
- Combined consideration of economic development priorities with labour market analysis to identify skill needs; and
- Skills development planning processes linked to economic priorities covering all ministries that deliver training programmes.

Financing

There are different funding options available for skills development that can serve as policy levers and stimulate private sector engagement. Some financial policy levers are more effective and, when well

designed, can achieve a number of policy objectives. Tax incentive schemes offer the option to pay less in taxes when a company provides or participates in training. These schemes have had mixed results in various countries and require close monitoring. Other mechanisms, such as vouchers and student loans, have also had mixed results and require students to be well informed of good quality training so that they can choose a quality training provider.

Providing loans to training institutions is another financing approach. In the case of the Indian National Skills Development Corporation, for example, it provides both start-up funds for private training providers as well as training funds for them to conduct training. The effect has been the rapid development of a vibrant private training sector, which had previously been small to non-existent. For India overall, this approach has increased the training capacity available within the country and the range of training on offer.

This model is particularly useful in developing and middle-income countries where a private training sector either does not exist or is relatively small, and where the state, which has strong transparency and monitoring systems, requires a rapid expansion in the number of available training places. Under the National Skills Development Corporation approach, different modes of financing were proposed which included loans, equity and grants. Loans are provided for up to 10 years from the initial date of the loan. Despite this, some training organizations defaulted on loan repayments.³⁵ The financial difficulty faced by some institutions is an unforeseeable outcome since this approach had not been trialled before. The reluctance of the market to participate in or pay for training is highly probable in places where a new private training sector market is still developing; individuals often do not see value in attending private training institutions and, therefore, income generation is not guaranteed. Developing an appreciation for the value of attending training at a private institution is something that needs fostering within the community, and will benefit both government and the private training companies to promote jointly.

Training funds

The use of training funds is another mechanism used to increase the number of training providers, both public and private, operating at either the state or national level. Several countries, such as Brazil, India, Malaysia, Pakistan, the Philippines, Singapore and South Africa, have introduced national or state-based skill funds as mechanisms for encouraging flexible training outside of existing mainstream funding arrangements. A review of national training funds undertaken by the World Bank in 2009 found that they serve to bring together various sources of financing for skills development, supplement the amount of resources available for training, and assign the funds in agreement with national or state policies and priorities.³⁶

Training funds tend to operate outside normal line ministry funding mechanisms, which means that funds can be distributed at a faster rate, and there is no guarantee of commitment to continued funding for training institutions, which reduces government's ongoing financial burden. Training funds provide governments with a flexible approach so that they can, for example, finance skills needed immediately within a labour market; meet national economic development needs; and end the funding of training programmes where employment demand has declined or stopped. This flexibility allows governments to complement existing long-term public training provisions with more flexible, responsive training approaches.

In figure 6, the Skills Challenge Fund provides an example of a training fund operating at the state level in India that complements the National Skills Development Corporation initiative of developing a private training market. This state-based training fund initiative could not occur if the corporation had not already fostered the development of a strong private sector training market to compete actively for training funds.

In the Skills Challenge Fund example, multiple government departments take responsibility for the governance, financial accountability and management of the training fund. The revenue for the skills fund does not come from industry, because industry in Meghalaya is small and levies would create unacceptable burdens on this remote area.

It is important to consider whether industry and particular industry sectors within a country are robust enough economically to fund or jointly fund skills development, or whether government funding is a better option at any given stage in skills development reform. Additionally, the likelihood of consumers paying for training needs to be assessed before introducing any 'user pays' training initiatives.

Figure 6. Meghalaya Skills Challenge Fund

Meghalaya is a state in the northeastern part of India with high unemployment and low industry diversity. Youth make-up 35% of the state's population; however, owing to weaknesses in the state's secondary, higher education system and skills development systems, youth are unable to compete for jobs. The state's skills development and vocational training programmes were suffering from limited capacity, with very few private training providers operating within the state. Compounding the high level of youth unemployment is a small and restricted labour market, with 70% of the workforce employed in low-skilled agricultural jobs. The industrial foundation within Meghalaya is narrow, with limited processing or value adding taking place within the state. The economy is primarily agricultural and informal in nature.

In order to improve its capacity to deliver wide-ranging quality skills development options, Meghalaya established the placement-linked training fund, or the Skills Challenge Fund. The fund has two components. The first is to train and place young people in employment either within Meghalaya or in the region or India. The second component is to provide entrepreneurship training and support so that young people in Meghalaya can successfully generate income to lift themselves out of subsistence living.

The Skills Challenge Fund funds training programmes linked to areas where skill shortages have been identified, either in Meghalaya or the rest of India. The other important aspect is that the training must be employment-linked. Training should lead to placement within a year of completing training, or help to enhance the livelihood of the self-employed.

Employment linked to funding encourages training providers to develop close ties with employers both during and after training. Furthermore, one financing conditions requires that training institutions follow up with students and employers. This employment-linked outcome acts to encourage long-term relationships with employers. Government training providers are also invited to apply for funding in partnerships with chambers of commerce or local businesses, thereby providing an incentive for government training institutions to develop partnerships with the private sector. Part of the incentive for government training institutions is additional money available to them outside traditional line ministry's funding mechanisms. The Government of Meghalaya also wants to develop a viable training market, and so the fund provides incentives for interstate training institutions or industry bodies to set up training centres in the state or to collaborate with and build the skills of local training providers. Local training providers can access funding to refurbish facilities, train teachers and pay for equipment, if they can show that they are in a partnership with industry.

Corporate social responsibility provides companies with an avenue to support skills-development funding either voluntarily or through regulatory requirements. Two different models of how corporate social responsibility facilitates skills-development initiatives are described in figure 7 below. These models offer a strategic approach. The National Skills Development Corporation approach aims to collect ongoing funding for skills development across the country. The Tata Hitachi Construction Machinery approach, similar to the SAP model in figure 4, builds its local customer skills base while creating training expertise in the sector. The Tata Hitachi approach offers a construction machinery value chain model that can be replicated and enhances the value-chain member's interest in skills development over the long term, potentially leading to more companies within the value chain identifying skills development as a solution to their workforce skill needs.

Corporate social responsibility offers companies a great level of flexibility, which individual companies can realize through voluntary initiatives that meet particular needs or as a policy initiative through a regulated approach, such as that used in India.

Figure 7. Corporate social responsibility

While initially a form of corporate self-regulation, the Government of India introduced a requirement that businesses earning over a certain amount had to spend 2% of their profit on social improvement activities. The Confederation of Indian Industries has encouraged its members, through activities such as conferences on corporate social responsibility and skills development, to engage actively with skills development. The confederation has been working closely with the National Skills Development Corporation (NSDC), a Government of India private sector



engagement initiative, to encourage companies to develop collaborative corporate social responsibility projects in skills development. The Mineral Development Corporation has signed memoranda of understanding with the NSDC and the National Skills Development Fund to provide skills development funding for 1,200 unemployed young people nationally. And the NSDC has signed memoranda of understanding with a number of large Indian companies that have agreed to contribute some of their corporate social responsibility funding for training across India.

Under a separate internal initiative, the Tata Hitachi Construction Machinery, through its corporate social responsibility commitment, has set up an operator training school. The school provides training on how to use excavators and backhoe loaders to unemployed youth so that they may work as operators of construction equipment in India and overseas. The company has a policy of reserving 50% of training for people from scheduled castes and scheduled tribes, recognized as equity groups in India. The school has a hostel for students and state-of-the-art machines to provide hands-on practical learning sessions for students. The training programme covers theory and skills-based learning, and teachers come from companies with experience in training. The details of students graduating from the course are matched with their equipment dealers and new customers looking for people skilled in operating equipment.

Levies and incentives

Combined with skills-development policy mechanisms and economic development strategies, levies can have a positive effect on the quality and relevance of skills development and increase employer demand for training. While incentives can increase participation, they have little effect in generating revenue or ensuring appropriateness of outcomes. A World Bank review of training levies suggests that levies on their own do nothing to improve the quality or take-up of training, though they can help to increase the amount of training offered.³⁷ There is, however, evidence that a combination of levies and incentives can lead to greater funding and better focus on the intended outcomes of national skills development strategies. In addition to levies, incentives can help fast track industry engagement in workforce development and increase the numbers of people participating in training. However, incentives require robust implementation and monitoring systems to support them, and overly bureaucratic application and reporting systems will reduce employer participation, particularly among small business operators. The same World Bank review on training levies, found that incentive programmes work best during periods of economic growth, particularly when a government links skills development policies with economic development strategies.³⁸ Malaysia, the Republic of Korea and Singapore are strong examples of this approach. In each of these countries, there are strong governance and administrative arrangements in place to support transparency and accountability. The Singaporean example in figure 8 is an example of a well designed levy and incentive programme that safeguards workers and encourages employers to participate by providing industrial placement for students in formal studies.

Figure 8. Singapore Skills Development Fund

Singaporean employers pay a compulsory skills development levy for all employees, which includes full-time, casual, part-time, temporary and foreign workers employed in Singapore. A levy of 0.25% is applied to total payments, including wage, salary, commission, bonuses, leave pay, overtime pay, allowances (e.g., housing) and other payments in cash. The Central Provident Fund Board collects the skills development levy on behalf of the Singapore Workforce Development Agency. The levy is deposited into the Skills Development Fund, which provides grants to companies for workforce training. The Skills Development Levy Act was passed to support the collection of levies and disbursement through the Skills Development Fund.

The skills development levy is a mandatory contribution from employers, and failure to pay is a statutory offence. An employer pays the levy for each employee it hires. To avoid cost shifting, employers cannot deduct the levy from employees' monthly remuneration. The collection of the levy and the disbursement of training assistance are managed separately. The skills development levy training assistance is provided as a financial incentive to employers to upgrade the skills of their workforce. Moreover, it is a way to strengthen government training programmes, as employers are exempt from paying the levy for students who are on full-time industrial attachments arranged by skills development institutions, universities and other post-secondary educational institutes. An employer's skills development levy contribution is not tied to the amount of financing the employer can obtain from the skills development levy for the training of its workers.

Sometimes it is important for governments to offer incentives to companies to ensure that there is a supply of skilled workers in particular sectors for the future. Incentives enable employers to participate in the formal training system rather than take an informal approach to skills development. Incentives that encourage employer participation in the formal training system have the benefit of creating a vehicle for the implementation of policy objectives and a way for students to be awarded a formal credential, thereby providing greater potential mobility for workers. The Australian example in figure 10 highlights how the Government used incentives to improve declining apprenticeship numbers.

Figure 9. Australian employer incentives for apprenticeships and traineeships

In different states of Australia, employers are paid an incentive upon the successful completion of a student's apprenticeship or traineeship in industry sectors of strategic importance to the state. In addition, the federal Government provides a commencement and completion fee to employers for each contracted apprenticeship or traineeship in a trade or traineeship in a priority occupation. These incentives are also paid to existing workers who undertake an apprenticeship or traineeship, and there is no set age limit for individuals entering an apprenticeship. The trainee and apprenticeship incentives extend to non-priority areas for school-based apprenticeships.

Incentives can act as an effective enabler for private sector collaboration and, when funded through levies, incentives can be cost-effective. The World Bank policy primer, "Training levies: evidence from evaluations", recommends the following basic principles for government intervention to increase the quality of training:

- Levies should be subject to periodic review;
- Levies should vary across sector/industry to reflect differing the skill composition of the labour force and training needs;
- The system should be designed and administered in such a manner that encourages employers—small as well as large [enterprises]—to participate;
- Training authorities should not venture into extraneous activities;
- The range of training services and courses provided should reflect employer needs;
- Levies should be used to promote training by enterprises;
- Employer buy-in for levy schemes is crucial; and
- Administrative efficiency and transparency are essential.³⁹

National qualifications frameworks

National qualifications frameworks are policy mechanisms to benchmark and classify qualifications, and, as such, they are tools to develop transparency and communicate the comparability of national qualifications. The frameworks are usually introduced as part of a national skills development reform process. In most cases, training reform processes involve a move to outcomes-based learning, greater consultations with stakeholders and alignment across the three levels of the education sector (compulsory schooling, technical vocational education and training (TVET), and higher education). Qualifications are issued after a successful formal assessment and validation process. While the

frameworks are technical tools for formal education and technical vocational education and training, they can also provide occasions for industry engagement.

Showing industry that its viewpoint matters creates goodwill and sends a message that government is committed to involving the private sector in decision-making. An example of how the private sector can participate in the high-level governance of formal TVET systems is the Vocational Qualifications Authority in Turkey, described in figure 10. In this example, the Government has recognized that industry has relevant knowledge of vocational skill needs to contribute during the qualifications approval process. While national qualifications frameworks are national administrative frameworks, the Turkey example demonstrates how they can provide an opportunity for industry involvement in formal TVET systems administration.

Figure 10. Vocational Qualifications Authority in Turkey

The authority is a public entity and has a tripartite governance structure. It is an administratively and financially autonomous vocational section of the national qualifications framework, with a general assembly that includes representatives from employer and employee associations. There is an executive board, which also has employer and employee group representation. Qualifications are based on occupational standards, which are developed by industry, and the private sector is highly committed to developing an effective national qualifications framework. Occupational standards are prepared by occupational standards-setting bodies, sector committees and the Executive Board of the Vocational Qualifications Authority. Different organizations can submit qualifications based on occupational standards for approval and listing in the national qualifications framework. The Vocational Qualifications Authority approves all TVET qualifications.

Source: Castejon, J.M., et al., "Developing qualifications frameworks in European Union partner countries", The Anthem-European Union Series, London: Anthem Press, European Training Foundation, 2011.

Labour market information systems

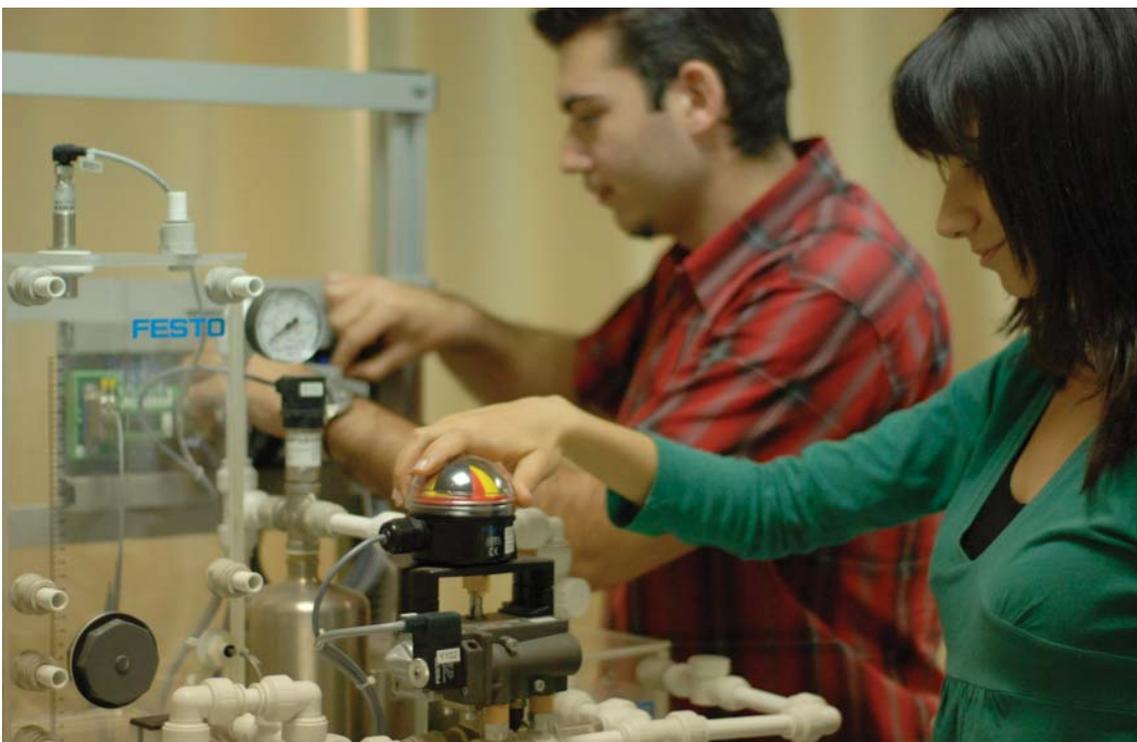
Labour market information systems collect, analyse and disseminate quantitative and qualitative information related to the demand for and supply of labour. These systems incorporate the support processes, including statistical infrastructure, hardware and software, that enable the collection and dissemination of labour market information. *Labour market information and analysis* is the process of data analysis to determine whether shortages are skill shortages (entire jobs) or skill gaps (deficiencies in the skills sets of existing workers), and whether skills development is the best solution to the shortage. *Skills anticipation* is defined in the UNEVOC TVETpedia Glossary as the "use of labour market and skills information to predict and develop policy responses to future skills need".⁴⁰ Some labour market information systems also incorporate information often associated with education information management systems, such as student enrollment, graduation and outcome data, course information and career guidance. Determining the skill needs of labour markets is an important task facing policymakers and planners so that they can ensure that skills development produces appropriately skilled workers for the job market.

Understanding why skill mismatches occur is a factor in determining what type of corrective strategies is the best fit. Structural and industrial change, for example, may require upskilling or reskilling of existing workers or a reduction in labour, which may not be a skills *shortage* but a skills *gap* in the skills

of existing workers. Some sectors may have a shortage owing to highly skilled workers leaving for better paying jobs and better working conditions in another sector. In these examples, industry has a critical role to play in resolving the skills mismatch and collecting reliable labour market information, which produces evidence to frame workforce development initiatives and tailor responses to specific sectoral needs. In industry sectors where highly skilled workers are leaving the industry, or choosing not to enter the industry because of lower relative wages, the skills shortage may be an industrial issue related to remuneration rather than the availability of trained individuals. Having access to reliable data helps administrators and employers make objective decisions which they might not normally consider.

Anticipating the skill requirements of an industry sector is a difficult exercise and usually relies on a mix of qualitative and quantitative data. Among the many challenges facing low and middle-income countries are the validity of data and accessing reliable data on the informal economy. Compounding the lack of reliable data is the shortage of administrative proficiency in skills analysis, forecasting and anticipation.⁴¹ For these reasons, the following section examines labour market observatories as an institutional model that requires the close involvement of industry stakeholders in validating, analysing and identifying trends among available data and in supplementing them with additional sectoral knowledge to determine the best response.

Several methodologies can be used for skills anticipation, which requires varying levels of industry participation. Labour market observatories can operate at local, regional and sectoral levels,⁴² and embrace stakeholders from all areas of the skills development ecosystem, including company human resources development representatives, and skills delivery and employment placement representatives from a particular region or sector. Stakeholders are drawn from employment services, educational planners, training providers, career counsellors, enterprises, employer and employee organizations, non-government organizations and civil society groups. Wide stakeholder consultations provide a comprehensive set of information sources to analyse and make sense of trends, movements and emerging issues in particular labour markets and regions.



Source: BUTGEM

It is a complex task to identify current and future skill needs, and while employers are usually aware of their immediate skill needs, they are often not in a position to articulate emerging skills. By using labour market observatories, employers, workers, sector skills councils, training institutions and university research centres collect qualitative and quantitative information and identify information on current and anticipated industry trends. Labour market observatories are an institutional model that actively includes the private sector in the collection and understanding of the data.

Some industry skills advisory arrangements use approaches very similar to labour market observatories. They facilitate the convening of stakeholders—including individual employers or their human resources representatives, industry bodies, professional organizations, unions, training institutions, representatives of the value chain, and research organizations working in the industry sector area. Under this approach, the government usually supplies detailed data collected from a number of sources, including household surveys, department of statistics data, employment services, business registrations, and other relevant data for the industry skills body to analyse in combination with the industry intelligence that they collect.

In the broadest sense, a labour market information system includes career information, advice and placement services, as well as data on shortages and mismatches, occupational profiles and skills underutilization. Employment services have a role in assisting individuals make decisions about entering the labour market, and can use information from labour market intelligence to support labour mobility and guide individuals away from occupations with structural unemployment. The implementation of a labour market information system aims to provide evidence-based information on supply and demand in labour markets. Employment services can provide effective bridges among training institutions, graduates seeking jobs and employers.

The systems to support the collection and dissemination of information can be expensive. Identifying existing available information helps to reduce the implementation timeline and the cost of establishing processes and developing tools to collect the relevant data.

Skills development and active employment strategies

Youth unemployment is a major concern for low, medium and high-income countries and has been highlighted in the skills strategy position papers of ILO, OECD, UNESCO and the World Economic Forum. According to ILO, global youth unemployment is still well above the pre-financial crisis 2008 level, with 73.3 million young people out of work in 2014.⁴³ ILO goes on to note that developed economies and the European Union, up until 2014, had a slight decrease in unemployment while South Asia saw no change and East Asia, Southeast Asia the Pacific, Middle East and North Africa experienced an increase in youth unemployment:

Almost 43% of the global youth labour force is still either unemployed or working yet living in poverty.⁴⁴

Active labour market strategies include training programmes, job creation initiatives, active job search support, employment incentives for employers, and enterprise development for the unemployed. These differ from passive labour market strategies, which may include income safety nets, food vouchers and retirement support.

In recent years, there has been a greater push to integrate skills development in employment policy. There is greater emphasis especially on quality career guidance in sourcing students, placement-linked outcomes in skills development programmes and, depending on the client group, post-placement support and re-skilling for redundant workers, as underscored in the OECD G20 Skills Strategy and the

UNESCO Shanghai Consensus. On the supply side, there is a greater connection between career advice, employment services, both public and private, with training providers looking to source motivated, well-matched students. On the demand side, there are emerging partnerships with employment brokers and training providers, as governments tie training funding to employment-linked outcomes.

There is a convincing cross-country connection between levels of initial education and continuing skills development and employment performance.⁴⁵ Moreover, strong evidence exists that higher qualifications and skills development qualifications can considerably decrease the likelihood of long periods of unemployment.⁴⁶ Furthermore, in countries with well-coordinated training systems and clear vocational qualifications, there is a convincing link between employment and successful work and careers. However, the relationship between employment and vocational qualifications is less apparent in countries where the training and employment systems are not well integrated.

Many aspects of a skills development policy framework offer avenues for industry participation. The challenge is identifying the areas where industry representatives can provide valuable input to the governance of the skills development system and to strategic direction. Involving industry representatives early in the formulation of skills development initiatives helps to build strategic vision, trust and a sense of commitment to new skills development initiatives.

Creating a balance between, on the one hand, centralized coordination of the system and ministries, and, on the other, local flexibility offers a broad range of opportunities for industry engagement, including at the national policy and local implementation levels. Skills policy should be linked to national economic development priorities, while its development requires industry input in identifying skill needs, training and assessment content and in updating teachers technical expertise and knowledge of the workplace—all necessary policy strategies to improve the relevance of training. A policy supporting implementation of structured workplace training opens up the range of training available within a skills development system and provides students access to current workplace practices.

Countries can support good practice and innovation at the macro-level, through three areas of intervention, by:⁴⁷

- **Collecting and disseminating data** in order to educate stakeholders, build transparency and manage performance. By providing them with high-quality, clear information, students can make informed choices about career options and training pathways. Countries can evaluate what strategies have an impact on training outcomes and disseminate them to stakeholders, and collect training outcome data from individual training providers and make them publicly available;
- **Initiate more sector-wide collaborations** in order to build industry consensus and share the costs of improving education and training. Sectoral involvement in curriculum development and teacher training helps with widespread recognition and acceptance of training; and
- **Create an education-to-employment “system integrator”** that coordinates, catalyses and monitors activity.⁴⁸ Systems integrators, usually a government entity, work across the system and coordinate the efforts of employers and training providers, ensuring that they function together effectively.

Financing and the use of incentives are often a lever. When looking at financing options, it is critical to assess the market’s readiness to participate in funding skills development initiatives as well as industry’s ability to absorb additional costs by way of levies. Funding programmes need to be transparent and have streamlined processes in order for stakeholders to access them.

1.6. Implementation

Implementation is the endeavour to turn policies into action. Successful policy rollout usually supports a number of related activities as part of the implementation phase. Implementation includes establishing monitoring and reporting processes, raising awareness of new initiatives, developing the professional skills of those involved in the rollout and forming partnerships for service delivery. Implementation of training initiatives, for example, covers the professional development of teachers in delivering the new curriculum, using new learning resources, resourcing facilities for delivery, preparing assessors in the use of new assessment tools and disseminating career advice on the new training programme. Implementation of government initiatives, which focus on inclusive skills development, are often difficult for them to implement since the range of government service delivery is often insufficient. Target groups are frequently in remote or rural areas with limited infrastructure, while language and other barriers can make service delivery difficult.

The All India Society for Electronics and Computer Technology (AISECT)⁴⁹ in figure 11 offers an innovative model of how government can partner with an organization to achieve a level of service implementation and a better match with target groups than it would achieve on its own.

Figure 11. All India Society for Electronics and Computer Technology (AISECT)

This case study demonstrates the magnifying benefits of collaborating with multiple organizations and stakeholders to deliver inclusive services. In this case, the organization, AISECT, contracts on a fee-for-service basis to provide government services in regional and rural areas allowing the government to achieve a service reach that it may otherwise find difficult to achieve. AISECT also provides government-contracted services in skills development, including counselling, training and placement, and has collaborated with various central and state government programmes to deliver training to different target groups, primarily the marginalized and disadvantaged. The franchises are run by rural youth who are graduates from AISECT programmes or educated local people. These people understand local customs and speak local languages, ensuring a greater match between the target group and the service providers.



Source: AISECT

GUIDELINES

The franchise model of training requires the implementation of a number of government agency safeguards. These safeguards are designed to guarantee the consistent quality of training and a reduction in opportunities for incorrect reporting of student numbers enrolled in training. Australian research suggests making the head office training company liable for the actions of the franchises by making them legally responsible for any discrepancies in actual enrollments and enrollment numbers used to determine funding. Governments can validate enrollment numbers by including student contact details as a funding trigger and then implementing a random check with the students. Any discrepancy will require investigation by a regional office to confirm numbers.

The quality of training conducted in franchise centers can be improved by implementing quality audits at each franchise. If quality audits are not available the government funding agency can incorporate a number of quality criteria into the funding contract with the head office of the franchise. These quality criteria can include minimum teacher qualifications and experience, feedback from students and employers and the minimum equipment and facility requirements to gain funding. Once again making the head office legally responsible for the franchises increases the likelihood of compliance amongst the franchises. Under funding contracts head offices can be required to repay funding if it becomes clear that the franchises have not met the quality criteria.



Figure 12. Stimulating a private skills development training market

In 2007, the Government of India understood it needed to train and skill up 500 million Indians by 2022. It was aware that the government-owned TVET system was insufficient to meet this enormous skills demand. Nor could it offer the range of skills training and equipment required across different industry sectors for a contemporary Indian workforce. It responded by establishing the National Skills Development Corporation (NSDC), whose role is to increase training capacity within the country through the development of a private training sector.

Through seed funding, and in some cases low-interest loans, the NSDC financed the establishment of 266 private training institutions with 2,009 training centres across India. In some cases, the NSDC maintains an equity share in the training company. To foster private sector commitment to this model, the Government gave industry 51% equity in the oversight of the NSDC, equating to a majority vote on the NSDC Governing Council.

The benefits of implementation-based partnerships—greater spread of service delivery and better matches with target groups—will only accrue if competent well-governed organizations exist with which to form partnerships. With competing demands on government budgets, many developing and middle-income countries are experiencing a shortfall in the number of training institutions available to meet growing labour market training needs. One way to address this shortfall is to increase the number of private sector training organizations operating within the skills development sector. The example in figure 12 outlines how India developed a private training sector that provides the capacity the government needs to achieve its policy objectives of training 500 million young people.

Another avenue to increase implementation reach or the number of suitable locations available to deliver training is to form partnerships with individual companies for formal on-the-job training, thereby opening up the number of training delivery options available in a country. However, as training is not the main business of companies operating in other sectors, this approach requires an investment in providing training to participating employers in training and mentoring students. Providing formal training programmes across a range of new industry sectors requires the government to rethink programme implementation and seek suitable partnerships wherever possible.

When considering secondary organizations that use a franchise model to deliver skills development initiatives, it is important to look at their cost structuring to ensure that there is not an adverse effect on the quality of training delivery. Additionally, random monitoring of the franchises, to assess whether quality delivery is being maintained, is necessary to guarantee appropriate services are being provided.

Programme design for equity and access

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) programme is a good practice example of a comprehensive approach that targets poor rural youth, women, young people in conflict zones and other vulnerable groups⁵⁰ who face major hurdles in entering the labour market. According to DDU-GKY, around 93% of the Indian workforce is employed in the informal sector and lacks any formal qualifications or access to qualifications or career pathways.⁵¹ The Ministry of Rural Development designed a number of measures to assist the target groups in overcoming these hurdles and to provide equity groups, such as scheduled casts, scheduled tribes, women and people below the poverty line, with greater opportunities to enter and successfully remain in the labour market. These design features include:

- **Targeting certain groups**, such as scheduled casts, particularly vulnerable tribal groups, women, people with disabilities, rehabilitated bonded labourers, victims of trafficking, manual scavengers, trans-genders, persons living with HIV/AIDS and other minorities;
- **Training at no cost**, which provides: access to training that many social groups cannot afford, money for student transport, food and accommodation (if residential) and salary top-up for the first two to six months. Students are helped to set up bank accounts so that funds can be directly transferred into their bank accounts; they are also given uniforms, learning materials and tools;
- **Career counselling** for prospective students on the nature of work in the sector or trade, availability of jobs, deliverables required by employers, entitlements, job progression prospects and job risks;
- **Building formal qualifications**, which provides graduates with greater employment options and access to further study (lifelong learning);

- **Training for career progression**, which offers students opportunities to access higher levels of formal technical vocational education and training and career advancement. There is strong evidence that higher qualifications and skills significantly reduce the possibility of long periods of unemployment,⁵² while the low-skilled are more likely to be unemployed;⁵³
- **Industrial internships**, which provide a joint stipend to the student for 12-month internship programmes that guarantee 75% placement with a higher minimum salary. The employer receives a subsidized intern for 12 months;
- **Job fairs**, which assist in placing people in employment;
- **Employment-linked placement**, whose programme requires 75% of graduates be placed in employment and stipulates a minimum wage, wage slips or certificates, signed by employer and employee, and bank statements showing regular payments or money transfer certificates, which are used as evidence. This arrangement is non-negotiable, and, as such, makes graduates more likely to end up working in the formal sector;
- **Post-placement tracking** up to one year, which determines the effectiveness of the training;
- **Retention support up to one year**, so that emerging problems can be resolved before a graduate leaves paid employment. Different work cultures, social norms, ill health, substance abuse, trafficking and exploitation are all issues that new graduates can face;
- **Soft skills training**. DDU-GKY industry consultations identify soft skills as highly important,⁵⁴ more important than domain competencies, which they can learn on the job;⁵⁵
- **Migration issues**. Training providers are required to open a call centre for their trainees and alumni to which they can turn for help for up to one year after completion of training. Many rural and remote individuals must leave their home region to work either in the cities of India or overseas. The lack of social support, cultural change and isolation are some of the issues that can cause young people to leave employment and return home. Once they have had a bad migration experience, they are less likely to do try it again;
- **Finishing and work readiness module**, which covers helping candidates to find accommodation, gaining access to health care, counselling on personal issues, curriculum vitae preparation, and interview techniques, and organizing alumni meetings. Graduates from the target group may be the first in their families to work in the formal sector or in non-agricultural employment. These strategies help them to prepare for the change and smooth the transition to work;
- **Alumni support networks**, which help recruits to understand that individuals like them have been able to gain and retain work—a major motivator. Alumni networks also help people to build social, support and work networks. An alumni development strategy is a mandatory requirement;
- **Career progression**, which offers additional, or up-skilling, training to assist in career advancement.

Detailed skill gap analyses are carried out in each state to determine skill needs and to strike agreements with prospective employers on the number of people they need for each trade and the kind of knowledge, competences and attitude required. Once complete, states select their training programmes, which must meet a verifiable industry demand.

The DDU-GKY programme also provides capacity building activities for training organizations and companies that includes:

- Training of teachers, building placement skills, and helping implementation partners to access government infrastructure for delivery;
- Obtaining bank loans to implement programmes; and
- Using enterprise resource planning tools and applying programme quality standards.

The DDU-GKY programme has output and outcome indicators and requires the implementation partner to monitor and evaluate progress while DDU-GKY undertakes concurrent monitoring and evaluation against agreed performance indicators. Furthermore, DDU-GKY conducts independent programme evaluation studies to determine the training's impact.

Gender

Work-based learning is a crucial element when designing delivery modes for training programmes targeting women. An Australian report commissioned by the National Centre for Vocational Education and Training, from 2000, "Still not equal? A study of differences in male and female TAFE graduates earnings in Australia", found that women technical and advanced education graduates earned less than their male counterparts and that females graduates faced higher levels of unemployment.⁵⁶ However, variance in qualification levels did not explain differences in income, since most of the women in the research held higher-level qualifications than their male counterparts.

A major finding of the research is that women appear less connected with the labour market when undertaking TVET studies. Female students are more likely than their male counterparts to study with the aim of gaining employment, whereas men are more likely to undertake study for reasons related to their current employment. Interestingly, the prevalence of men in apprenticeships is a main cause of this variance. Furthermore, the research shows that male students are more likely than women to gain



Source: SESRIC

employer support while studying. It also found that female graduates are more likely to work part-time and take longer in finding employment or not to be employed.

The design of skills development programmes for woman that incorporate work-based learning must consider strategies to deal with the safety of young women travelling to and from work. Strategies need to cover the times that the work placement occurs, as well as workplace sensitivities towards gender issues, which should be considered when planning delivery.

On-the-job training appears to be an important consideration for training design and, in particular, in training programmes developed for women. Incorporating on-the-job training for women may help to improve their employment opportunities. There is additional information on work-based learning in section three of this document.

1.7. Assessment and certification

Industry has varying roles in assessments: from developing skill standards and organizing industry consultations to using such standards to provide performance benchmarks for assessment purposes. Industry can also provide information on the skills and experience required by assessors in order to determine if a person is competent to perform in the workplace.

Arrangements for assessments and private sector engagement in assessments depend on the individual country context. Some countries provide independent assessments conducted by independent trained assessors, paid for and managed by a central government authority. Sri Lanka has implemented this approach. In other countries, such as India and the United Kingdom, independent assessment bodies conduct assessments and are paid either by the government, the student or the training institution. In countries such as Australia, a trained assessor may perform the assessment, working with employers to determine competency, and with the government or the student paying for the assessment. In most cases, assessors are required to have experience in the sector and skills in the area they are assessing. Each of these approaches has advantages and disadvantages, depending on the country. The preferred model often comes down to cost and whether different stakeholders pay for the assessment. Additionally, many low-income countries have problems sourcing the required number of independent people available to work as assessors, a situation that causes delays in the final assessment and makes it difficult to determine which assessment model to implement.

At the local level, workplaces can provide skilled technicians or other professionals who can conduct the assessment process and determine whether someone is competent. Alternatively, employers can participate in a joint assessment process with a trained assessor who conducts the assessment process, while the employer representative determines whether they are competent to work or not.

Delivery of skills development services offers many instances where employers can engage with students and training institutions to build the skills they need. Identifying the best representatives and ensuring their involvement so that it compliments their work schedules is an important ingredient in the success of ongoing collaborations.

1.8. Monitoring and evaluation

Monitoring and evaluation are important aspects of any policy, project or programme implementation. In skills development, monitoring and evaluation place particular emphasis on the quality and relevance of the skills developed. Stakeholder feedback plays a central role in this process, especially in asking employers and former students to evaluate how relevant the skills developed through training are to the workplace, and how quickly former students gained employment. Identifying the suitability of skills



Source: IL&FS

acquired by graduates to the workplace is the primary data source used to determine whether skills development programmes are meeting workplace needs. Monitoring and evaluation can highlight problems and poor performance, which would not necessarily be identified without undertaking formal review processes. Monitoring and evaluation can also identify good practices and unexpected outcomes.

An inclusive monitoring and evaluation approach ensures the contribution of the private sector in skills development systems. Unlike traditional approaches to monitoring and evaluation, participatory approaches are a process of individual and collective learning and capacity building through which stakeholders develop a deeper understanding of skills development processes and outcomes.

Monitoring and evaluation that involves key stakeholders, such as employers and industry bodies, helps to build their understanding of the system so that they can reflect on what is working well and whether it can be replicated elsewhere. Asking employers who participate in monitoring and evaluation studies to identify lessons learned and corrective actions for future programmes builds ownership and commitment to skills development. Participatory monitoring and evaluation strategies also help to develop accountability among stakeholders and provide input to new policy formulation cycles.

1.9. Towards an enabling environment: private sector engagement in national skills strategies

An environment that encourages private sector collaboration in skills development requires a good policy framework that fosters consultation, information sharing, capacity building, long-term vision and adequate funding. The following points guide the formulation of macro-level frameworks to enable private sector engagement initiatives to work. The points evolved from: (a) a review of the current literature on industry engagement in skills development; (b) examples in this document; (c) and the Istanbul International Centre for Private Sector in Development's Indian and Turkish case studies.

The approaches that help to build successful collaboration focus on:

- 1. National economic priorities.** It is key to identify sectors and regions that are national economic priorities and develop industry profiles that determine the subsectors, interrelationships and key organizations within the sectors or regions;
- 2. Stakeholder participation.** The starting point for national strategy development is stakeholder involvement. Partners bring issues, such as: 'increasing the number of women in training', or 'increasing skills in lean manufacturing'. Multiple partners bring diverse input, helping to frame problems holistically and identify practical, meaningful strategies and solutions with high partner ownership;
- 3. Strategic vision and high-level commitment.** A strategic vision for skills development and private sector engagement has a long-term vision and high-level commitment from the public and private sectors;
- 4. Systems integrators.** The use of systems integrators at a high level to coordinate the efforts of employers and training ensures that they function together effectively;
- 5. Transparency and access.** Transparently documented processes for the formation of private sector engagement initiatives are publicly available;
- 6. Accountability and redress.** Accountability and redress mechanisms are documented and available for all stakeholders. Decision-making processes are clear, and legal systems, regulatory frameworks and other redress mechanisms are in place to uphold the public interest;
- 7. Funding and financial arrangements.** Funding and financial arrangements meet regulatory requirements on the allocation and expenditure of public funds, offer flexibility to address emerging needs and support employers to invest in quality training;
- 8. The capacity of the skills development system.** Stakeholders are given the opportunity to develop skills to manage, monitor and evaluate new private sector engagement strategies. System capacity includes the capacity building of policy developers, government administrators and training institutions to manage, analyse and evaluate local private sector engagement;
- 9. Capacity building of teachers, institute managers and support staff.** Teachers have the technical and pedagogic skills to deliver training to meet industry needs and the skills to integrate formal student learning between a workplace and an institution;

- 10. Institutional autonomy.** Training institutions have a level of autonomy to adapt learning resources to local needs and to work flexibly to meet documented local demand;
- 11. Updating teacher technical skills and workplace exposure.** A range of strategies is developed to update teacher's industry experience and ensure their continued exposure to contemporary work practices and new technologies;
- 12. Quality career advice.** Reforming career advice will help to incorporate up-to-date authentic information on career and educational pathways, both horizontal and vertical;
- 13. A systematic approach to workplace learning.** Broadened and structured workplace learning opportunities in mainstream skills development is achieved by aligning workplace learning strategies with curriculum, encouraging employer, teacher and student participation, updating apprenticeships and introducing new apprenticeships/traineeships in new industry sectors;
- 14. Sectoral and regional approaches.** Sectoral and regional strategies address future demands for skills, both technical and soft, within existing and emerging occupations;
- 15. Inclusive partnerships.** Partnerships ensure equal access for all and encourage small and medium enterprises to participate in training.

2. MESO-LEVEL

2.1. Meso-level sectoral approaches to skills development

A meso-level approach to skills development can have several variations, incorporating a specific industry sector and its sub-sectors, or involving a group of subsectors or a subsector and its value chain. Successful sectoral approaches are demand-led systems that increase the participation of firms, associations and other organizations with representation in the industry sector. These approaches are called 'demand-led' because they require industry to identify the skills needed in their labour market in order to perform a range of jobs. There is therefore a job market demand for particular skills. Many factors lead to the success or failure of sectoral skills development strategies. Two of the biggest factors in skills development systems that fail to generate graduates with relevant skills are:

1. Not asking industry employers what their skill needs are; and
2. Not working closely with employers to ensure that the correct skills are developed.

The main overriding success factor that makes the formal technical vocational education and training system produce graduates with relevant skills for the labour market is ensuring employers, with employee involvement, are a leading voice in the planning and implementation of skills development activities for their specific sector. The components of a technical vocational education and training system need to be aligned and working together toward the same objectives—usually referred to as system coherence.⁵⁷ Achieving labour market relevance for skills development initiatives requires the involvement of stakeholders, particularly employers and workers, in all phases of planning and implementation, from providing input into policy formulation and sharing governance of implementation to involvement in delivering skills development sectoral solutions.

Coordination must extend beyond the skills development sector and actively involve workforce development and economic development policymakers and initiatives.^{58,59} This coordination assists in accelerating the progress of industry involvement and commitment by reducing bureaucratic bottlenecks and confusion of how the system works. Achieving successful solutions to skills shortages and skills mismatches requires working closely with industry sectors at the local level, using a multi-stakeholder collaborative approach.

Themes and issues

The role of employers may change in a demand-led system, depending on the sociopolitical context in which they are operating. Simply involving employers does not guarantee an effective demand-led system.⁶⁰ There are three main drivers that help to bring about the realignment of skills development to a sectoral industry-focused skills development approach:

- Ensuring a participatory multi-stakeholder policy focus, with shared responsibility among the state, employers and individuals for investment in skills development;
- Recognizing the failure of vocational education and training reforms to meet industry and labour market needs, combined with the labour/skill shortages in many developed countries in the face of global competition; and
- The emergence of low-cost manufacturing bases in developing and middle-income economies, which has prompted developed countries to encourage employers to demand higher skills and move up the value chain, and develop a better qualified, skilled workforce to maintain growth and innovation.⁶¹

A number of prerequisites that lead to successful workforce collaboration in the United States can help to bridge policy deficiencies:⁶²

- **Strong leadership** that identifies clear goals and educates stakeholders on the need to coordinate across silos, which may separate their efforts, and thereby create cross-functional teams;
- **A shared vision** among stakeholders;
- **Strategic planning and analysis**, based on objective data, to facilitate a problem-solving environment to meet real needs;
- **A human resources focus**, ensuring stakeholders have real authority in the decision-making process to affect change;
- **Process management**, whereby skilled staff understand collaborative processes and maintaining partnerships; and
- **Information and ongoing analysis** where validated information is shared among stakeholders so that informed discussions can lead to objective mutually understood decisions.

Rather than a one-size-fits-all approach, an evaluation by the Institute of Urban and Regional Development of collaborative regional initiatives in the United States by the University of California, Berkeley concluded that, to be successful, collaborative regional initiatives must be implemented at the local level with local stakeholders, and must be created by those who understand the issues that impact the region.⁶³ Successful leaders are those who do not seek to control dialogue but inspire, encourage and facilitate openness. Such leaders train others to become collaborative leaders and stimulate innovation against challenges. Goals and tasks need to be feasible, clearly articulated and manageable in scope, while research that is considered unbiased can play a critical role in decision-making.

Sectoral responses vary according to a sector's priorities. One of the most conventional approaches is the establishment of formal industry advisory arrangements. Industry skills advisory arrangements operate under different names in different countries but essentially provide similar services. Workforce development and industry clusters have also become a focus in skills development initiatives and often incorporate the clusters' value chain, which may form part of another industry sector, yet contain roles vital to the functioning of the target sector. The second approach may work through a formal peak industry skills advisory body, or it might work independently where such formal organizations do not exist. Some countries also have transversal bodies—industry-led organizations that work across a group of sectors or on cross-cutting themes, such as managerial skills, innovation and information and communication technology. Additionally, some sectoral skills development strategies are global and often centred on certification or licensing.

Six foundations constitute an effective sector skills approach:

1. Employers identify skills needs and design relevant competencies and qualifications;
2. Employees engage in skills development by identifying skills needs, which secures legitimacy among workers. Involvement can be through unions, professional associations and worker representatives;
3. Financial incentives are widely used to ensure successful implementation of the skills agenda. These include the use of statutory levies, the imposition of taxes on low-skilled wages, direct government subsidies or matched funding where employers and government provide equal amounts of financing, or indirect financial incentives where employers receive a percentage tax refund for participating in training;

4. Public funding is used as a lever to ensure that sector training bodies consider long-term government policy objectives. Without this influence, the government may not achieve wider long-term objectives, such as encouraging the economy to move in the direction of higher value-added production or knowledge industries, or to respond to social inclusion objectives;
5. Channelling public training funds through sector bodies. It is crucial that employer-led sector skills councils control allocation of the funding of training programmes.
6. Differences in approach, systems and priorities between local/state and national/federal government are recognized, and steps are taken to manage these differences.⁶⁴

Purposeful employer engagement, which enables employers to be the principle leaders in the identification of the priorities for skills development, is considered the single most important element in devising a successful sectoral strategy.⁶⁵ Multiple stakeholder involvement in collaborative skills development initiatives helps to build strong demand-led solutions that support local industry and provide decent work for skills development graduates.

For governments in developing and middle-income countries, the push to introduce demand-led systems is often a result of:

1. The need to increase the amount and diversity of skills development delivery capacity;
2. An urgency to improve the ability of skills development systems, including both hard and soft infrastructure;
3. Poverty reduction strategies that offer pathways into skilled employment and decent work;
4. An objective to move workers from the informal sector to the formal sector;
5. Identifying new sources of funding; and
6. Improving competitiveness, regionally and globally, for foreign direct investment purposes.

Building partnerships with industry organizations, employers and workers provide opportunities to successfully address the above six motivations by sharing joint responsibility for skills development.

The following meso-level section finds that once all key stakeholders have been brought together, determining skills needs and what impacts these skills needs is a necessary first step. The results of the analysis will determine the kind of skills development support required. Workforce development takes a holistic approach to skills development and can cover the full workforce development spectrum of job design, recruitment, careers advice, training and placement. All of these workforce development factors can lead to successful outcome for employers, students and existing workers.

Funding

Funding skills development initiatives is a crucial issue for government. Different approaches to funding can include state funding, joint industry and government funding, and industry funding of various skills development initiatives. The financing of skills development activities can take different forms and result in major contributions from social partners, both financial and in-kind. Methods to raise funds and the types of contributions social partners may depend on the cultural context of the country and the capacity of social partners to fund skills development activities. An important consideration is ensuring that adequate safeguards are in place for socially inclusive skills development. The following provides a brief overview of different models incorporating stakeholder contributions.

Under the National Workforce Development Fund (NWDF), the Government of Australia provided \$700 million over five years, with a \$100 million co-investment from industry, in order for industry to support training and workforce development in areas of current and future skills need. Industry skills councils

worked with industry to design projects that would deliver skills in areas of demand. Four hundred and ninety-eight projects covered all sectors, including construction, logistics, old-age care, manufacturing, and hospitality, with each sector producing a range of qualifications. Funding was graded according to the size of the enterprise; large enterprises contributed up to 66% of costs while small and medium businesses contributed between 33% and 50%.

In this approach, working through the industry advisory bodies, industry identified the skill needs and designed the initiatives, while funding was tailored to reflect the capacity to fund training initiatives.

In the Netherlands, sector-wide labour agreements incorporate sector-specific training agreements, which form part of sector training funds. The aim of these funds is to make training available to all the firms in a sector in order to avoid skilled employees being poached by businesses that do not invest in training. In 2009, the average levy for the training fund was 0.43%,⁶⁶ but this can vary up to 1.0%. A random sample of 50 funds undertaken by the Dutch Ministry of Social Affairs in 2009 calculated that the funds had a joint income of €461.1 million.⁶⁷ The sectoral funds provide funding for a range of activities, including training, research and labour market intelligence, supporting new entrants, and setting up a student pool where businesses can hire students per hour. The funds can also provide career development programmes for existing workers threatened with redundancy and funding for training programmes if a company is losing revenue. The training funds support specific training to meet the short-term needs of employers.

The Netherlands' approach allows industry and employers to determine what kind of activities the funds can be used for, within set parameters. In both examples, the types of skills development initiatives that attract funds are mostly determined by industry. In the Netherlands' approach, the training funds are controlled by industry.

Regardless of where funds come from, resources can be used to improve performance and change the focus of skills development initiatives. When allocating funding under a performance-based funding model, two issues need consideration. First, if the performance measure is employment, training organizations may select potential students because they are seen to be highly employable, owing to their presentation, attitude, previous training or work history, leaving more disadvantaged students behind. Second, training providers may focus more energy and resources on placing students rather than training delivery, affecting the quality of the training provided. Performance-based funding needs to ensure that there are also input measures to safeguard disadvantaged groups and to maintain the quality of training delivery. On the other hand, performance-based funding can target a particular group, such as women or other socially disadvantaged groups, to increase their participation.

Providing discretionary funds to local collaborative sectoral initiatives enables these partnerships to develop meaningful local solutions to local skill needs. Discretionary funds can be allocated to a broad framework and set of parameters, where activities need to meet preconditions, based on the objectives of the funder.

Different funding models can act as levers to motivate employer involvement in skills development activities. These models include targeting employers through training levies or levy exemption schemes, and offering employers and workers incentives such as tax refunds or exemptions and in-kind support through the provision of on-the-job training. What combination of funding models are best for any one country is determined by the prevailing political climate and the objectives of the skills development system.

2.2. Industry skills advisory arrangements

A significant element in demand-led systems is the use of formal channels for ongoing communication between industry sectors and the skills development system. Diverse models of the industry's skills advisory arrangements exist across countries and are influenced by the socioeconomic expectations of each. Different models for sectoral advice can emerge to cater for the changing dynamics influencing specific industry sectors.

In some industry sectors in the various countries, an industry association may take leadership for skills development and work collaboratively with other stakeholders on skills development issues. A government may also decide to work with the association in the initial phases of establishing an independent organization, or the government may determine that the association works with all key stakeholders and there is no reason to duplicate the service in that particular industry sector. In another industry sector, a workers' union may be performing the leadership role in coordinating key stakeholder input into skills development issues for their industry, and might make a suitable conduit for industry advice. In New Zealand, the New Zealand Technology Industry Association provides sectoral information on the country's current and future skill needs in the absence of an independent skills advisory body for the sector. A country may look to prioritize which industry sectors require independent skills advisory bodies and support those sectors with partial or full funding.

In other cases, industry associations may provide skills development support in a number of sectors, such as UMEM Skills10 project.⁶⁸ TOBB, the umbrella organization for chambers of commerce in Turkey, which works in partnership with the local chambers and the Economic Policy Research Foundation of Turkey, identified the skill needs in 19 pilot provinces. Through this analysis, UMEM Skills10 partners,



Source: UMEM

TOBB, the Ministry of Labour and Social Security, the Ministry of Education, the Turkish Employment Agency and the TOBB Economy and Technology University were able to design and run new training programmes to meet the needs of the selected industry sectors.

An example of an industry association that provides regional support is the Bursa Chamber of Commerce and Industry Education Foundation (BUTGEM), which offers free skills training to existing workers and unemployed high school and university graduates.⁶⁹The Bursa Chamber of Commerce and Industry identifies the skill needs of their industry members and its Education Foundation provides the training in a fully equipped training centre. Graduates are awarded local and German certificates at the successful completion of training.



Source: BUTGEM

In many countries, independent organizations are established to provide sectoral advice on skill needs in their industry. It is essential to remember that each different model may need adaptation to meet different sectoral requirements based on factors such as: industry acceptance of skilled workers, the dynamics that influence skills demand, customer expectations, technology, work processes, and links to other sectors and internationally. Decisions on whether to establish an independent organization to advise on sectoral skill development needs will be based on the availability and capacity of the stakeholders to fund an independent organization and on how well the key stakeholders cooperate within existing organizational frameworks. Establishing independent industry advisory bodies is more likely to be representative of all key stakeholders in their sector and provide a long-term focus for advice and feedback. Long-term involvement in providing advice on skill needs means those working within the organization must develop expertise both on the role of the formal technical vocational education and training system and the key networks within their sector that can provide meaningful input into skills development concerns and directions.

Where independent organizations are established, roles will vary according to the needs of the skills development system and the industries acceptance of training and employing skilled workers. Industry skills advisory arrangements go by different names in different countries and are a value vehicle to provide advice to government and skills development systems on the skill needs in their industry sector. The most prevalent name for an industry skills advisory body is “sector skills council”. One of the underlying objectives of most sector skills councils is to improve the match between the supply of students/trainees and labour market demand. The structure of the councils can vary across different sectors, from a formally established independent organization to a secretariat committee of a sector-wide organization. Sector skills councils are often tripartite organizations, involving employers, unions and government. Other times they are bipartite, with representation from employers and government, or multi-stakeholder, with representation from employers, employees, government, training institutions and sector-related research bodies.

Sector skills councils perform a variety of essential functions, the majority are involved in:

- Analysing labour market information and identifying skill shortages and skill gaps;
- Identifying career pathways and qualifications that meet skill needs;
- Determining skill standards or learning outcomes for qualifications;
- Facilitating partnerships between enterprises and training institutions; and
- Providing strategic advice to government.

Sector skills councils have additional functions, but the above are the core functions common to most countries. Other roles commonly found in these councils include facilitating a two-way dialogue between industry and government, covering, on the one hand, industry's current and future skill development needs, and, on the other hand, promoting the value of skilled workers, on-the-job training, apprenticeships and lifelong learning to industry.

Importantly, over the long-term, the councils develop expertise in skills development and a depth of understanding of their sector, and can facilitate and encourage industry feedback that is relevant to developing quality advice, products and holistic solutions to skill shortages and mismatches.

Sector skills councils help to support the reform of skills development systems by providing a permanent forum for stakeholder engagement in different industry sectors. Industry advisory arrangements accommodate many forms of funding arrangements and government intervention. They can be housed within an existing industry sector organization or independently with their own full and part-time staff. Some have high levels of government intervention and funding while others have low government response and low public financing. The preferred model and financing mechanisms can help to provide a balance between the demands of industry and the long-term goals of government, with public funding of some kind ensuring that consideration of government skills-development goals carries some influence.

Industry arrangements are based on:

- An industry sector;
- A group of related industry sectors;
- A sector within a region.

These industry arrangements may be:

- Organizationally independent;
- Located within an industry organization; or
- An ongoing working group.

Arrangements can involve high levels of government involvement, in the form of funding and the provision of an operational framework for skills development, or minimal government participation and funding with no requirement for formal training.⁷⁰ The role of sector skills councils varies widely from offering advice on skill needs through to skills development planning, funding, capacity building and partnership facilitation.

Regional: multi-partite European skills councils

Since 2014, the European Commission has been facilitating the establishment of multi-partite European skills councils, with two presently established and 14 sector feasibility studies underway. The aim is for European skills councils to stimulate policy development in participating countries by engaging

stakeholders from the skills development sector, employment ministries, employment services, industry organizations, including professional bodies and guilds, training institutions, research centres, qualifications authorities and public employment services. These meta skills councils facilitate peer learning workshops, structured study visits and thematic working groups with the aim of developing and disseminating tools and knowledge products.

An example of a regional skills council is the European Skills Council for Textile Clothing Leather and Footwear. It is a multipartite organization with representation from industry associations, research centres, sector skills councils and educational institutions. The European Skills Council is working in coordination with existing national sector skills councils in Europe on developing sectoral knowledge through research, monitoring market changes, and fostering technical skills partnerships for knowledge sharing and the transfer of methodologies and tools in good practices, where relevant in different countries.

While it is too earlier to determine the advantages and disadvantages of regional sector skills councils, the anticipated benefits for a single market include identifying labour market needs across national borders and supporting cross-national sharing of resources and knowledge, which may improve opportunities for countries' mutual recognition of migrant worker skills.

Transversal skills councils

Transversal bodies are established to deal with cross-cutting labour market skill needs, such as managerial skills, and are likely to have representation from multiple stakeholders and multiple industry sectors. An example of a transversal skills council is the tripartite Innovation and Business Skills Australia, whose role is to forecast skill demand and identify skill needs in cross-cutting areas of skill needs in managerial, business administration, information technology, vocational education and training expertise, and innovation skills. While they function as a sector skills council, the breadth of consultation and stakeholder representation is much wider and requires input and agreement from all sectors and occupations involved in the development of standards and learning and assessment resources.

Innovation and Business Skills Australia is structured so that it has several industry committees, such as information technology, business services and financial services. These industry committees function as sector bodies to develop sector-specific skill forecasts, competency standards and other sector-based resources specifically for their industry area. India has a number of transversal skills councils, a green jobs skills council and a management sector skills council.

The advantage of transversal skills councils is the potential reduction in overheads of running multiple organizations. Transversal skills councils can identify skill needs for related sectors or sectors that work in close cooperation or share workers with similar skills, such as in telecommunications, information technology and electronics. Additionally, transversal skills councils can develop cross-sectoral development methodologies that can be readily applied in different sectors.

Bipartite sector skills councils

Bipartite sector skills councils operate in the same way as other sector skills councils though have representatives from two stakeholder groups on their governing councils. India has several bipartite sector skills councils, which are made up of employers or industry associations and government. The Construction Skills Development Council of India and the Aerospace and Aviation Sector Skills Council both have representation from industry and government.

The disadvantage of a bipartite approach is that there are fewer key stakeholders represented, meaning that information is collected and analysed from only one or two perspectives, which may not result in a

thorough understanding of the underlying complexities that impact skill needs. Reduced stakeholder voice means that stakeholder commitment for different initiatives may not be guaranteed and may, if not managed well, result in the sector skills council having less impact in its sector.

Industry bodies

Existing industry bodies can provide alternative avenues to access information on labour markets, build local capacity and provide key stakeholders to develop sectoral approaches. When working with multiple stakeholders, industry bodies can perform many of the functions of a sector skills council.

Industry associations. Industry associations often supplement industry intelligence on current and future skill needs collected by sector skills councils with surveys of their membership, which can result in higher response rates among their membership group. Industry associations, with larger company members, can form human resource subcommittees to look at current and future skill needs in order to inform policy development so that it influences skills development policy at the national level. These can be very effective networks since enterprise representatives who work in human resource development, or those who have an interest in this area, feel part of the industry associations' network and are likely to become involved.

Industry associations can be a useful network to engage medium to large size enterprises and, depending on the type of association, small businesses as well. Business associations are also effective networks for working in the informal sector. In Tanzania, for example, the Association of Small Informal Businesses (VIBINDO) has offices in all regions of the country and represents 40,000 individuals, comprising producers, vendors and service providers.⁷¹ In partnership with the United Nations Industry Development Organization, VIBINDO has provided training to 500 members in carpentry, food processing, business leadership and management skills. Similarly, the International Labour Organization helped to train 30 trainers on the acquisition and management of urban land. VIBINDO is constrained, however, by lack of funds and cannot provide ongoing training beyond that for business development.

As a network, VIBINDO and other similar organizations can provide valuable information on labour market needs for small businesses in their networks and, if supported, can offer also training to small businesses. These networks have detailed knowledge of the needs of members and can tailor training delivery to suit its members' time commitments.

India has a large informal sector, representing more than 40% of the workforce, while its informal economy accounts for approximately 50% of gross national product.⁷² Street vending is a safety net job for the most vulnerable migrant urban workers as it is relatively inexpensive to establish and low skilled.⁷³ The National Association of Street Vendors in India successfully advocated for a national policy on street vendors. The national policy identified the need for training to upgrade street vendors' technical and business skills and to offer them alternative employment options through the development of new skills, as a principal objective. The National Association of Street Vendors in India therefore aims to improve the skills of vendors by providing skills development training in alternative employment.⁷⁴ The strategy offers an opportunity to forge partnerships between government, non-governmental organizations, donor organizations and the National Association of Street Vendors in India, as well as similar associations in other countries, so that they can provide labour market information and training to marginalized and often difficult-to-reach groups.

Both of these examples suggest that industry associations can offer avenues to work with the informal sector and larger companies. It is in fact easier to access small business by working through local membership networks.

Unions. Unions are another industry body that can provide leadership on skills development for their sector. The Self-Employed Women’s Association (SEWA) is a trade union that has been in operation since 1972 and delivers training and literacy skills for its members; it also undertakes research on the needs of the informal sector with a particular emphasis on women. SEWA has a training academy where it conducts training for members and covers areas such as beauty care training, ready-made garments training, computer usage and radio training. SEWA identified that 90% of women working in the construction industry were in the informal sector and hired as day labour on poor rates of pay, and unsafe and vulnerable irregular work.⁷⁵ The SEWA Karmika training centre provides three-month masonry training for women with placement in private construction firms at the end of the training.

The training content is based on national occupational standards developed by the Construction Skills Development Council of India and is competency-based leading to a national certificate. Following the completion of training, 40% of the women received an extra 21 to 30 days of work. Furthermore, 80% of trained women reported higher incomes after training, with 42% reporting that their daily wages increased by 20% to 50% while an additional 13% reported gains of over 50%.⁷⁶ More women were employed as skilled workers, reporting better and more flexible skills. This example highlights how working with employee associations can help to identify existing vulnerable workers, improve their livelihoods and move them into formal, more secure employment. These women were both highly marginalized as unskilled migrant workers with little to no formal education and working in non-traditional trade areas. Since SEWA provides inclusive training, based on industry developed occupational standards, and collaborates with large private construction companies, these women can access formal employment. In this example, as a union, SEWA has in-depth understanding of workers’ conditions in an industry sector that overlaps with a segment of the informal sector. Its thorough understanding of the skill needs and disadvantage of existing workers helped to determine the training model and the use of a formal TVET pathway for women’s training. Because of its detailed knowledge of the women, the union was able to develop realistic key success indicators that reflect the target group’s objectives of improved income and more secure work opportunities.

Governance

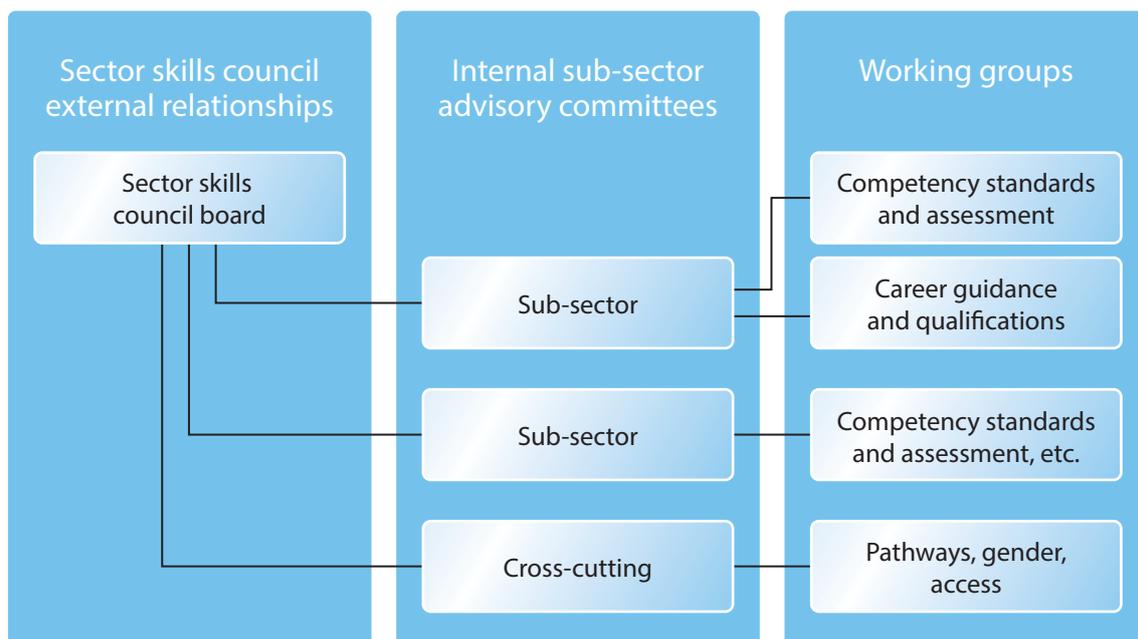
Regardless of what model of industry advisory arrangements is in place when government and industry rely on advice to decide where to target resources, governance is an important consideration. The formation of new types of relationships through collaboration with different stakeholders—such as unions, professional bodies, employer groups, training organizations and government—means that there is the potential for conflict of interest and that the integrity of sector skills councils in supporting their industry sectors must be strong. Strong, transparent governance is necessary in order for sector skills councils, which receive public funding, to provide services and information on behalf of their industry sector. But transparency is also crucial for these councils because they have mixed sources of income and the advice they provide to government has resource implications. Sector skills councils are structured formal organizations that work best over the long term, rather than in short-term operations responding to a specific issue. They normally have permanent structures and are constituted legally in different forms—some register as for-profit, others as not-for-profit organizations, and some may come under the existing legal framework of an industry body.

There is common agreement that clear multi-level governance arrangements lead to better coordination, dialogue and active strategies, which work to enhance the relevance of skills development systems, which, at the sector level, applies to sector skills councils.^{77,78} The role of the chairperson, the governing council and other working groups needs to be clearly identified. The development of formal industry skills advisory arrangements is a direct response to stakeholder engagement and demand for clear roles and responsibility in partnership cooperation to ensure a demand-led system.

GUIDELINES

Sector skills councils normally have a governing council made up of senior representatives of the industry sector, while internal subsector advisory committees and working groups usually form around different subsectors or cross-cutting issues (see figure 13). The responsibility of the governing council is to set the strategic direction of sector skills councils, provide leadership on skills development issues, initiate skills development strategies and supervise the management of these strategies. Usually, all governing council positions are honorary. Governing council representatives should reflect a balance between the various stakeholders within the industry to ensure the sector skills council is a neutral and representative voice of the sector.

Figure 13. Example of a possible sector skills council structure



Getting senior representatives from industry to participate in governing councils helps to raise the sector skills council's profile within the sector and provides industry champions who can talk to their industry sector about the value and importance of participating in skills development. Executive committees or working groups usually have members from the governing council as well as others from the subsector or specialists on cross-cutting issues. The executive committee's or working group's role is to ensure the quality of consultations and to suggest individuals and organizations with specific knowledge to participate and explore issues such as equity and access. The permanent secretariat supports the governing council by recording minutes of meetings and agreements, assisting with activities of the executive committees or working groups, monitoring organizational performance, disseminating information to stakeholders, ensuring the quality of information collected and analysed, and ensuring the relevancy and quality of final products.

Beyond legal governance structures, sector skills councils function to collect, collate and analyse information from a wide representative group in their industry sector and recommend actions. Good governance results in structures and processes that work to instil trust among sectoral stakeholders in the advice and activities undertaken by the council. Building trust requires a council to maintain a balance between what experts within the council think and what the sector consultations are finding. For good governance purposes and to build trust, sector consultations need to be undertaken in a systematic manner with all feedback recorded, with results and actions documented against the

comments. The breadth of consultations should reflect the composition of the industry sector and its subsectors. When planning consultations, it is crucial to consider the size of companies within the industry sector and determine which of them provides the greatest employment opportunities. Different stakeholders within the industry sector want their positions and recommendations to be influential. A sector skills council needs to document how decisions are formed when choosing which groups to consult, the reasons for the demographic representation in the consultations and the basis for the final outcomes (priorities for skills development, skill shortages and priority subsectors, for example). These decisions should be based on evidence of the demographic make up of the industry sector. Documenting the consultation process, the people and organizations consulted, the feedback collected during the consultations and how the feedback is incorporated, or not, into the final product is necessary for transparency and building trust.

Sector skills councils should be established only in sectors where there is a clear need for such organizations. Determining the scope or representation of any particular industry sector is an important exercise in order to determine the best logical fit of subsectors and their skilled workers to an overall industry sector. The information technology sector offers an example of how the scope of an industry sector is defined and can influence information collected about skills demand. Using a definition of the information technology sector as comprising companies whose core business is information technology; IT vendor companies; development and research organizations; programming; computer consultancies, and computer facilities management. The number of skilled workers required in programming, computer facilities management and maintenance could be determined based on IT company needs.

However, in this example, if sector skilled IT workers are included from other industry sectors, the number of skilled labour is much higher than if the industry sector is defined as only those companies whose core business is information technology. The programming, computer consultancies and computer facilities management skills are the same, but the core business of the companies employing or contracting these skilled individuals is in different sectors. How an industry sector is defined can have an impact on the information collected and the current and future skills identified for the industry. In the case above, the demand for skilled workers may be significantly lower if the industry is defined as those businesses whose core business is information technology.

Sector skills councils require transparent processes that ensure the councils are a neutral and representative voice of their industries. The roles of the chairperson, governing council and other working groups need to be clearly defined. Involving senior industry representatives helps to give skills development a profile in the industry sector. Determining the scope, or coverage, of a sector skills council reduces the possibility of overlap and duplication and ensures an industry sector is fully represented and that the governing council reflects the composition of the industry. Determining the scope of sector skills councils also allows the government to rationalize the number of councils in operation. In order to ensure the leadership role of councils in skills development within their sector, they must build trust and maintain a balance between the various stakeholders.

2.3. Skills standards development

The quality of skill standards depends on how successful development processes are in engaging industry in an informed discussion on technical content. The clearer the aim of the consultations and the purpose of the skill standards, the better prepared industry will be to supply the right information. †††

Approaches and methodologies

The development of skill standards relies heavily on high-quality input from industry practitioners to identify the skills, knowledge and the performance benchmarks required for each set of skill standards. The concept of 'skill standards' and their use is complex. For individuals working within enterprises outside the skills development sector, the idea of skills development can be abstract and difficult to understand. Achieving industry collaboration involves forming a robust partnership with the industry so that companies within the sector want to participate.

To encourage industry participation, the first stage of any skill standards development process must involve awareness-raising on the rationale for establishing skill standards with industry. The advocacy should target as wide a group as possible, making industry associations, professional bodies and unions essential networks to draw on. Once the sector has an appreciation of the value and purpose of skill standards, it is more likely to commit time and resources to their development. The next step is to conduct workshops for industry to gather feedback on the areas that require skill standards, the content of the standards and the assessment benchmarks. Sometimes it may also be necessary to interview individual experts. For each of these activities, it is important to conduct awareness-raising on the value of skills, the use of the skill standards, and how the skill standards improve the relevancy of graduates' skills for employers.

Often, to save time and money, these two steps are overlooked, resulting in an industry that does not understand the purpose or value of the skill standards and does not engage in these new reforms. As a result, the content of the standards may not meet current workplace practices and therefore defeats the purpose of developing the skill standards. It is essential to involve industry early and comprehensively in the development of skill standards, working through industry bodies and individual enterprises.

Using formalized methodologies helps to ensure that the standards produced are quality products and that all stakeholders have trust in the consultation process. Developing quality skills standards requires planning to identify the composition of the sectors, the key organizations and other interested parties within those sectors, and where current and future employment exists or is expected to grow. Formalized methodologies ensure that the best information is gathered consistently. Knowing the type of questions to ask is critical for collecting quality information. Having a series of questions that elicit the information required for each component of the skill standards ensures that the standards are of high quality. Skill standards usually form the basis of assessments, an issue that should be raised during the consultation process to ensure that the standards are measurable.

Spending time explaining the use and value of the standards to industry associations, professional bodies and unions initially will help the standards developer gain access to the membership of these organizations. Preparing information to be sent out through the industry body networks will also require some brief information on the value and purpose of the standards.

The validation and feedback stages in the development process are also an opportunity to raise awareness of the value and use of skill standards. Once a draft of the skill standards is finalized, getting quality feedback requires planning. Requesting feedback without providing guidance on what to look for will result in low quality or no feedback. Designing guidance information, including questions to think about while reviewing the draft standards, will improve the quality of feedback.

Using more than one development methodology will also improve the quality of the skill standards as it helps to improve the validity of the information and ensure the full dimensions of the skill standard are covered. Skill standards should address current and future skill needs, an exercise that will require input from industry bodies and enterprises. Addressing future skill needs is important for two reasons:

one, providing graduates with skills that will remain relevant in the labour market; and two, ensuring adequate time in developing skill standards, curriculum and assessment before implementation occurs. More information on developing skills standards is contained in the tool for writing skills standards.

Sri Lanka: identifying niche skills

This example explores how a nodal company can support the development of national skills standards that benefit a group of connected industry sectors while supporting the government training reform agenda.

The Colombo Dockyards PLC is the leading ship repair, shipbuilding, heavy engineering and offshore engineer facility in Sri Lanka. The company relies on a number of specialist skills in its shipbuilding, repair and heavy engineering work. Its facilities are state-of-the-art and its workshops are equipped with the latest technology. The company requested the central skills development body, known as the Tertiary Vocational Education Council (TVEC), to develop national competency standards in a number of occupations. This led to a partnership between TVEC and Colombo Dockyards, with the company sponsoring the development of national competency standards for marine electricians and shipyard supervisors so that workers could qualify for national vocational qualifications.

Some of the national competency standards are in a number of areas, not specific to shipbuilding, but related to other fields, including construction and heavy engineering, and were developed in collaboration with TVEC and the National Apprentice and Industrial Training Authority (NAITA). The funding has enabled the standards to be developed, drawing on expertise within the company and experts from other businesses. The development process was managed by NAITA, which has the competency standards development expertise.

The benefits of this approach meant that NAITA, which has extensive expertise in developing competency standards, was able to pair with the specialist expertise in the Colombo Dockyards. It is often difficult to pull workers out of the production process to participate in competency standards development as it can slow work down or require adaptations to the work process. However, given that the company was prioritizing the project, the workplace was able to accommodate these requirements. Colombo Dockyards' high profile and involvement in providing specialist training in its sector meant it was able to encourage other companies to participate in the development of competency standards, ensuring the standards are relevant to a number of sectors.

International skill standards

International skill or competency standards exist in different sectors such as the project management sector, paramedics and information technology. Some of these standards are developed by professional associations in order to establish uniform standards of practice and to determine membership categories, for example, the project management body of knowledge. In other cases, competency standards are drawn up by organizations broadening their product and membership base. There has been a move more recently within the formal TVET sector to establish regional benchmarks (or international skills standards) to formally recognize skilled workers and to facilitate their ease of movement from one country to another. International skills standards can provide a benchmark for training content across countries and for assessment purposes; recruiters can use them to determine if migrant workers have required skills or to inform local employment agencies of the skills needed in different countries.

ILO regional model competency standards

In 2006, ILO developed its "Guidelines for Development of Regional Model Competency Standards",⁷⁹ which provided information on the structure and format of competency standards and information on

development methodologies. The regional model competency standards were an attempt to harmonize occupational definitions, regional qualifications and terminology used. Terms like 'basic' or 'advanced' were widely used with no consistent meaning, creating additional confusion for stakeholders. The ILO work resulted in several regional model competency standards in a range of sectors, including tourism, construction, domestic work, welding services, aquaculture/agriculture, mechanical services and garments.

In the greater Mekong sub-region, the standards are used as a benchmarking tool for mapping national qualifications. They also provide a framework and methodology for the development of national competency standards and for assessment tool development. These standards were developed very early in the training reform processes that were underway in each country. The identified methodologies and the competency standard format are valuable resources that establish a common quality baseline for the region.

ASEAN common competency standards for tourism professionals

The ASEAN common competency standards for tourism professionals evolved in 2012 as a response to the implementation of the ASEAN economic community, a regional economic integration agreement, whose aim was to increase the flow of skilled workers throughout the region by 2015. One of its features is the mutual recognition of professional qualifications within the community, designed to enable mobility for employment of skilled tourism labour between each Member State.

The primary aim has been to develop minimum common competency standards that are acceptable to Member States. The project grew out of ILO work completed in 2007 and was followed up by a complimentary project funded through the Australian-ASEAN Development Cooperation Programme and managed by the University of Queensland. The development process involved multisectoral representation of technical reference groups, of which 10 existed in each country, supporting the research and development process. Through the process, the competency standards have been clustered into three different categories: (a) core or commonly used in each Member State; (b) generic; and (c) functional. Competency standards are available for hotels, food preparation, travel and tourism.



Source: IL&FS

The technical reference groups were tripartite in character with strong industry representation and acted as communication points and coordinators for each Member State. The groups collected, collated and reported information on job titles and task descriptions used in their countries. They were also involved in the review and validation of drafts and in providing advice on the mutual recognition agreement for the sector. The project also provided awareness-raising activities to ensure a shared understanding among the technical reference groups on competency standards, including the terms used and the different components.

Once the common competency standards were developed and clustered, a framework was designed and an awareness programme implemented in each country to explain the framework so that training institutions could adopt the international standards. The framework has the flexibility for countries to add additional competencies that might be necessary for local conditions. It has led to a mutual recognition agreement between Member States that covers the common competency standards for tourism professionals, the assessment of the competency standards, the ASEAN Tourism Qualification Equivalency Matrix, the Tourism Professional Certification Board, and the recognition process for tourism professional qualifications.

In this example, the project was designed to improve the flow of skilled workers throughout the region and the mutual recognition of professional qualifications. This was achieved through a development process with technical reference committees in each country. The technical reference committees had strong industry representation and were tripartite in character. Awareness-raising activities were undertaken with the technical reference committees to ensure a shared understanding of what competency standards are, what different terms meant and the purpose of the different component of the competency standards. A common group of competency standards (skills) were identified across all countries and became the core skills for a common qualification, which then allowed countries to add competency standards relevant to their country in order to complete the qualification. Finally, an awareness-raising programme was implemented in each country to ensure training providers, employers and students knew about the new regional qualification.

2.4. Curricula content development

Sectoral approaches to identifying curriculum content

The process of curriculum development varies according to the methodologies employed. However, there is universal agreement that involving industry in the development process helps to ensure that the content meets current industry practices or is adapted to meet local enterprise needs. Employer involvement in the development process often takes the form of curriculum committees that review the content of proposed curricula. Whatever approaches are utilized to engage employers in the development process, they require flexibility to suit the competing time demands that employers face in completing their own work while contributing meaningfully to developing the curriculum. Explaining the process from the outset and getting the early involvement of employers both help to ensure the engagement will be successful and facilitate the collection of relevant information. The following examples start with an approach that guarantees the continuous updating of current formal TVET curricula to reflect new innovations; the second looks at a regional curriculum development approach; while the third outlines an approach to developing structured in-house training.

Australian Sheep Industry Cooperative Research Centre: building in innovation

The project work involved updating a curriculum to incorporate new practices, technology and innovation as important aspects of maintaining relevant learning outcomes for graduates and employers. However, updating a curriculum is often left until the review of the entire curriculum occurs,

sometimes three to five years after the release date. The following example explains how, by working in close proximity with a research centre, a curriculum development unit was able to add newly developed innovations into the curriculum immediately so that formal qualifications were kept up to date with evolving industry needs. Furthermore, the TVET provider was able to provide the university cooperative research centre with skills in developing curricula and learning resources that the centre did not have, resulting in more effective, efficient training for farmers and their workers.

The skills development needs of the agricultural sector are often overlooked, yet as a sector there are many pressures both environmental and economic that create a high demand for new skills. Often, skills transfer related to innovations and methods of production are delivered through extension programmes run by agricultural departments, non-governmental organizations, agricultural vendors or research centres. This approach to skills transfer targets existing workers, farmers and small plot holders but does not often extend to changes in formal skills development curricula. This example shows how one sector created a partnership that resulted in effective training becoming available in a formal or informal setting.

Cooperative research centres are nationally supported public-private scientific research centres offering scholarships to Master's and PhD students. The Australian Sheep Industry Cooperative Research Centre collaborates with 40 major stakeholders covering the complete supply chain, including various university research centres, farmers, meat producers, retailers and departments of agriculture. The centre promotes collaborative research aimed at ensuring that Australia's sheep industry is profitable and sustainable.

The centre's funding requirements are tied to the successful take-up of new technology and research outcomes in the sector, placing a priority on implementation of technology. Likewise, the Technical and Further Education (TAFE) Institute is judged on its ability to deliver industry relevant current and future skills and form meaningful partnerships with industry. In this example, a staff member from the Primary Industries Curriculum Centre of TAFE New South Wales was assigned to the Australian Sheep Industry Cooperative Research Centre. Because the centre was university-focused, it did not have a strong appreciation of the technical vocational education and training sector but could nevertheless see the potential benefits.

The partnership initiative had benefits to all involved. The centre developed expertise in developing curricula, learning resources and training implementation which it previously did not have. It had primarily used extension programmes to communicate its outcomes and to disseminate information on research outcomes through preparing one-off events and distributing information at field days. The TAFE curriculum specialist developed training courses that incorporated skills in new technologies as they were developed, enabling consistent skills transfer within the industry, which benefitted workers and farm owners. Additionally, the training resources met Australian National Training Framework requirements so that the resources were added immediately to national curricula around the country. The centre's diverse stakeholders deliver informal and formal training programmes, including to: skills development training centres, departments of agriculture, agricultural extension agents, and others working within the sector. Rather than taking the centre's traditional approach of providing information on new technology to these stakeholders, the formalized training approach and learning materials were used by all interested parties and led to an increased uptake of new technologies.

The TVET curriculum specialists viewed their role as translating the findings of the research for trainers so that they could deliver industry-relevant training courses. One of the beneficial outcomes of this initiative has been to raise the profile of TAFE New South Wales and improve the perceived value of TVET within the industry by providing them with crucial skills relatively quickly. The partnership ensures

that innovations are readily incorporated into institutional training in a short time, while other forms of informal training have access to high quality learning resources, leading to greater application of new technologies in the workplace.

Common ASEAN tourism curriculum: regional recognition

The following exemplar was designed to facilitate mutual recognition of tourism professionals in the ASEAN region and to stimulate the flow of skilled workers through the development of flexible common curricula.

The common ASEAN tourism curriculum is the common curriculum for ASEAN tourism professionals as agreed by its Member States' tourism ministers. The curriculum is mapped to the ASEAN regional qualifications framework and skills recognition system. It is based on the formally agreed ASEAN common competency standards for tourism professionals and, similar to the competency standards, covers six streams—front office, housekeeping, food production, food and beverage service, travel agencies and tour operations—and 52 qualifications. The curriculum is competency-based in delivery and assessment, ensuring consistency of graduate outcomes across the ASEAN region. The curriculum provides a model for delivery that incorporates learning strategies and learning materials. The curriculum ranges from certificate level II to advance diploma on the ASEAN regional qualifications framework.

The structure of the curriculum is flexible in that training providers and employers can choose which competency standards will form the qualification based on the packaging guidelines at each qualification level. Additionally, the structure of the qualifications means students can progress to higher levels of qualifications or move between the different streams.

The curriculum development was undertaken by a training institution highly regarded by the industry regionally. Workshops were held in Member States to develop the curriculum, learning resources and assessment materials. Both a train-the-trainer programme and an assessor-training programme were prepared, which sought to make 20 to 30 individuals master trainers or master assessors in each Member State. The initiative was designed to address the lack of common curricula, facilitate mutual recognition of tourism professionals in the ASEAN region, and stimulate the flow of skilled workers in the region.

The approach offers a flexible curriculum that includes a common core, which, while the same for all countries, provides flexibility in its elective streams to ensure the curriculum is relevant nationally. The curriculum development approach involved industry and training representatives from each country, and provided training to a sizeable number of master trainers in each country to ensure consistent rollout and understanding of the curriculum and assessment processes.

Singapore: employer-modelled approach

While not necessarily a sectoral model, the Singaporean example provides an innovative approach to structured in-house training. There are a few examples of the employer-modelled approach, which has operated in Singapore since 1993.⁸⁰ The model is a government-led initiative, which facilitates best practice by creating a plan or blueprint for skills development practice and is developed within leading companies. The blueprint forms the basis of structured on-the-job training documents that incorporate standards of performance for a range of job functions. The government then develops good practice blueprints based on examples from these leading companies. The aim is to improve the quality of on-the-job training across a range of businesses by providing best practice models that other firms can learn from or implement within their enterprises. The primary aim is for businesses to recognize the wider national importance of skills as a source of national competitive advantage, and to develop excellence in on-the-job training:

Within this system, employers play three key roles: (1) as a leading company providing best practices for other employers; (2) learning from best practices so that their own company can utilise training resources more effectively—like those who provide the Blueprints; (3) supporting the system by contributing towards the Skill Development Fund levy.⁸¹

This type of approach could be readily adapted for sectoral or value chain skills development initiatives. This model needs a central coordinating body to collect and adapt the learning materials. The government also provides a number of financial incentives for companies to train their workers so that 'good practice' companies are more likely to share information on their internal training approaches. To reduce resistance and withholding of information that may be seen as a company's competitive advantage, customizing information and targetting learning resources at industry sectors, which are not in competition with leading companies, is important.

2.5. Assessment and recognition of prior learning

Sectoral approaches to assessment and recognition of prior learning

Sectoral approaches to competency-based assessments vary according to the needs of the particular industry sector. For example, in some subsectors of the health-care sector in Australia, the final assessment must occur on-the-job while other health-care subsectors require a mix of on and off-the-job assessments. In occupations that include a license requirement from an authority, strict requirements surround the assessment, which usually entails operating equipment while being observed by a licensed practitioner. In some industries, the sector is willing to fund the assessment function and maintain management of the assessment process, while other industries wish the management of assessments to be undertaken on their behalf. Often, industry is closely involved in assessments when there is a need to skill up existing workers for quality improvement purposes or when it seeks to boost the quality and consistency of assessment decisions.

The three following examples illustrate different sectoral approaches to assessment. The first example in table 1 involves a group of industry associations of small businesses working with a training provider to assess apprentices. The second sectoral approach for the assessment of apprenticeships was designed and managed by a sector skills council (an industry training organization) for an on-the-job learning environment. The third example explores a recognition-of-prior-learning approach developed by a large company for new and existing workers.

Table 1. Beauticians and hairdressers trade associations in Ghana

Beauticians and hairdressers tend to be small businesses that operate in diverse locations across Ghana. As part of efforts to revamp the sector's image and improve the quality and consistency of services offered by members of three industry associations, a sector-wide approach to the assessment of apprentices was established. As part of the service for existing members, bridging courses were developed to offer members a means of gaining a formal qualification. Working in cooperation with the National Vocational Training Institute, the three associations were able to align training content and assessment benchmarks to industry needs.

The following example is based primarily on ILO case studies of skills assessments conducted by small industry and community organizations.⁸² In Ghana, there are three trade associations for hairdressers and beauty:

- Ghana Hairdressers and Beauticians Association (GHABA);
- National Association of Beauticians and Hairdressers (NABH); and
- Professional Cosmetologist and Beauty Therapists Association of Ghana (P-CABAG).

These associations have branches in all provinces and regularly conduct skills testing. In 2001, GHABA began skills testing for apprenticeships in one province and, in 2007, partnered with the National Vocational Training Institute to provide national skills testing for all their apprenticeships. GHABA and NABH graduated 3,000 apprentices and prepared 1,500 apprentices for trade testing through bridging courses and pretesting for the National Vocational Training Institute.⁸³ One of the early motivators for the associations' becoming involved in improving skills was the increased awareness of HIV/AIDS, hygiene requirements and customers' demand for quality services. Through training in the United Kingdom, contact with similar associations overseas and participation in international trade competitions, the associations identified skills testing as a suitable approach to improving the quality of services and providing a competitive edge for their members. Only members can register their apprentices for assessment.

The assessment criteria used for skills testing is identified by local committees and submitted to the national association's working group, which reviews the proposed criteria and decides on the final assessment standards. The criteria cover both theoretical and manual skills. Skills testing is conducted on the same day in all provinces across the country. Bridging courses are offered by two of the associations, with the curriculum provided by the National Vocational Training Institute. The National Association of Beauticians and Hairdressers awards diplomas to members in partnership with the institute.

NABH runs bridging courses for existing members to upgrade their knowledge so that they can train their apprentices in current workplace practices and ethics of the profession.⁸⁴ There is an established partnership between the National Vocational Training Institute and all the associations. The institute provides certified assessors while the associations contribute to the development of competency-based training in their trade areas. The associations are more recently working with an international examination board for the introduction of internationally recognized diplomas.

At first, the master craftswomen resisted the idea of skills testing since they felt it could undermine their authority with apprentices. In response, the associations invited the craftswomen to enroll in bridging courses and undertake skills testing. Students bear the cost charged for skills testing, and there is a greater emphasis on higher levels of schooling as an entry requirement, which can adversely influence the choice that poorer socially disadvantaged groups make about entering the profession. This entry requirement is of particular concern because female apprentices are much more dependent on family for start-up funds than male apprentices, meaning that limited family funds may have to go towards apprenticeship fees rather than establishing a micro-business. Additionally, 57% of hairdressers have not completed their basic education, compared to 18% of dressmakers.⁸⁵ This situation strongly suggests that lower socioeconomic groups may require prevocational courses in literacy, numeracy and core competencies if they are to gain entry to this occupation.

The assessment criteria of this approach was developed by members of the industry associations who were practitioners working with and using the skills that formed the assessment benchmarks. Bridging courses were developed that allowed existing skilled workers to develop contemporary skills and gain a formal qualification. Offering bridging courses to existing workers has helped to reduce resistance since their own skills and expertise would be recognized. The emphasis on higher levels of schooling and increased fees could reduce the entry of marginalized groups into the sector. But the identification of entry requirements means policymakers can design incentives for employers to take on marginalized groups or develop prevocational training programmes to prepare early school leavers and other marginalized groups for entry into the sector.

On-the-job assessment for carpentry apprenticeships: New Zealand Building and Construction Industry Training Organisation

The formal assessment system in this example in table 2 was reviewed and redesigned after a formal review of the effectiveness of the assessment outcomes. The emphasis of the assessment system shifted from a strict adherence to the assessment tools to using the professional judgment of employers, assessors and workers.

Table 2. New Zealand building and construction approach to assessment

The Building and Construction Industry Training Organisation (BCITO) is a New Zealand sector skills council and the largest organizer of construction trade apprenticeships in the country. The organization not only promotes apprenticeships but also provides training opportunities for supervisors and managers who want to skill up or have their experience recognized.⁸⁶ They offer three levels of qualifications; (a) a national certificate in construction trades—supervisor; (b) a national certificate in construction trades—main contract supervision; and (c) diplomas in construction quantity surveying or construction management. The organization provides employer development grants of up to NZ\$3000 to employers of a current BCITO apprentice so that the individual can undertake further study to develop its business. The grants act as an incentive for employers to take on apprentices.

In 2010, the organization redesigned its assessment system to bring the assessment process in line with the on-the-job learning environment and, in that spirit, developed assessment teams of assessors, carpentry apprentices, moderators and employers. The development of a new assessment system became necessary owing to problems with the rigid approach that assessors were applying. The rigid approach meant that sometimes the correct answer was overlooked, as it did not comply with the guidance answers in the assessment sheets.⁸⁷ The assessors' rigidity meant that the assessment failed to determine what apprentices actually knew and did not cover the intent of the skill standards. The assessment sheets were originally designed to support consistency of assessment; instead, there was a lack of alignment between the skill standards, the learning environment and the assessment judgment.

As part of changes to the process, responsibility for the assessment of the theoretical aspects of the apprenticeship was taken from employers and given to BCITO-employed trained assessors. Employers now have responsibility for evaluating the evidence, while the apprentice's role is to collect it. The assessment teams comprise the employer who trains the apprentice and evaluates the evidence, the training advisor/assessor (a worker in industry), the moderator and the apprentice. Significantly, the assessment teams have the key purpose of promoting learning

through assessment, and everyone involved in the assessment team is viewed as a learner.⁸⁸ The assessment process places the apprentice at the centre of the assessment activity, with the training advisor/assessor undertaking the summative assessment and the employer providing formative assessment feedback and evaluating the evidence presented by the apprentice. The moderator offers advice on questioning, preparing the assessment and techniques to improve the validity of questions. With the introduction of the new system, moderators now work to examine the assessment practice as well as the outcome. Moderators may attend the assessment at the same time as the training advisor/assessor attends the workplace.

The organization runs national moderation workshops where assessors meet and discuss the assessment process and determine what constitutes sufficient evidence before formal assessment takes place. During country-wide moderation workshops, the organization brings together training advisers/assessors and moderators for professional development opportunities.

Before changing the assessment model, the organization surveyed employers asking if they supported the idea of changing the assessment approach: 80% agreed. Two years later, responses to a BCITO survey indicated that 80% of employers were satisfied with the assessment process, 90% were pleased with the books and materials, and 80% were satisfied with the support provided.⁸⁹ Part of the success of this approach is the professional development of assessors and the design of a process that allows for greater flexibility in gathering and considering evidence, while creating an environment where assessment is directly linked to everyday work practices.

The redesign of the assessment system was based on evidence from the review. The new approach works well, especially since the project, having considered the dynamics operating during the assessment process, found that the way in which assessors were working had an adverse impact on the assessment and adjusted for it. The assessments rely on the evidence of work produced in the workplace and the employer's assessment of that work, while ensuring a consistent approach through the presence of the trained assessor and the moderator who ensure all evidence requirements are met. The approach allows for flexibility so that the apprentice can take an innovative but successful approach to accomplishing the work and be recognized for it. Or he may be asked to explain the process of solving an unexpected problem, which can reveal a higher level of understanding than that which can be assessed following a rigid approach. The approach might at first glance appear resource intensive; however, in many situations, assessments occur outside normal working hours and involve an assessor, trainer and moderator or validator to assure the evidence is adequate and consistent with national standards. This approach allows for flexibility within the assessment parameters identified nationally and is based on good international practice.

Sri Lankan Dockyards' recognition of prior learning project

'Recognition of prior learning' is a process of assessment that involves assessing an individual's prior work experience and learning (including formal, informal and non-formal learning). The actual assessment process unfolds in the same way as any competency or standards-based assessment. However, it is combined with information or a support process to assist the individual, helping to collect suitable evidence for the assessor to make a judgment on the person's competence. Recognition of prior learning is sometimes called 'recognition of current competence'. The example in table 3 details how a company worked with the government authority and a consultant to implement and overcome resistance to a new recognition system.

Table 3. Recognition of prior learning

Colombo Dockyards is a leading large manufacturing company in Sri Lanka. As part of an ongoing improvement process, the company introduced a recognition of prior learning (RPL) process, with agreement from the National Apprentice and Industrial Training Authority, for all new and existing workers. Initially, the programme was for new workers. However, current and more senior workers felt that the new workers were receiving special treatment and the older workers originally resisted involvement. Opening up the recognition-of-prior-learning process to existing and senior workers ultimately helped to reduce resistance to the programme. Existing workers developed the motivation to participate as supervisors by providing work reports on their co-workers, and the workers use them as part of their portfolio of evidence for assessment in the programme.

Skills assessment is undertaken on-the-job with apprentices and existing employees collecting a portfolio of evidence, such as supervisor reports or by using mobile phones to video themselves undertaking tasks, while demonstrating their skills in their day-to-day workplace activities. At the completion of the recognition-of-prior-learning process, workers are either provided with additional training or awarded a national vocational qualification, either as a welder, fabricator, fitter or machinist. By the end of 2013, 86% of permanent employees had applied to undertake the process and obtained a national vocational qualification; 97% had earned a national vocational qualification either through a recognition-of-prior-learning process or a combined RPL-bridging course. Trained in-house assessors conduct the assessments. The company established the programme working with an external consultant who developed both the recognition-of-prior-learning process and the assessment resources in consultation with technical experts. It also developed the bridging programmes and facilitated the identification of national competency standards on which the assessments are based.

The company established the recognition-of-prior-learning process as part of a quality improvement process and in the context of the implementation of an organizational wide health, environment and safety standard. Colombo Dockyard also hoped to create an enabling culture that would engender a committed, motivated team dedicated to achieving the company's goals and objectives. The company believes that through the skills development initiative it was able to improve workers' ability to build better and more complex vessels and meet emerging needs of the market.⁹⁰

Similar to the Ghanaian example, the Colombo Dockyards extended its programme to offer existing workers recognition and a pathway to formal qualifications that would ensure their cooperation in implementing the recognition-of-prior-learning process. The approach involved the central TVET authority responsible for recognition of prior learning and apprentices to ensure that the process resulted in formal recognition for workers. The use of an independent outside consultant meant that the process only assessed the skills necessary to perform the particular jobs and not any additional skills. The use of an outside person can reduce any tendency to build in gatekeeping or additional unnecessary protectionist skills.

2.6. Industry clusters and skills development

The concept of developing sectoral approaches to skills development is something that many countries have adopted or are in the process of adopting. A cluster-based approach to development and pro-poor growth has received keen attention since the mid-1990s, and interest in the role of skills development in cluster development has continued to grow. Industry clusters are often defined as a group of interrelated companies and their suppliers working in a defined geographical area and sharing a common market, similar technologies, pools of workers, expertise and ideas. It is the exchange of expertise and the sharing of pools of workers and the use of similar technologies that provide an opportunity for skills development specialists to work with members of industry clusters.

While larger companies are often able to offer training to staff or hire skilled workers, it is not often the case with small and medium enterprises. Working with industry clusters can provide a framework that offers customized skills development to companies operating within the cluster, including smaller businesses and nodal companies. Facilitating skills development activities within industry clusters can help to stimulate innovation and improve productivity if combined with other interventions such as technology improvements.⁹¹

New York garment cluster

The New York garment cluster is an example of how skills development strategies can be combined with larger sectoral programmes to strengthen a declining industry sector in the face of global competition. This tripartite partnership drew on the expertise and knowledge of employer associations, unions and local government. The local government's main contribution was the funding of several initiatives. The industry association's primary function was to act as a point of contact connecting with firms and providing information on their particular needs. The union, for its part, identified the skill needs of existing workers and of those who were about to become redundant and required retraining.

Tripartite representation gave the Garment Industry Development Corporation's (GIDC) a thorough understanding of the sector's problems. These included: attitudinal barriers to change, technology deficiencies, production process inefficiencies and human resource management issues. As is often the case, it was not a simple issue of not enough skilled workers. GIDC focused on the supply side (training, labour supply and recruitment practices available for people entering or in companies within the sector) and the demand side (work processes, technology and competitiveness of firms).

The corporation's role in revitalizing the New York garment industry is a well-known example of a cluster approach that builds on a combination of sector development and skills development strategies. The industry was a declining sector under intense international competition. The GIDC took a multifaceted approach to working with the sector, which has resulted in viable new niche markets and cost-efficient production processes. Conclusions from a New York cluster case study found that it was not enough to train workers for manufacturing jobs, since the sector itself needed retooling as much as the workers needed retraining.⁹²

GIDC-identified training programmes covered training for employers, existing workers, displaced workers and those seeking entry into the industry sector. Courses targeted employees and owners and changed depending on the needs of the employers and workers. The corporation also established JobNet, a centralized job referral system for enterprises to locate employees with the production skills that employers required. People registered with JobNet include recently displaced workers and new graduates from training programmes. The corporation established a close working relationship with the main fashion training provider in New York City, the Fashion Institute of Technology, using their

training facilities at night to run programmes and drawing on teaching staff as trainers. This partnership complimented the work of both organizations.

GIDC worked with one company at a time and was able to demonstrate significant bottom-line success to other businesses in the sector, as related in the following study:

GIDC seeks to create systemic change in a variety of ways. By linking firms to new markets, GIDC hopes to protect New York City's large base of jobs in the industry. GIDC also attempts to introduce new technologies and production processes to the industry in order to increase local firms' efficiency and competitiveness. The organization has successfully influenced public officials' views of the garment industry, convincing New York City, state, and federal officials of the importance of the industry and the possibility for the industry to be competitive within New York City.⁹³

Additionally, GIDC implemented a sector development programme that assists with export development. In this example, the corporation integrates sector development and skills development strategies to move from a declining industry sector to a viable and competitive one. Improved competitiveness was achieved through GIDC's role as an industry intermediary with in-depth knowledge of the local sector and ability to draw on the expertise of major stakeholders. The majority of GIDC staff have an industry background, and all trainers have industry experience, with most training part-time and working in the sector the rest of the time, meaning all trainers have current industry experience. Trainers, therefore, provide up-to-date training content and advise on possible future courses.

The approach was highly successful as it drew on the expertise of key stakeholders, and GIDC was a tripartite partnership ensuring cooperation for implementation. The model took a cluster development approach with skills supporting the revitalization of the sector. Courses met specific skills needs and were conducted by trainers who were actively working in the industry, meaning they had current industry skills and experience of current work practices. This in-depth sector knowledge is critical in building industry contacts and maintaining credibility.

Colombo Dockyards: supporting industry training in Sri Lanka

The Colombo Dockyards example looks at the role a nodal company can have in supporting the skills base of an industry sector by supporting existing workers as well as the formal public training sector. The dockyards have facilities and technology unique in the Sri Lankan industry sector of shipbuilding. In addition, the company has a grade A+ training organization registered with the peak skills development authority in Sri Lanka, the Tertiary Vocational and Education Council (TVEC), which offers formal technical vocational education and training qualifications.

The training centre is fully equipped for industrial, technical and managerial training and provides training for all employees, from welders to engineers and managers. Because the facilities are unique in Sri Lanka, they have an agreement with the National Apprenticeship Industrial Training Authority to provide training to apprentices from across the country in industrial structural welding as part of the apprenticeship programme. There are no other training facilities that can provide this training in Sri Lanka, and the agreement means that all apprentices are eligible to receive training in these specialist skills. The apprentices come from a range of industry sectors, not just the marine engineering sector. The training centre also provides practical on-the-job training in the dockyard for the Marine Engineering Corp of the Sri Lankan armed forces, which means the skills can be developed for workers in the Marine Engineering Corp.

Access to the training facilities allows all apprentices to gain skills that are valuable to the sector and for individuals seeking work overseas. The agreement with the National Apprenticeship Industrial Training Authority means that the government can provide apprentices with training on up-to-date specialized equipment, while the company supports the growth of a skilled and up-to-date workforce for its industry sector and value chain partners. The company considers apprentices who go overseas to work as workers who bring back new skills and ways of working, which in turn enhances the skills available in the labour market.

In this example, a company with specialist training facilities and skills operates as a skills hub nationally to develop and train a specialized workforce for related industries operating throughout the country. The agreement with a formal authority allows students from across the island to gain access to these skills.

The industrial zone of OSTIM, Ankara

OSTIM was established in 1967 and is located in Ankara, Turkey. As of 2013, there were approximately 5,000 micro and small and medium enterprises in 100 different sectors.⁹⁴ There are a number of various organizations within the region that support the businesses through cluster development activities. There are a number of individuals and organizations that provide skills development activities in the industrial zone of OSTIM, including private consultants, paid advisors and private training providers, universities, a vocational training centre, and government departments that promote and finance training activities. The defence and aviation cluster develops sub-suppliers through skills development, which the cluster views as a competitive advantage over other national defence and aviation clusters. The cluster works with universities and private consultants on technology transfer to small and medium enterprises. Rapid changes in technology and science mean that it is imperative for workers to maintain skills, which demands ongoing skills development for the existing workforce.

The OSTIM Education Coordination Centre is involved in running both theoretical and practical training programmes. Hands-on training is offered in the form of on-the-job internships in cluster companies, and content is determined according to companies' production methods and requirements.⁹⁵ The industrial zone also includes the OSTIM Research, Development, Education Development and Solidarity Foundation,⁹⁶ which identifies and supports new business models. The defence and aviation cluster also runs programmes on innovation, research and development, identified as priority areas by companies in the cluster. At the end of the three-week training programme, graduates formed a research and development working group. The cluster coordinator then provided coaching for each of the companies to prepare project plans for research and development proposals. The training covered 10 modules related to innovation, research and development, national and global trends in defence, and protection of research and innovation.

OSTIM Consultancy and Education Services, group within the cluster, provides training services based on immediate needs and designs vocational training programmes for delivery. The consultancy group uses trainers from the formal vocational training system and students are trained through the formal system and placed in companies within the cluster by the OSTIM Employment Office.

Industry clusters provide small and medium enterprises with a critical mass that enables them to gain some benefits, such as access to training, which larger companies often provide internally. Being co-located means that training organizations can deliver programmes for a number of businesses at the same time, so that training will take place sooner than if individual workers have to wait until a scheduled training programme begins sometime in the year. This co-location also introduces small and medium enterprises to multidisciplinary teams. Individuals, who come together from different fields of

specialization, provide opportunities for cross-fertilization of ideas, leading to greater opportunities for innovation among small and medium enterprises and their partner training institutions.

Value chain skills development

The principle underpinning both value chain and cluster approaches is that private enterprises often face pressures that they cannot tackle on their own. According to the World Trade Organization, developing country suppliers are integral partners in sectoral value chains and developing countries use their participation to achieve growth, employment and poverty reduction.⁹⁷ While an industry cluster approach also incorporates value chains, clusters focus on interrelated regionally based companies that may be domestic companies targeting domestic markets. A value chain approach, on the other hand, can span the globe. The global relevance of value chains means that participating companies are more likely to be bound by international standards and certifications (such as quality and product), and the level of technical skills will be determined by the lead companies or major customers' product or service demand. Companies participating in a value chain will likely have very clear training requirements because of international standards, certifications and product specifications. Domestic or regional value chains may not have the same urgency to meet international standards, certifications and product specifications. However, developing managerial, process and technical skills that match international standards, certifications or value added technical expertise could help to improve the competitiveness of domestic companies and position them to become part of global value chains.

In countries that use skills standards to develop training and assessment content, efforts to consult with proprietary owners of international standards (ISO, IEC for example) and to build these outcomes/criteria into national skills standards can help to improve relevancy. In this way, training organizations can deliver formal qualifications that prepare workers to function within particular processes and to meet particular technical standards, without requiring training institutions to purchase exorbitant licensing fees or expensive training products. Helping the industry to upgrade through skills development requires that it build formal training avenues that prepare workers to meet international standards and add value to products and to the production process. At the same time, it helps to develop managerial skills to control production processes while positioning companies within a higher value-added value chain so that they can work with upstream and downstream companies.

Skills development approaches have been classified in some of the literature for different phases of global value chain upgrading.⁹⁸ The classification divides the approaches into three groups: early reactive interventions, ongoing proactive interventions, and future-oriented interventions. Accordingly, the *early reactive interventions*, which respond to immediate industry skill needs, are primarily conducted on the job and identify current workers as the target.⁹⁹ These early skill development strategies support companies in securing their ongoing activities and position in a value chain. The next phase, *ongoing proactive interventions*, supports the upgrading of enterprises within the value chain, through training that meets emerging needs of the industry; the target here is technical skills development in emerging areas to move the value chain to the next level. The final phase, *future-oriented interventions*, focuses on skills development strategies that address the future skill needs of companies in a value chain so that they can upgrade and cater to new higher value end-market segments. The goal is to assist developing country companies to move from low-end, low-value production and services to high-end, high-value production and services. The authors go on to make a number of policy recommendations for the three phases, which parallel policy mechanisms deployed in many contemporary TVET systems. Table 4 outlines the policy recommendations as identified in the paper.

Table 4. Policy recommendations for skills development approaches

<p>Early reactive interventions</p>	<p>Evaluate the skills gap within industries, identifying areas that need rapid development.</p> <p>Encourage private sector organizations to coordinate and strategize about the industry skill gaps and invest in training for their workers.</p> <p>Prioritize targeted training in the areas of major skills gaps.</p> <p>Focus on improving managers' skills, since they play a major role in providing and raising workers skills.</p> <p>Give particular training to near-hires—i.e., job seekers who are not employed because they lack specific skills required by the labour market.</p>
<p>Ongoing proactive interventions</p>	<p>Assess the position of the country in a global value chain. Understand where in the chain the country is concentrated, and strategically determine potential upgrading paths and identify core job profiles for desired upgrading trajectories, including bottleneck positions.</p> <p>Foster collaboration among key stakeholders by creating public and private strategic councils in key national industries to decide the sector upgrading strategy and a similar skill development plan.</p> <p>Prioritize technical education in the national education agenda.</p> <p>Create incentives to link training institutions and the private sector. A collaborative approach is mandatory to add value to national industries.</p> <p>Provide study-abroad scholarships in the major economic areas of the countries.</p> <p>Provide incentives to the private sector for internal worker skills upgrading, including mentoring and career planning for workers.</p> <p>Create national information systems that disseminate information about needed skills, salaries, key skills gaps or other relevant information regarding workforce development.</p> <p>Provide incentives such as scholarships or easy access to financing to encourage students to select areas of education with high labour demand and future prospects.</p>
<p>Future-oriented interventions</p>	<p>Strengthen basic skills in primary and secondary education. Ensure that children master basic skills that are critical for lifelong learning, which is required for participation in global value chains.</p> <p>Give particular attention to 'soft skills' throughout the different education levels.</p> <p>Prioritize and reformulate technical education. Technical education should be in line with the needs of the labour markets and coordination with the private sector is key to providing robust and relevant technical capabilities.</p> <p>Establish efficient and effective mechanisms that ensure a long and strong partnership between the government, private sector and educational institutions.</p>

Source: Fernandez-Stark, 2012

These policy recommendations fit closely with those for the TVET sector in general. Additionally, the approach is similar to the Australian Skill Ecosystem approach where there is an emphasis on aligning skill strategies with the business strategies of the companies within the ecosystem. Alongside these recommendations, other interventions include:

- Introducing high-level structured apprenticeships with age limits removed, and opening apprenticeships up to existing workers;
- Increasing the number of apprenticeships in non-traditional areas, such as line management and quality management to support workplace learning; and
- Providing supervisor training so that they can train workers and improve the effectiveness of skills transfer. These strategies help to build an environment for ongoing workers development.

A separate study of high-value, high-skilled global value chains operating in Singapore, produced for the United Kingdom Commission for Employment and Skills, which explores restructuring and wider implications for skills development and employment in United Kingdom's high-value, high-skilled global value chains, includes findings relevant to developing economies.¹⁰⁰ The city-state was chosen because it successfully moved from low-skilled manufacturing in the 1960s to become a major centre for research, financial services and high-end manufacturing today. The authors identify two waves in the development of global value chains. The first is characterized by low-skilled, low-paid work, with most of the high value-added activities occurring in close proximity to head offices, often in the lead firm's country.

Singapore responded by developing a continuous up-skilling of workers to meet the anticipated skill needs of companies. Furthermore, to maintain rising living standards through foreign direct investment and wage growth, the government skilled up the indigenous workforce through broad educational reform and widespread training of older workers. This encouraged foreign companies to invest in higher value activities in Singapore, since skilled activities could be completed at price levels against which Western economies could not compete.

The second wave of global value chain development is typified by the regional and global integration of global sourcing as companies can choose from a:

Range of locations and mix their skill portfolios in ways that no longer conform to a choice between 'head' or 'body' nations. It is this shift from national to international skill webs that distinguish the multinational companies (MNCs) of the past from the transnational companies (TNCs) of today and tomorrow.¹⁰¹

The authors argue that, to their advantage, emerging economies have moved away from Western models of incremental economic development and contain both high-skilled capabilities and low-cost activities. Companies have greater range to pick and choose where research and development facilities will reside, with China and Singapore cited as examples of countries taking advantage of this approach.

The report distils ten implications for skills development and employment policy, the most relevant of which are presented in table 5.

Table 5. Global value chains and the future of high skills: evidence from Singapore and implications for the United Kingdom

1	The role of skills in international competitiveness: a global ‘jobs competition’, not a ‘skills competition’	<p>Not only is access to a skilled workforce important, but also how well the workforce performs specific activities, such as meeting financial targets, as opposed to other parts of the value chain in other locations.</p> <p>This highlights that supply side approaches are limited and based on a ‘skills competition’ rather than a ‘jobs competition’ model. A jobs competition approach focuses attention on job quality, performance and the skills required to meet global standards.</p>
2	Product market strategies and the demand for high skills	<p>Countries need to make a distinction between ‘product’ innovation and ‘process’ innovation in policymaking. Product innovation involves a relatively small part of the value chain and may be in any specific location or country. Process innovation involves companies driven by cost pressures to do more with less (improving productivity) through new technologies that cannot be assumed to be ‘skill biased’.</p>
3	The role of transnational companies in regional economic development	<p>Transnational corporations are becoming more independent of individual governments, making it difficult for governments to develop skill strategies as it becomes harder to predict areas of employment growth, consolidation or decline.</p>
4	Multiple intelligence for skills development and industrial policy	<p>A major finding is the importance of world-class skills, labour market and industrial analytics and intelligence. The process should include building global networks with companies, universities and research establishments to deliver deep intelligence on leading technologies, innovative ideas and key players (individuals, companies and regions).</p>
5	Dynamic capability as a source of competitive advantage	<p>Related to implication number 1 above, a source of competitive advantage is having good employability skills (such as communication, teamwork, problem solving, initiative and enterprise, planning and organizing, self-management, learning and technology). Significant differences exist in how skilled workers perform in similar jobs, including discretionary effort (linked to employee engagement) and whether employees have the opportunity to use their knowledge and skills in work-related activities.</p>
6	The political economy of the talent pipeline	<p>Related to number 4 above, developing a ‘learning with the market’ approach as a competitive advantage grows out of ongoing dialogue and close collaboration with customers within global supply chains.</p>

Source: Brown et al., 2015

The information in the table is relevant to developing economies, especially when they consider the kinds of skill interventions to undertake in support of value chains. The importance of non-technical skills in improving work performance and in boosting competitive advantage is highlighted in points one and five. Many developing countries find it difficult to develop such skills, and multi-pronged approaches need to be considered that combine on and off-the-job training and use learning methodologies, such as self-directed learning, to develop organizational and planning skills, problem-based learning for creative problem solving skills, and greater collaboration between companies and training organizations. Furthermore, how skill needs are identified requires increased cooperation among stakeholders in information understanding and analysis. At the same time, skills policies need to consider both low-skill and higher skills strategies and how occupations can be redesigned to ensure inclusive opportunities for career progression.

Sütaş case study

The Sütaş example provides an overview of how a nodal company can stimulate improved productivity and quality products by initiating skills development activities and technology transfer within its value chain. Sütaş is a Turkish dairy products producer that exports to countries in the region and whose mission is to provide quality products and manage and develop the dairy value chain from farm to table.¹⁰² Sütaş is a systems integrator or anchor company¹⁰³ in the dairy sector that brings together key stakeholders within the value chain and stimulates innovation and technology transfer throughout by introducing new farm production processes and exposing skills development institutions to new technology. Building wide stakeholder involvement, Sütaş has formed partnerships with universities, skills development agencies, farmers, the Cattle Breeders' Association, fodder producers and the Ministry of Agriculture and Livestock, among others.

The example in table 6 illustrates how the company as the lead firm has defined the standards and processes of operation within its value chain. By working to make the value chain partners more efficient and profitable, Sütaş builds a stable and growing supply chain better able to cater to its future business development targets.



Source: SUTAS

Table 6. Sūtaş value chain approach

Sūtaş has four operational strategies, two of which place a strong emphasis on skills:

- From farm-to-table business model; and
- Craftsmanship and expertise.

The farm-to-table model developed by Sūtaş incorporates:

- Farmer training, dairy science and technology services;
- Quality feed production;
- Dairy cattle breeding farms;
- Livestock selection and certification centres;
- Milk production facilities; and
- Distribution network.

Sūtaş has identified a lack of skilled production workers as a constraint in the dairy production value chain.¹⁰⁴ Low skills were having an impact on two stages: milk production and milk processing. Sūtaş determined that farmers needed up-skilling rather than long-term vocational training to process milk in a hygienic and safe manner. In the highly competitive international dairy sector, Turkey's annual milk production per cow is only 30% of the world's highest, the United States.¹⁰⁵

In order to address low productivity, in 1996 Sūtaş established a partnership with Uludağ University with the goal of improving the vocational education provided through the Uludag University Karacabey Vocational School, connected to Uludağ University.¹⁰⁶ The school is a principal provider of vocational training in the agriculture and animal husbandry sectors, offering two-year pre-bachelor (technician or foreperson, between worker and engineer) degrees. Part of the agreement involves providing practical on-the-job training to students at the nearby Sūtaş Dairy Plant, exposing students to new equipment and technology and new operational processes. Furthermore, Sūtaş provides scholarships for the pursuit of foreign language proficiency and further vocational education to successful students, along with the building of a new dormitory for 196 students. This collaboration has proven successful, and an agreement was signed among the Uludag University Karacabey Vocational School, Sūtaş and the Danish Kold College Vocational Institution in 2012.¹⁰⁷ Kold College is the only school in the Nordic region to provide technology and production skills in the dairy sector.¹⁰⁸ The partnership creates an opportunity for knowledge generation and transfer.

The primary target of these educational partnerships is to attract and train new entrants into the dairy industry and to skill up existing farmers and their workers. The partnership has provided Sūtaş with the skills to produce effective quality training and provided the skills development institutions with access to latest industry innovations, technology and production processes. The project has resulted in more efficient technology transfer and improved production processes. Furthermore, the company provides students, interested acquiring their own farms, training in feasibility assessments and access to financial support from the Sūtaş's contracted farming programme, which has resulted in the growth of quality producers within the value chain.¹⁰⁹

In 1998, Süttaş established the first producer training centre, and another in 2010; both are situated next to Süttaş's milk production factories and breeding centres, providing farmers access to Süttaş's technology and production processes during their training. According to the Süttaş website,¹¹⁰ it has provided training free of charge to 19,000 farmers and consultancy services to over 27,000 entrepreneurs. Süttaş has raised 12,000 cattle in five dairy farms and provided farmers with high quality livestock; diversifying the services offered to the value chain helps to enhance the sector's attractiveness to farmers and future farmers and improves industry retention rates.

The Süttaş approach to value chain development provides training and support beyond preparing suppliers to meet international standards and is similar to the workforce development approach, where training is seen as only part of the solution to skill shortages and skill mismatches. Süttaş has taken a holistic approach to developing its value chain by assisting farmers to become more profitable and supporting additional partners by offering start-up loans.

The programme's success factors mirror those of similar models and include a facilitator with detailed knowledge of the sector—in this case, Süttaş. Maintaining close collaboration with principal stakeholders, developing trust with employers, forging robust partnerships with skills development institutions and providing training facilities near industry are all factors found in good practice examples of sectoral collaboration. The initiative's success is based on Süttaş's reputation and ability to identify solutions to skill shortages and skills mismatches that extend beyond training supply.



Source: SUTAS

Responsible Travel Club of Viet Nam

The Responsible Travel Club of Viet Nam (RTCv) is an example of an inclusive model of value chain skills development, where tourism operators provide training to grow the tourism value chain and business opportunities in Viet Nam. RTCv members are a group of eco-tour operators who, although competitors, realized that to meet market demand they needed to work together and build their own value chain. This is a rapidly increasing market, and although RTCv members run small businesses they understand that they must actively support the growth of the sector to meet market demand. They support different remote communities and their supply chains in moving to eco-tourism. Members volunteer their own time and resources to provide training in location and in remote communities.

RTCv members begin by identifying remote areas that offer possible eco-tourism opportunities and then determine the kind of travel package the area could attract. After gaining the interest of local communities and identifying their skills needs, members provide training either themselves or pay for trainers with specialist skills, such as cooks and waiters from restaurants or university hospitality lecturers. These specialists come to the location and train local people over a three to four day period, with all training occurring within the village.

Once a remote village is identified, the entire community is provided with environmental and cultural-awareness training. This training covers how the village can reduce its impact on and protect the local environment; achieve safe and low impact waste disposal; preserve its heritage and cultural values; and raise its understanding and cultural awareness of foreign tourists.¹¹¹ RTCv will identify one or two suitable families and assist them in preparing their homes for homestay purposes. These families receive training in hygiene and food preparation, customer service, maintaining a homestay, basic English and serving customers. Once training is complete, RTCv helps families to set up home stays. Other villagers receive training as local guides, porters and cooks and receive specific related training. In turn, RTCv runs familiarization tours for club member tour companies with the newly trained guides and porters, which gives the villages practical experience before the tourists arrive. Additional refresher training is provided once or twice a year. Once training is complete, villagers can run their tourism services independently from RTCv while still receiving refresher training.

Villagers have been enthusiastic since the programme creates income-generating opportunities for local people living in remote and often protected areas. These tourism opportunities help to reduce their strong dependence on natural resources and provide a secondary income source. The approach helps to build the capacity of local stakeholders to allay the negative cultural and environmental impact of tourism. The example demonstrates that owners of small tour companies, which make up RTCv, can develop sophisticated stakeholder engagement skills.

A sectoral approach in the informal sector

The informal, predominately micro-business, profile of the domestic worker sector has meant that the sector has had limited opportunities to professionalize occupations. The following examines how, through a value chain approach, a major stakeholder is addressing some of the pressures and lack of career pathways that domestic workers face, particularly those in low skilled, insecure work—issues that individual domestic workers do not have the influence to change on their own.

Figure 14 is an example of how it is possible to support different sections of the informal sector so that they become more organized, attract skilled workers and provide access to formal qualifications and training.

Figure 14. The Domestic Worker Sector Skills Council



In 2013, ILO and the National Skills Development Corporation established a working group of stakeholders made up of domestic help placement agencies, cleaning companies and non-governmental donor organizations to explore setting up a domestic worker sector skills council. The Domestic Worker Sector Skills Council and International

Migration Centre opened in May 2016 with B-ABLE as the sponsor. B-ABLE is a subsidiary of BASICS Limited, a national micro-finance and livelihood promotion company. The council has developed national occupational standards in domestic work and qualification packs in housekeeping, housekeeping cook, and elderly and childcare. The qualification packs provide learning and career pathways for workers, moving from housekeeping to cooking and elderly and childcare. The council is also involved in affiliating domestic worker training providers to ensure that they meet the required standards for training delivery. Migrant domestic work is an area of aspiration for many individuals, and the council has partnered with two United Kingdom-based organizations named the London Cleaning Academy and Housekeep that ran a two-day training, certification and assessment session for 35 trainees, 20 of whom were master trainers. The Domestic Worker Sector Skill Council aims to train 250,000 domestic workers in 10 years through 500 training partners across India.

Source: Domestic Worker Sector Skills Council at dwsscindia.in/blog/2016/05/08/hello-world.

In India, the domestic worker sector is large and unorganized, and working conditions can be precarious and open to abuse. The Domestic Worker Sector Skill Council supports informal workers and improves the livelihoods of disadvantaged women by offering them formal training opportunities. The council has taken a holistic approach in promoting a skills development environment that supports outcomes beyond the supply of skilled workers and includes the potential for skilled migrant work arrangements. The council fosters an environment in which quality, nationally recognized training is delivered by audited training organizations, thereby improving the consistency of training for this informal sector, which traditionally had no opportunity to access formal education and training. In a sector not considered 'skilled', the council has helped to develop a vibrant skills development community that provides formal training, career pathways and placement. There are now quality providers looking to place professionally trained domestic workers in secure employment.

2.7. Workforce development strategies

There is growing consensus that skills development agencies—taking a holistic workforce development approach to sectoral partnerships and working in collaboration with sector skills councils, industry bodies and employers, and economic development organizations—have a greater chance of producing a better skills match for the companies involved. The achievement of positive outcomes is more likely when using a holistic view of the operating context and when addressing issues relevant to the sector. Workforce development, in the two examples below, places skills development within the framework of a region's economic development goals.

United States: approaches to sectoral engagement

The United States has a long history of offering employment and job training services. Like many countries, the services have been funded and managed under separate government programmes and were disconnected from economic development activities. However, over the last two decades, shortcomings, owing to the lack of a coordinated approach, have become evident.¹¹² As a result, government at all levels now emphasizes the integration of workforce development, skills and economic development policies. There is a general acceptance that delegating greater responsibility for service design and provision to local organizations results in more responsive and successful solutions. Most education and economic development activities in the United States are facilitated at the local state level.

One example is the state of California where regional collaborative initiatives have been in operation since 1995.¹¹³ These funded initiatives have aimed to enhance economic vitality, increase social inclusion and protect the natural environment in California. The groups are non-profit organizations made up of stakeholders from business, environmental, local government, public agencies and other advocacy groups. All worked at building local capacity and offered experiments in regional governance. The example in table 7 explores how local solutions can turn less attractive 'dead-end jobs' into ones with career options.

Table 7. Fresno Area Initiative: aspirational local work

An evaluation of the Fresno Area Initiative illustrates how a regional collaborative initiative conceived by business leaders can act as a catalyst to reduce chronic poverty.¹¹⁴ The initiative began when the Fresno Business Council formed a task force to create the regional collaborative initiative and invited educational institutions and government representatives to participate.

The council had four part-time staff and a decentralized structure that included a governing board consisting primarily of business representatives, some skill development institutions and a small number of government officials. Its mission was to provide leadership in areas critical to success in the new knowledge-based economy. The council believed that economic development required incorporating healthy communities and ultimately decided to target disadvantaged adults by ensuring that there was a demand for entry-level jobs with career pathways. Part of the council's role was to help business leaders to understand the interdependence of regional issues and develop the capacity for leadership. The project has undertaken many activities related to economic development, such as linking regional groups to outside resources, and focuses on a cluster development approach within the region.

The Fresno area collaborative initiatives identified the water technology sector as an emerging cluster in the region as a priority. Stakeholders in the cluster, 30 businesses, came together to prioritize issues, with one of the top priorities being the ageing workforce. The cluster initially found it difficult to identify common areas of training for existing workers, owing to the different types of equipment in use. However, the companies did identify skills common to all firms for new entrants in three occupations—welding, maintenance mechanics and machinists—and soft skills training for supervisors. Taking welding as the example, stakeholders mapped out a career progression from welders to maintenance mechanics and computer numerical control programmers. The emphasis on career pathways brought together companies that were previously unaware of each other, and discussions about career pathways brought together

businesses, education and government stakeholders. A career pathway is recognized as an important motivating element in attracting workers into a job role, as noted by the Workforce Investment Board official below:

The promise of the career ladder is one rationale for adopting a cluster strategy. As a Workforce Investment Board official argued, “The feds mandate that we only do training for demand occupations. But there is good demand and bad demand.” Demand produced by high turnover is because of poor job quality, while demand where there is no existing supply of skilled employees (as in health care) typically offers higher wages. Water technology offers opportunities for growth: “The Workforce Investment Board’s policy is not to subsidize job training for the sales clerk at the widget store...Career ladders give people a way to see things optimistically.”¹¹⁵

Companies worked with the local community colleges to determine the training content for each occupation. Through these discussions, businesses became aware that an existing applied technology training programme in welding already existed with a large number of students. However, most of the students enrolled in a certificate of welding qualified them for \$12 to \$14 an hour job; by continuing and completing the advanced classes in aluminium and Tungsten Inert Gas (TIGS) welding, they would qualify for higher paying jobs with water technology manufacturers. Therefore, it was agreed that in order to market manufacturing careers to students and to encourage retention, companies have to offer paid internships over the holidays to students; while during the training programme, the students could work part-time. The water technology manufacturers entered into a formal agreement not to employ students until they had graduated from the course. Company representatives are guest speakers and the company hosted student tours of their facilities. The programme includes career expos where employers are able to meet potential students, answer questions and provide a workshop for workplace supervisors who might be interested in undertaking further studies to advance their careers. The Fresno Area Initiative has acted as the intermediary between stakeholders, particularly in the area of workforce development.

The Fresno area water technology example is successful because the region prioritized it as an emerging sector while sector businesses identified it among their priorities. Once priority skill shortages were recognized, companies identified career paths, which led to the realization that appropriate training existed but was not marketed to attract young people into the industry. Rather than develop a new training programme, a solution was readily available, meaning employers could see results faster than if a new training programme had to be developed. Introducing a marketing approach, combined with employers’ incentives, ensured that young people would participate in skills development for the sector. Furthermore, the companies agreed not to poach students before they had completed their training, which allowed students to develop formal skills. The regional collaborative taskforce became the intermediary—it facilitated the process to identify areas of common skill shortages, link training institutions with employers and reach agreement not to poach students. Importantly, as an intermediary, the taskforce shielded companies from red tap and bureaucracy, making workforce development more attractive to the employers.¹¹⁶

Reinforcing the emphasis and success of workforce development, the United States Federal Workforce Innovation and Opportunity Act passed with bipartisan support in 2014, which requires the forging of sector partnerships as a local workforce activity and obliges states to support local workforce

development efforts. There are clear advantages to forming deep, long-term partnerships with sector partners, who can appreciate the shared skill development needs of the local industry and in turn customize specific skills development strategies to match.¹¹⁷ Key aspects, however, must be in place to support sector partnership policy implementation, including: funding, technical assistance and programme initiatives that support local sector partnerships.

Australian approaches to sectoral engagement

The Australian approach is not as extensive as United States initiatives, yet there are shared similarities, such as using intermediaries and bringing together diverse stakeholder groups. The 2001 report “Beyond flexibility” had considerable influence on TVET policymakers, researchers and practitioners and led to a reframing of the debate on skills formation, urging a wide-ranging approach to policy and practice.¹¹⁸ An early model exemplifying the concepts of the “Beyond flexibility” report was the skill ecosystems project. The skills ecosystem concept defines the clustering of competences shaped by interlocking networks of firms, markets, institutions and vocational streams/skill sets or skill clusters.¹¹⁹ Skill ecosystems can be regionally based, have a sector focus or operate nationally.¹²⁰ Skill ecosystem approaches are as much about business strategies and workplace culture as they are about training.¹²¹ They emphasize working conditions and learning to support business needs. The skills ecosystem supports a high skills strategy where business performance and skills development are considered in tandem. Skill ecosystem projects look to support innovation and expansion of products, services and/or markets by underpinning business and industry strategies. The projects aim to improve productivity, product and service range and/or quality.

All skill ecosystem projects aim to increase communication and interaction between ecosystem stakeholders. Research is an important aspect in its initial phases in order to determine the workforce factors influencing the effectiveness of the skills ecosystem. The two common features of skill ecosystem projects are: (a) an emphasis on relationships between different aspects of skills development (vocational education, higher education, research facilities); and (b) the industry and workplace context (employment relationships, career pathways, design and organization of work) in which skills are applied and initial research undertaken.¹²²

An example of why it is important to consider the wider workplace context is the racing industry skills ecosystem project. The racing industry brought all its stakeholders together to discuss issues around shortage of workers. In turn, it focused on the second common factor of all skill ecosystems: determining the kind of skills shortages that exist and their possible causes. The racing sector had a chronic shortage of riders. Once the wider workplace issues were considered, it became apparent that riders worked as contractors and received fragmented payment by horse owners or trainers for only part of the day. As a result, the industry change the job so that riders would be engaged by a club enabling the worker to earn a decent wage, while the club and trainers gained a reliable source of workers, which created more training business for clubs. The new secure employment arrangements incentivized individuals aspiring to work in the sector and helped to grow businesses, which created a demand for more skilled workers that led to an increase in training for new entrants.¹²³ Only by bringing all stakeholders together were project staff able to develop broad understanding of the issues affecting the skills shortage. The key lessons from the evaluation of successful skill ecosystem projects are that:

- Stakeholder engagement is broad and stakeholders are ready to consider and take on a range of skills formation and industry development strategies;
- The issue or problem being addressed is a priority for all stakeholders; and
- The organizations responsible for managing the project have credibility within the industry sector.¹²⁴

Additionally, during the first (research) stage, the project should aim as a minimum to establish that:

- Stakeholders are committed to working together on the problem identified;
- Boundaries and conditions of engagement are made explicit; and
- Stakeholders are prepared to explore both skills development and non-skills development solutions.¹²⁵

Another Australian project that grew from the “Beyond flexibility” report was the Queensland state government’s skills formation strategy initiative. Both the skills ecosystem and the Queensland state government’s skills formation strategy initiative look beyond narrow supply-side solutions to skills challenges in order to improve the capacity of individuals to participate effectively in meaningful work and for companies to boost their ability to adopt high-performance work practices. The initiative more closely resembles the United States workforce development approach in that the projects are closely aligned to the economic development plans for different regions.

The skills formation strategy initiative has been operating since 2002, and was designed to introduce a more holistic approach to skills development. Traditionally, policymakers and skills development organizations have responded to skills demand by proposing training individuals without looking at the bigger context where these skills operate. The state government determined that increasing

Table 8. Skills formation strategies

The Far North Queensland skills formation strategy began in 2011 as a partnership between Advance Cairns and the Queensland government to address a shortage of skilled workers within the region as a result of the growth in activity in the resources sector. The industry sectors represented in the area include agriculture, construction, health, manufacturing, marine, resources, transport and tourism. Advance Cairns is the regional economic development and advocacy organization for Tropical North Queensland. Its membership consists predominantly of local businesses and companies operating in the region, universities, skills development institutions, and local and indigenous government councils. The project had five aims relating to: branding, building partnerships and pathways, identifying labour market needs, engaging key stakeholders, and developing workforce solutions.¹²⁷ Different working parties comprised of Advance Cairns members and key stakeholders from across the region worked on each of these aims to develop solutions for employer workforce needs. Representatives were involved in determining the direction of the skills formation strategy, prioritizing issues, and developing and implementing solutions.

Some workforce issues facing the targeted sectors and the resources sector include skill shortages in trades and competition for skilled workers, which was driving up wage rates. Some jobs in the agriculture, transport, construction and manufacturing sectors, and trades such as boiler-making, were less appealing to potential employees and had difficulty attracting and retaining skilled workers. The decline in jobs’ appeal in different sectors was evident in the decreasing number of apprenticeships and the lower-than-optimum completion rates. At the professional level, jobs were sometimes less attractive because there was a narrower scope of work available within the region in comparison to large urban centres.

Members realized that forming complimentary industry partnerships and employment pathways was a necessary step in helping each participating sector to address recruitment and retention of

skilled workers. The targeted cane, civil construction and resources sector historically recruited from and competed for the same or similar skill sets, which created problems, given the region's labour market size. A partnership was formed between Innisfail Cane Growers, a farmers-owned organization, Eco Civil Solutions, a civil construction company, and Rio Tinto Alcan Weipa, a bauxite mine. In analysing these jobs, career pathways were identified, moving from entry-level cane workers to skilled construction workers. Stakeholders identified a broad group of occupations that shared common skills so that entry-level training could be provided as pre-employment training for these sectors.

The three partners developed and signed a memorandum of understanding that helps the cane industry to attract new workers while providing a larger group of skilled labour from which the construction sector can recruit. Creating a direct supply of skilled workers that the resources sector in the region can then recruit.¹²⁸ The memorandum of understanding allowed employers to build secure employment and career pathways across the three sectors, thereby reducing skills shortages in all three industries. Thanks to the strategies in the memorandum of understanding, it is anticipated that a pool of skilled workers will remain based in the Far North Queensland region, since they would be less vulnerable to seasonal work. The employers anticipate that the combined strategies will help to increase the number of young people entering the agriculture sector, whose seasonal work and perceived lack of career options often turned the young off. The group intends to expand the number of employers party to the memorandum of understanding, thereby strengthening the number of career pathways options available to skilled workers.

Members of the working group examining boilermaker shortages recognized that suitably trained welders could undertake some tasks done by trade-qualified boilermakers. The benefit was to free up boilermakers for more complex tasks that required full-trade qualification and experience.¹²⁹ The working group and local employers worked with the local skills development institute to identify competency standards (skill standards) and develop a training programme. Training is delivered two nights a week to provide existing workers with an opportunity to skill up and prepare for a career change.

A mentoring programme was established for apprentices in the region working through Advance Cairns, which had a direct connection to the network of employment and training stakeholders. The local Technical and Further Education (TAFE) provider has been promoting the initiative throughout the region and held mentoring skills workshops for employers, supervisors and others involved in working with apprentices. Promotion of apprenticeships and traineeships occurs through a question-and-answer forum to address employers' questions and share good practice approaches used by local employers. The forum also provides tools for recruitment and retention of apprentices and staff. One of the main challenges is maintaining apprenticeship commencements and completions in an economic slowdown, an issue that working group members have been exploring through different apprenticeship models.

One of the project's outcomes has been the formation of the Far North Queensland Workforce Development Group, which has continued beyond the project's funding. The group is the focal point for the region's workforce development issues and the single point of contact for government and industry. It also provides a forum in which to raise issues on workforce development and for industry to have direct input in designing training content and targeting employment opportunities.

supply-side training would not resolve skill shortages or mismatches unless it also addressed workforce management, skills utilization and employee management.¹²⁶ As identified in table 8, the initiative's successful outcomes confirm that increasing training supply alone will not solve skills shortages, and a broader range of issues need to be addressed.

The success of the Far North Queensland example was built on the initial exploration of the region's employment dynamics in order to determine the nature of its skill shortages. The analysis revealed that while skilled workers did enter the region, they either did not stay because only seasonal work was available or they worked only in the better-paying mining sector, which required higher skill levels. Once this dynamic was understood, employers were able to reach an agreement to work together and restructure their recruitment practices.

The identification of pathways made staying in the region more attractive to workers who could now see a way to higher income levels and secure work. Additionally, those with higher skills levels were given access to more complex work to ensure their competencies were fully utilized. In this way, a stable regional labour market is able to support a number of sectors that had faced difficulties attracting workers. The project was supported by an intermediary, who was employed by the organization that received the government funding and who facilitated communication with strong input from local employers. Once the local employers understood the decision-making process of workers coming to the region, they agreed to work together to foster an environment that supported stable employment for workers rather than compete for the few available workers. The development of training programmes to support the movement of labour along the different career pathways meant more individuals were likely to find the work more attractive.

2.8. Towards an enabling environment: sectoral approaches to skills development

The discussion above indicates that designing sectoral initiatives is not a straightforward activity. However, the examples and research cited share several features that create successful sectoral approaches to skills development. The research emphasizes that collaboration is essential yet difficult to achieve, and takes at least two different forms. Collaboration is based on either intermediaries actively brokering networks or more encompassing arrangements with shared responsibility and action taken on a joint basis. The use of intermediaries is common where there are larger numbers of stakeholders, while collaboration through shared responsibility and measures tends to occur where fewer stakeholders are involved, such as in the Sri Lankan dockyards example.

An underlying principle for the success of sectoral approaches highlighted in the University of California evaluation is that successful sectoral partnerships must be locally focused and created by those who understand the region. In the examples in the previous chapter, a project's initial phase focused on examining labour market dynamics (the skills formation strategies example) or the ways of working (the New Zealand assessment example) to determine the underlying cause of skills shortages. In all of them, the use of local experts or intermediaries working with local employers made it possible to accurately identify skill needs and determine appropriate solutions.

Active cross-sectoral or multi-stakeholder coordination among stakeholders is also a prerequisite for successful sectoral approaches. There is broad agreement on the need for greater coordination between government silos of labour market policy, skills development and economic development in supporting the development of meaningful solutions to skill shortages and skills mismatches, particularly at the regional level.^{130,131,132}

There is also common agreement in the research that sectoral engagement initiatives need to be long-term strategic processes that provide time for the projects to be successful.^{133,134,135} It takes time to establish sectoral collaboration and build an in-depth understanding of workforce development issues, and many of the solutions are implemented over the long term requiring policymakers to view them as a long-term investment. The ASEAN projects are an example of developing frameworks and resources that support the long-term goals of the free flow of workers within the ASEAN region. New implementation phases are occurring and are aligned to an ASEAN tourism strategic plan for 2016-2025.

Sectoral engagement strategies require access to adequate funding and reliable, unbiased data for objective decision-making. Developing partnerships means building trust and credibility. Gaining the initial interest of stakeholders is the first step to building confidence and credibility, and timely action needs is crucial. Stakeholders will lose interest if they see no results, which will reflect negatively on the initiative's facilitator or originator. If funding stops and the initiative fails to continue, trust will be lost as stakeholder's sense they have wasted their time and resources. It is tough to re-establish trust and credibility that have been broken.

Sectoral and regional bodies must be given the authority to determine priorities and to implement decisions based on the economic and skills priorities for their sector or region. Delegating authority from centralized bodies to regional and local collaborations can be done by setting broad parameters, if necessary, and allowing sectoral or regional groups to determine the solutions that are most suitable to their particular context. At the operational level, sectoral and regional partnerships seem to work best when there is:

- **Senior-level commitment**, with peak bodies, major and senior employers, high-level government representatives and skills-development institution management all supporting the sectoral engagement initiative;
- **Strong collaborative leadership** at the local level, with individuals acting as intermediaries to facilitate and drive activity to maintain momentum and cross-organization participation;
- **A multi-stakeholder approach and greater cross-ministry coordination** between skills development and economic development;
- **A holistic perspective** in analysing skill shortages and identifying solutions;
- **An early analysis** of skills needs and labour market dynamics;
- **Proximity of training facilities** to companies or industry clusters;
- **Funding** to implement solutions;
- **Collaboration**, with a balance of responsibility and influence between stakeholders;
- **Transparency and access** to reliable, unbiased data to make informed decisions;
- **A set achievable-focused outcomes**, so that sectoral partnerships have the time to establish trust and to understand fully the complexities surrounding skills development; and
- **Regular review** of progress and achievements.

3. MICRO-LEVEL

3.1. Micro-level approaches to private sector partnerships

Developing connections with industry at all stages of the training life cycle will facilitate the development of workable solutions for school to work transitions and for midlife career changes. In reviewing their case studies, the Istanbul International Center for Private Sector in Development has developed a skills value chain that begins with sourcing, training standards and content, training, assessment and certification, placement and post-placement. The Center considers them the primary stages of the skills value chain. Subsequent stages identified by the Center include technology, financing, partnerships, and monitoring and evaluation. This view of skills development is somewhat similar to the notion of workforce development, which expands beyond the delivery of training and encapsulates aspects of identifying skill need, human resource management, development activities and workforce planning more broadly. Workforce development is not a new concept. Since the 1990s, specialists have been advocating that, as an approach, workforce development attempts to understand the nature of employment demand and, based on this, the supply of employment-based or vocational training.¹³⁶ Furthering the study, workforce development focuses on the coalitions between employers and the various service organizations that support skills development for employment.¹³⁷

Since the 1990s, working with employers to understand employment demand has also been a feature of many skills development systems. Skills development is seen to be both a public and private benefit as it develops a skilled workforce to help a country's economy. Skilled workers make individual companies and industry sectors more competitive, and skills development helps to lift individuals out of the poverty cycle.¹³⁸ Private sector partnerships represent the stakeholder benefactors of skills development and provide an avenue for collaborative reform of the formal technical vocational education and training system. Private sector partnerships inherently lead to a conceptual shift that affects both the public and private partners. The shift involves not only moving from independent or competitive work practices to collaborative approaches to skills development. It also involves shifts in decision-making authority and shifts in the expectations of employers who move from being receivers of skilled workers to participants in the development of skilled labour.

Developing private sector engagement strategies can offset costs and reduce overheads in government-run institutions. How this is achieved depends on the priorities of the government, the strength of local industry and the cultural context of the country. There is speculation in the research as to whether private sector engagement in skills development replaces training that industry would normally deliver itself, in that industry may lobby for publically funded skills development activities in areas where they would normally fund the skills development of existing and new workers.^{139,140,141} If this is the case, then private sector engagement may be adding an extra burden on the public skills development system as industry shifts the cost of resourcing training to the public sector. The goal of private sector engagement should be to increase the relevance of skills development outcomes while sharing the costs of skills formation.

To ensure that skills development initiatives are inclusive,¹⁴² it is important that graduates of skills development training have multiple options, that the training leads to recognition of certificates or qualifications among a number of employers, and that the certificates or qualifications have value within the national system so that further study is an option for the students if they choose.

Different models of partnership

Partnerships with the private sector take various forms and tend to evolve as the trust between partners develops. These partnership models tend to fall along the spectrum of informal partnerships, limited



Source: IL&FS

partnerships or service transactions, and, at the other end of the spectrum, complex or multifaceted partnerships. Some initial partnerships are informal or ad hoc and based on consultations to develop curriculum or skills standards or to identify labour market needs. Other partnerships are based on service transactions where a company may purchase training or another service, such as recruitment services from a training institution, such as IL&FS.¹⁴³ These forms of partnership are often time dependent and relate to a specific goal. More complex partnerships are collaborative in nature, long term, refocus direction according to need and often produce wider benefits for each organization.

Benefits to industry

There are economic benefits associated with participating in technical vocational education and training, with a number of countries reporting that TVET has a positive impact on wages, employment and mobility, and others indicating that it can help to reduce unemployment. However, the benefits from skills development are hard to quantify or distinguish from other workplace reforms and variables that can impact performance and productivity. From an employer perspective, identifying benefits accruing to employers includes lower recruitment costs and lower integration costs for new employees.¹⁴⁴ There is evidence that TVET has a positive impact on productivity, innovation, employment growth and organizational culture, which is most effective when TVET combines with changes in the workplace.¹⁴⁵ However, the impact on wages for individuals is less straightforward. People in retraining or remedial TVET can see a decrease in wages, since they tend to spend more time in training than in job search. Conversely, for workers receiving up-skilling training or continuous skills development, there does not seem to be a negative impact on wages. Table 9 identifies some short and long-term benefits to each key stakeholder.

Table 9. Short and long-term benefits of technical vocational education and training¹⁴⁶

	Individual	Employer	Society
Short-term benefits	Employment chances. Earning levels. Work satisfaction. Dropout less likely from vocational rather than general education (United States data).	Higher productivity from well trained workforce. Saved costs from recruiting external skilled workers (including time for integration and risk of hiring a person not known to the company).	Saved expenses for social benefits (unemployment as a consequence of failed transition from education to work).
Long-term benefits	Flexibility and mobility. Lifelong learning (more likely to receive training and upgrade skills later in life).	Supply benefits (e.g., image improvements). Less turnover (no need for retraining of new workers).	Externalities from productivity gains due to better education. Increase in tax income from higher earnings.

The types of returns to employers include:

- Productivity;
- Efficiency;
- Employee workplace literacy;
- Business innovation;
- Organizational culture; and
- A motivated workforce.¹⁴⁷

There are also considerable challenges in identifying the return on investment from TVET within a country, and the challenges increase when attempting comparisons across countries. A number of data sources can be reviewed when measuring return on investment; some include administrative data sources, such as training, employment and social security data, labour force and household surveys.¹⁴⁸

3.2. Identifying skill needs

Effectively meeting the skill needs of employers requires time to understand and identify their skill requirements and the nature of those requirements. The methodologies used to understand the nature of skill demands within the labour market share many similarities with national-level labour market information. At a basic level, a job market is like all other markets with a demand and a supply side. In the skills development environment, the supply side includes the full and potential labour force (all employed), new graduates and unemployed individuals.

Demand refers not to the enrollment demand of trainees for certain training programmes, but rather employer's demand or business opportunities related to all existing jobs, emerging opportunities (self-employment and start-ups) and vacant jobs. Labour markets can be local, national or international,

and they are affected by wage rates, conditions of employment, the level of job competition, and job location.

Information on labour markets is most effective when there is a relevant and timely flow of information to all participants on past, present and future developments and trends.¹⁴⁹ Smaller company-based analysis of its workforce follows the same process of identifying current and future skill needs, analysing the skills within the existing workforce and determining what is needed to meet its business objectives.

Before a training institution can deliver industry-relevant or demand-led training, it needs to identify the skill requirements of employers either within the region or the industry where the training institution operates. Determining the skill needs of local employers, or those skills required in the local region, means drawing on regional or national labour market information analysis and refining it with local employers. This information will help training providers to contextualize national qualifications and learning resources in order to meet local needs and give training providers greater confidence when developing relevant new learning resources. One company that identified skills needs before forging partnerships with schools is the Koç Group.¹⁵⁰ Figure 15 shows how the company produced a booklet on partnerships.¹⁵¹

Figure 15. Meslek Lisesi Memleket Meselesi (“Vocational education: a crucial matter for the nation”): School-workplace partnership guide for vocational education

The Koç Group developed a school-to-workplace partnership guide with an eight phase model. The first phase is the *needs analysis* to identify medium to long-term skill requirements and the quantity of workers needed. The Koç Group suggests, first, identifying the primary areas within a company that require workers, second, determining skill needs, and third, using the skills analysis to identify training providers that delivery training in these skills. The training providers must meet two criteria: (a) that they deliver the skills; and (b) that they are geographically located near the company.

Once detailed understanding of the skills needs of employers is gained, the information can supplement that for career counselling, design and selection of training institutions, skills development programmes and trainee recruitment.

Working with a company to identify areas of skills shortage (the need for new workers) and skills gaps (the difference between an employees’ current skills and the skills they need to perform their work effectively) is usually referred to as *training needs analysis*. The process of undertaking an internal training needs analysis involves understanding the stated business objectives of the company, its targets and future directions, and how to align the training needs analysis to collect information on the workforce’s ability to achieve business objectives. Of course, not all companies have clearly articulated business objectives and targets. However, the process is generally the same with more or less supporting information. The main steps include:

- Undertaking a staff or workforce profile;
- Identifying future job role demands;
- Undertaking a gap analysis; and
- Developing a staff or workforce development strategy.

GUIDELINES

More formal processes will also involve undertaking an environmental scan of the sector to identify emerging trends and issues, competitor and workforce dynamics, and the internal factors affecting the company. Information for an environmental scan can often be obtained from industry associations, professional bodies, ministry of labours and sector skills councils. Information required to identify future job role demands can be found in company business plans.

Essentially, the process seeks to answer:

- How many workers are needed to operate and grow the business effectively in each functional area?
- What new skills are necessary?
- To what extent does the existing workforce meet this need?
- What strategies does the company need in place to meet its need?
- What are the priority areas?
- How will the impact be assessed?

While the above example explains how one company goes about identifying its internal needs, IndiaCan, a Pearson Education subsidiary company, employs a process to determine the skill needs of an entire region.¹⁵² IndiaCan conducts a preliminary market survey before beginning a skills development project. Although the process is not documented in the case study, the survey identifies the socioeconomic conditions and livelihood patterns in the area where the project is funded. The study determines current industry skill needs and identifies industries that will experience employment growth. Additionally, the preliminary survey estimates the skills of the local community. The collected information is then used to select and customize courses to meet current and future demand and clarify the availability of training instructors.



Source: IndiaCan

The process of clarifying skill needs of local employers and local community members is of particular importance as it allows training institutions to refine any existing labour market information further, select training courses and customize existing courses to meet the needs of both employers and future workers. If the survey also captures the aspirations of potential trainees, that information can be used to identify training programmes to prepare trainees for labour markets outside their state or rural area.

The UMEM Skills 10 is an example of a coordinated national-level private sector engagement between industry groups, ministries and a university.¹⁵³ The first phase of the project involved conducting Turkey's first provincial-level labour market needs analysis, focusing on the industry. The labour market needs analysis examined sectoral and regional labour market requirements. Subsequently, the project launched courses in response to the needs analysis of 19 and later 81 provinces.

Owing to incomplete information on the labour market, the UMEM Skills 10 project commissioned a research organization to lead the labour market study. Extending the IndiaCan approach above, the UMEM methodology examined perceptions of labour market dynamics, which could help to determine factors other than skills shortages that lead to vacancies. The research relied on surveys and included questions on: employment structure, employment trends, perceptions of new graduates, public perceptions of the skills mismatch, distribution of employees based on occupation and current trends, reasons for the skills mismatch across jobs and a perceived lack of competencies and current occupations. The skills anticipation research examined 19 provinces, which accounts for 80% of the country's employment. Researchers interviewed representatives from 5,000 firms in these provinces and collected data about employment conditions, job demand and vocational training needs. Based on the findings, a range of courses was selected for delivery. Aside from identifying skill needs, the research results gave partners the confidence to invest in machinery and equipment for training purposes, to revise curricula and learning resources and to provide training to trainers. The labour market needs analysis will be repeated on a regular basis, which over the long term should identify trends and patterns emerging within the labour market.

Identifying labour market or workforce development needs means quantifying the match or mismatch between the supply of workers and skilled graduates and the demand for specific occupations/jobs in a particular sector, subsector or company. Once analysed, the information can be used to:

- Estimate the number of employees required for specific functions and future vacancies;
- Identify soft and hard skills needed for different occupations in a sector, subsector or company;
- Develop skill standards and related training programmes, qualifications and assessment resources for occupations in a sector or business;
- Determine career pathways for occupations in the industry or company;
- Provide an overview of employment conditions for different occupational roles (wages, contracts, etc.) in a sector or business;
- Provide job search information for job seekers, if feasible; and
- Offer information on skills development demand and supply in the sector.

Identifying skill needs provides a foundation for all services offered to assist in the transition from skills development to employment. The development of skill standards, career pathways, career advice and related training programmes, qualifications, and assessment resources for occupations in a sector or company provide useful tools for training and workforce development purposes.

3.3. Role of the private sector in developing skills standards and training and assessment content

Once the skill needs and priorities of an individual employer, or group of employers, has been identified, the skill areas can be turned into skill standards. In many countries, national skill standards exist, developed through national consultation with industry. They are usually based on identified skill needs and form the content foundation for curriculum, learning resources and assessment materials. National skill standards can be used to benchmark or map curriculum to determine gaps in the skill standards and to assess if different learning resources meet the outcomes defined in the skill standards. Enterprise-specific skill standards can also be developed using the same methodologies, though consultations will occur at the enterprise rather than national level. National skill standards can be customized to become enterprise skill standards and used for a range of human resource requirements, such as recruitment, performance management and training development.

What is a skill standard (occupational standard/competency standard)?

The format of skill standards varies across countries but universally comprise the skills, knowledge and attributes applied to complete a job role. A skill standard is commonly made up of:

- A title and brief description or overview—the key work outcome;
- Element(s)—or the contributing outcomes that include the individual standard;
- Performance criteria—that specify work activities and the standard for effective performance, which are usually measurable so that they can be assessed; and
- An evidence guide—to assist in defining the underpinning skills (or prerequisite skills) and knowledge required to demonstrate or achieve effective performance.

Many also provide information for assessment purposes, which may relate to the context in which the skill is to be demonstrated to ensure its validity, such as the type of equipment and materials used, whether the work is autonomous or supervised, and whether the skill standard must be assessed on or off the job through simulation.

Methodologies

The first step in developing national or enterprise-specific skill standards is the industry review process, which involves analysing the industry sector to gather relevant information that will guide the development process. This stage draws on existing labour market intelligence to identify priorities for development and stakeholders to be consulted.

During this phase, it is important to reach agreement and support from industry/enterprise stakeholders. The consultation process provides an avenue through which to inform industry stakeholders of the value of training and skilled workers. At this stage, standards developers should identify, inform and involve key industry stakeholders, both to explain skill standards and to build commitment for their development.

There is a range of standards development methodologies, and usually more than one approach is required. Choosing the best methodology depends on the industry sector, the geographic dispersion, the diversity of the industry, access to industry practitioners and costs and time considerations. Employees should be involved in the development of skill standards as they have the practical subject matter expertise and provide the most detailed information. The most common standards development methodologies include a modified DACUM (see the relevant tool), functional analysis, observation and interviews. More than one methodology usually produces a rich multi-dimensional (skills, knowledge,

outcomes) set of skill standards. This practitioner information is supplemented with research on future skills and with underpinning knowledge identified through desktop research and the use of critical incidents or modified search conference techniques.

Developing skill standards for an enterprise draws on the same development methodologies and usually involves focus groups that combine DACUM, functional analysis and observation. Developing skill standards for a company is less time-consuming and can usually be fitted around work schedules. Often, holding different focus groups for workers and supervisors creates a more open environment to discuss work processes and outcomes.

A business may want skill standards to develop job descriptions for recruitment, performance management and training development purposes. The performance criteria identified in the skill standard generally forms the tasks or duties detailed in a job description, while the underpinning knowledge and expertise can be used to determine qualification or previous experience requirements.

In countries that have existing national skill standards, enterprise skill standards can be benchmarked against the national standards to determine whether existing formal training programmes can meet the enterprise's training needs. Alternatively, national skill standards can be customized to reflect the work practices of individual enterprises and potentially increase the range of training options available.

The use of skill standards provides a common language or benchmark that training institutions can draw on when working with enterprises to determine their skill needs.

Consultations and validation

The standards development process requires that a representative sample of stakeholders from the respective subsectors or company groupings come together, reflecting a balance between stakeholders to ensure the process is impartial and representative of the sector. It is vital for the successful take-up of skill standards that they are seen to be objective and based on material and feedback gathered from as wide a range of industry sources as possible. The skill standards development process has an essential role in explaining the value of competencies and skilled workers to the competitiveness of participating companies. A consultative standards development process helps to speed up companies' commitment to employ graduates from skills development programmes and develops an appreciation of skills development more broadly.

It is crucial that practitioners and job experts, who are performing the work activities and outcomes described in the standards, inform the standards. This will ensure that correct and full details are reflected in the standards. Using expert groups facilitates a process where experts can discuss what they do, determine what is unique to their workplace and identify the skills common to all workplaces. Companies can use skill standards to develop job descriptions and recruitment and performance management requirements. Skills standards should therefore apply to as many workplaces as possible to ensure wide-ranging relevance and greater portability for workers.

3.4. Professional development of trainers and institutional management

The term 'practitioner' in this section refers to trainers, institutional management and other skilled support staff.

Pressures to meet industry training needs by producing graduates with workplace relevant skills is placing a number of demands on modern trainers. These pressures range from utilizing contemporary approaches to facilitating learning and supervising structured workplace learning to develop partnerships and industry networks. Being familiar with current industry practices and trends is essential

for developing skilled graduates with the skills required by industry. The roles and responsibilities of trainers have changed substantially in a significant number of countries, with trainers, who provide feedback on training in the workplace, now having a central role in skills development reform.¹⁵⁴

There are two new ways in which trainers and managers, within training institutions, work with industry: one, by forming partnerships and, two, by developing networks.¹⁵⁵ One new skill demonstrated by trainers and management when forming industry partnerships is being able to respond quickly to meet commercial demands for skills. Skills development trainers and managers need to be able to successfully facilitate subgroups, such as industry reference groups, which include members from skills development and industry environments. Developing an appreciation of the problems workers face day-to-day and forging networks to support industry partnerships both require teachers with understanding of the contemporary workplace as well as networking and partnership-building skills.

Furthermore, institutional management requires skills in developing long-term partnerships and working with industry. Managers also require skills to establish and maintain long-term partnerships and negotiate memoranda of understanding or similar agreements. Moreover, the report pointed to the need for skills in how to establish and apply key performance indicators when assessing the vitality and operation of partnerships. The skill of managing and maintaining industry networks requires a shared understanding of the character and culture of each workplace. Trainers who successfully participate with industry have demonstrated an appreciation of the problems workers are required to resolve on the job and were therefore able to support previously underrepresented sections of the industry.¹⁵⁶

Despite national differences, there are common competencies held by workplace trainers.¹⁵⁷ The typical tasks are:

- Selecting appropriate training methods to develop practical skills in a real work situation and to plan and implement training;
- Assessing and providing feedback for trainees; and
- Ensuring a link between the work and education worlds, though this link is often the responsibility of the school and its trainers.¹⁵⁸

Each of these skills is performed to different degrees of competence, depending on the trainer's abilities. A basic train-the-trainer programme may allow trainers to use a stipulated training method to develop practical skills, while more developed teaching skills will enable a teacher to choose which teaching method best suits trainees' learning needs. The following section looks first at train-the-trainer programmes and how some private training institutions provide these programmes to new trainers. Other approaches to ongoing professional development for trainers are explored before considering the value of contemporary learning methodologies for the development of soft or core skills.

Training of trainers: entry-level professional development for trainers

The increasing pressure on skills development systems internationally has placed new and far-ranging demands on trainers and training management professionals. The professional development needs of all professionals engaged in technical vocational education and training, including administrators, institutional trainers and workplace supervisors, need defining and developing. This is especially the case for trainers who have little or no recent industry experience. Training-the-trainer programmes provide an introduction to training that allows new trainers to begin training in a well-supported environment with good teaching resources. Training-the-trainer programmes work well as the first step in trainers' professional development, particularly for those coming from an industry in which they perform jobs for which they are preparing trainers. The example in figure 16 outlines how one private

Figure 16. Centum Skill Instructor's Guild

Centum WorkSkills India employs a number of master trainers as full-time employees and, at the local level, instructors are hired on a variable cost model and work is dependent on projects. While this model of engaging instructors does not guarantee their retention or motivation, they do benefit from membership in the Centum Skill Instructors Guild, which is designed to motivate instructors and develop a strong bond with the organization. Master trainers monitor and support the instructors and provide coaching as required.

The master trainers have prior industry experience and advise instructors at the local centres. The master trainers also undertake classroom audits and collect feedback from trainees. The local instructors generally have one to three years' domain experience and undergo a 16-day train-the-trainer programme, at the end of which they receive company certification.

The master trainers and instructors are provided with additional support through the Centum Skill Instructor's Guild. The objective of the guild is to foster continuous learning and share good practices by sharing knowledge between instructors. The guild aims to strengthen the relationship between Centum WorkSkills India and instructors by recognizing and rewarding good practice. Centum WorkSkills India has introduced a reward-based point system for each instructor on the basis of their individual performance, against which they earn points that can be redeemed for free training.



Source- Centum WorkSkills

training company, Centum WorkSkills India,¹⁵⁹ provides train-the-trainer programmes for new trainers with additional support.

In this example, the training institution uses the teaching network to support the ongoing development of trainers, which embodies the new teaching skill for developing networks. Moreover, the Centum Skill Instructor's Guild model supports the concept of lifelong learning by providing ongoing professional development opportunities for their associated instructors. Train-the-trainer programmes are often used to give subject-matter experts (workers with industry experience) the skills to become good trainers.¹⁶⁰ IL&FS conducts a 40-hour train-the-trainer programme that covers standard training content, assessments and practical lessons as well as industry-specific best practices.¹⁶¹ The use of industry best practice examples in the master trainer programme is a critical component, as it provides trainers with an understanding of good conduct and a number of examples from which they can draw when teaching in the workshop or classroom.

NIIT Yuva Jyoti is another private training institution that runs a master trainers boot camp where potential trainers must have six to five years industry experience.¹⁶² After completing the training, NIIT provides refresher training programmes. Providing continuing professional development is an important avenue for trainers to maintain and enhance their own skills and knowledge of pedagogy and technical expertise. While train-the-trainer programmes have the advantage of quickly moving people into teaching and increasing capacity to deliver training, over the long term trainers need to develop the skills and knowledge that will allow them to provide soft skills and to build teamwork and problem identification and solving skills.

Professional development networks

Action learning

There are many different types of networks in which trainers can participate to enhance their teaching skills. Action learning is one well known approach; another is community of practice. Action learning usually consists of a fixed group of trainers who come together to solve a particular problem or issue, such as developing a simulated workplace environment for trainees. The problem is researched and discussed among a solid group of trainers. Different solutions are then actioned or implemented, after which the group reflects on the approach, which the team of trainers continues to modify until it finds the best solution. The group is called an 'action leaning set'; some groups have a coach to facilitate and promote learning among the group. Aside from developing teacher's skills in areas that are particularly relevant, action learning is useful in developing teams and problem-solving skills. This methodology is often used in classrooms by trainers familiar with the method to encourage trainees to work in teams and develop problem-solving skills, and to assist them in becoming independent learners.

Community of practice

A community of practice is very similar to action learning, though are often long-term networks of trainers that come together to address evolving issues. A community of practice is a group of trainers that works in the same technical area or on the same pedagogical issues. Communities of practice typically evolve spontaneously because members have a common interest, or they can be created specifically with the goal of gaining knowledge related to a particular aspect of teaching. It is through a process of sharing information and experiences within the group that members learn from each other and have the opportunity to develop professionally over the long term. Communities of practice can operate virtually, through Whatsapp, Skype, chat rooms, or physically through regular meetings. Unlike a project team, which is defined by goals, tasks and deadlines, communities of practice are for

practitioners to share tips, what works and best practices and ask questions of their colleagues. They are used extensively internationally and are considered a cost effective way of developing capacity and speeding up successful implementation.

Mentoring

ILO points to the use of trainer networks for mentoring trainers across geographic or domain areas as a way in which trainers can maintain the currency of their technical skills and, with mentoring by workplace practitioners, enhance teachers' understanding of workplace performance.¹⁶³ However, in some cultures, trainers avoid entering a mentoring arrangement when they know they will be mentored by workplace practitioners whom they had previously taught as trainees. In situations where trainers are reluctant to be mentored by their ex-trainees in the workplace, using part-time and casual trainers who still work within the industry is an option. These mentoring arrangements can then serve two purposes: with the most experienced teacher passing on effective pedagogical and didactical methodologies, while the part-time teacher provides access to skills and knowledge on current industry practices, workplace culture and innovation within the sector. Reluctance among trainers may not always be a hurdle: in England, 56% to 57% of trainers who had taught between one to five years felt they would benefit from an external mentor who was expert in at least one of their subject areas.¹⁶⁴

Workplace trainers

Mentoring can be a good way to update the industry skills and knowledge of trainers within institutions. Additionally, mentoring can provide designated workplace trainers with training skills, if a teacher from a training institution provides the mentoring. Areas in which workplace trainers would benefit from skills upgrading include: training needs analyses, training planning, and the effectiveness of learning strategies through mentoring and train-the-trainer programmes in partnership with training institutions.¹⁶⁵ When company trainers were asked what kind of support they would like to receive, trainers pointed to the benefits of cooperation networks between vocational schools, enterprises and universities. There are four sets of competences identified and considered necessary, to varying degrees, for trainers, including those who train in companies:¹⁶⁶

1. Competencies in specific technical domains;
2. Competencies to support a company's strategy and improve its competitiveness through training;
3. Pedagogical/didactical competencies; and
4. Transversal competencies that help trainers support the learning process (e.g., social and interpersonal skills, conflict management, multicultural awareness, critical thinking skills, communication skills, and information and communication skills).¹⁶⁷

Ongoing professional development is essential for all skills development trainers, including those operating in workplaces. The increased focus on structured work-based learning means that the skills of on-the-job trainers, supervisors, mentors and coaches, who provide formal and non-formal training in companies, also need to be adequately supported.

[Return to industry](#)

Return to industry is a programme that provides trainers with current workplace experience. The programme should be organized in partnership with industry. Trainers return to industry for a given period and undertake real work in a real workplace, a move that gives them the opportunity to

refresh their understanding and be exposed to new work practices. One benefit of return-to-industry programmes is that trainers can develop industry networks for future collaboration. However, a return to industry can be expensive, owing to the need to replace trainers during the period in which they undertake the return-to-industry placement—though can be limited if it occurs during student holidays or when classes are small enough to combine in a short period of time. Furthermore, return-to-industry placements can be difficult to arrange in regions where there is not a sufficient number of suitable workplaces. Many countries have introduced return-to-industry programmes as one of a number of continuing professional development strategies to update teacher's technical workplace skills and domain knowledge. For example, in China, many trainers are recruited directly from the graduate pool and therefore lack work experience. The policy of the national council is that every teacher will undertake a return to industry, regularly spending two months every two years in the industry.¹⁶⁸

Return-to-industry programmes can take many forms, including providing opportunities to engage with industry partners on a company project. Some projects might include short-term training for workers in exchange for the opportunity to observe current work practices, receive training on new equipment or undertake a review of work processes to identify process improvements. In these schemes, part-time trainers are able to continue working within industry, thereby ensuring that they maintain their industry currency, making them valuable teaching staff.

In countries such as Australia and Finland, trainers spend varying lengths of time in industry. In Finland, the model pairs the institutional teacher with the workplace teacher, an arrangement that gives the institutional teacher the opportunity to update her industry currency and the workplace trainer to update his pedagogical skills.¹⁶⁹ This approach is very useful in building long-term partnerships between on and off-the-job trainers.

Industry orientation

Industry orientation gives trainers an understanding of current workplace and sector issues without them spending time in a place of work. This model requires close industry partnership to be effective. Industry orientation can be provided by having trainers participate in industry human resource networks and by attending industry conferences. Some trainers are paired with an industry mentor, who meets with a trainer or group of trainers to discuss current practices or acts as a guest lecturer for trainees or participates in joint delivery.

Industry study tours are another way of providing trainers with an overview of current industry practices. These are easier to arrange as they involve a larger number of trainers and a shorter amount of time. Arranging study tours for trainers is a way of slowly introducing them to current workplace practices.

Contemporary learning methodologies and soft skills development

Aside from developing strong technical expertise in the area in which trainers train, being able to draw on different learning methodologies competently will support the development of soft skills and make the impact of the learning more effective. Contemporary teaching methodologies are considered to be effective tools in supporting the retention of learning in individuals. Furthermore, trainers have a role in helping trainees to adapt to flexible working processes and to develop competence in multi-tasking, autonomy, decision-making and self-responsibility, and importantly, preparing future workers to be able to confidently make smooth, professional transitions from job to job or from workplace to workplace.¹⁷⁰ Contemporary workplaces require not only technical skills but also a range of soft or core skills to deal with workplace requirements. The literature on skill shortages from across the globe documents how employers request workers with core/transferable or soft skills. Examples of these skills include communication, teamwork, personal management, problem solving (including problem

anticipation and identification), information technology and career development skills, along with core skills such as literacy and numeracy. Additionally, more recently, employers are seeking generic ‘green’ skills, such as energy and water efficiency, waste reduction and waste management, and environmental awareness.¹⁷¹

Trainers have an important role in developing these skills in trainees. Trainers need to introduce these skills in a manner that demonstrates the relationship between these skills and their role in the workplace and tie discussions about these skills specifically to work tasks.¹⁷² How trainers go about relating soft skills to work helps trainees to develop an understanding of the value of these skills and to practice them within classrooms, workshops, during group work or during role-play.

3.5. Private training sector engagement in sourcing trainees

Recruitment approaches for future trainees rely on clear and current career advice being available to trainees before enrolment so that they can make informed choices based on their interests and aspirations. Complete career advice increases the likelihood of a good match between the student and future employment. Matching trainees aspirations and interests with relevant training courses reduces the probability of trainees disengaging from training and helps to improve retention rates.¹⁷³

Publicizing courses

IL&FS Skills engages with non-governmental organizations and local individuals of influence to attract potential trainees, and it supplies pamphlets, banners and posters in local languages to publicize training programmes.¹⁷⁴ IL&FS Skills also works with government-run general resource centres—local community hubs that operate across India—to disseminate information about training programmes available and offers of employment upon completion of training. Underscoring the competition between training providers to source suitable training candidates, IL&FS Skills has a network of contract sales people who promote their training programmes and receive a commission for successful student sign-ups. The sales people receive information on training programmes, certification processes and employment opportunities available to successful graduates. The sales contractors work in close collaboration with the IL&FS Skills marketing group. The use of sales contractors to enrol trainees can, if not managed well, lead to trainees being inappropriately enrolled in courses that do not suit their needs. This occurs when contractors are motivated to meet targets for bonuses rather than to help trainees enter a training programme aligned to their career aspirations.

Another approach to publicizing courses is used by AISECT,¹⁷⁵ which develops a course enrolment campaign using posters that incorporate or suggest local movie themes to attract the attention of young people and make a positive association. Community-based training centres can customize a campaign based on local interest as they have closer links to the interests and aspirations of their local community.

Career guidance

Career guidance supports young people in choosing their first careers and helps adults to determine a course of study and plan career moves.¹⁷⁶ Guidance usually occurs before students begin training so that they have the tools to choose a programme of study most suitable to their interests; the guidance occurs again at the end of their training to help them identify possible next steps. Career guidance or career counselling covers topics such as ‘entering the working world’ or ‘education and training pathways’, and also provides information on career transitions. Three aspects of career guidance have been identified: **vocational guidance** for individuals or small groups; **career education**, which forms part of the curriculum and supports individuals in developing competencies to manage their ongoing



Source: AISECT

career development; and **career information**, which is provided in various formats, including web-based, and covers information on courses, occupations and career paths.¹⁷⁷

Good vocational guidance relies on data collected from industry on the qualifications, experience, wages and pathways available in different careers. In order to identify meaningful qualification pathways, it is important to examine the real career paths of workers in occupations where the qualifications exist. Determining relevant qualification pathways involves studying the actual progression of people as they move from one job to the next. This requires consulting with industry to pinpoint common job transitions. The identification of these career pathways can then be packaged as career information and used by vocational guidance counsellors to assist trainees in finding courses that best fit their career interests.

Career fairs

Career fairs are a form of career information. For trainees and their parents, they offer the chance to collect information on possible careers and related courses, meet employers and ask questions related to their preferred occupations. Career fairs are typically conducted to provide potential trainees with information on a broad range of different occupations so that they learn more about different industry sectors and are better equipped to choose an occupational area that suits them. Career fairs provide an opportunity for training institutions to invite a number of employers and workers to attend and provide information on careers within their industry sector and discuss and answer questions on ‘what it’s like’ to work in particular occupations. This kind of first-hand information is invaluable for trainees when searching occupations of interest to them.



Source: SESRIC

Job fairs

Job fairs tend to provide a narrower service in that they provide information on a select group of occupations that match the training provision of the institution conducting the job fair. The main aim is to attract trainees into existing programmes. IL&FS organizes job fairs in conjunction with different non-governmental organizations. Interested individuals may be enrolled in training courses at the job fair. Furthermore, IL&FS conducts road shows and job fairs in smaller villages.

Figure 17 describes how one private training institution, NIIT Yuva Jyoti,¹⁷⁸ approaches the recruitment of trainees.

Figure 17. NIIT Yuva Jyoti sourcing trainees

NIIT Yuva Jyoti is a private training company that has a three-phased approach to recruiting trainees for training. The three phases involve a door-to-door campaign, undertaken by influential people such as the village council head, life insurance agents and NGOs working in the region. The next activity takes place in a camp in a central location, such as a school ground or village council building. The camp begins with an open question-and-answer session for community members and aspiring trainees. One-to-one counselling is provided during the camp. Those selected as suitable trainees can then tour a centre and see their operations. The final phase involves registration and orientation at the centre for interested candidates and demonstrations for parents and guardians. Home counselling meetings are also conducted for trainees and parents to ensure a maximum number of candidates for the training centres.

The NIIT Yuva Jyoti three-phased approach is particularly useful in rural and remote areas where trainees may not have immediate access to newspapers or other community centre channels for publicizing training programmes. The process enlists community members with a high profile and parents by providing them with information about the training programmes to ensure there is comprehensive understanding. NIIT seeks to reduce the anxiety that future students and their parents may experience by inviting parents and potential trainees to view the training facilities.

Recognition of prior learning

LabourNet¹⁷⁹ is a non-governmental organization that works to improve the skills of low-skilled informal sector workers and place them in higher skilled positions. LabourNet provides initial counselling to low-skilled workers to determine whether they can be placed directly into employment or whether they need additional top-up training. Before being placed into a training programme, potential trainees are assessed through a recognition-of-prior-learning process to determine their suitability for the programme. The recognition-of-prior-learning assessments are conducted by assessment teams and



Source: Labournet

take between 25 to 30 minutes to complete. Trade-specific experts in turn evaluate the tests. This process enables LabourNet to provide flexible training to meet the needs of trainees. The organization has a database of skilled workers that construction companies and other businesses looking for informal workers can access. Recognition of prior learning is often used to determine if trainees can receive advance standing or credit when entering a training programme, meaning that they are recognized as having already attained the skills and knowledge of one or more components of a programme of study. In several countries, recognition of prior learning is not used very often, as it can be difficult for the training institution to design multiple-entry and exit points for all trainees. Recognition of prior learning works best when a group of individuals with similar life and work backgrounds are assessed together, as in the LabourNet example. The similarities in basic education and work experience often result in a cohort with very similar learning needs, making the redesign of existing training programmes easier for a training institution to manage.

Sourcing differently abled young people

Youth4Jobs is a non-governmental organization that works to help differently abled young people become skilled workers and find employment.¹⁸⁰ Youth4Jobs works with differently abled young people and their parents or guardians to challenge their views on their young person's ability to gain employment and to convince them that the trainees will gain suitable employment at the end of the training programme. The organization has to work with local NGOs and government representatives to identify individuals and to convince them that Youth4Jobs will support trainees when they go to far off places for work. Orientation training programmes are conducted to attract potential trainees. Differently abled trainees can face unique challenges in traditional classrooms and workshops and in work and social settings, and require additional support. The Youth4Jobs approach ensures that parents and guardians are aware that this support is extended to the workplace, increasing the likelihood of successful placement.



Source: Youth4Jobs

Working with schools

A number of training initiatives work with local schools and government training institutions to identify an initial group of potential trainees. The industry groups involved in the skills development programme then evaluate the suitability of the initial group of trainees. In the MMLM case study, which aims to promote youth employment through a public-private partnership,¹⁸¹ the Scholar Selection Committee is comprised of the principal, trainers and a guidance counsellor (if available). The MMLM programme appears to have been very successful in attracting and retaining female trainees, with young women making up 44% of trainees. This approach provided the programme with access to a group of motivated individuals and offered the trainees a clear bridge from school to work.

Interviews

BUTGEM,¹⁸² an industry initiative established by the Bursa chambers of commerce and local industrialists, undertakes a face-to-face interview process before potential trainees are accepted into their training programmes. This initial evaluation gives potential trainees an understanding of the programme's content and anticipated outcomes, including job placement possibilities. The face-to-face interviews relay information on courses and the overall programme and help to determine potential trainees' interest in working in manufacturing. BUTGEM attracts highly motivated individuals as possible trainees because they are aware of the strong likelihood of obtaining a job at the end.

The case studies developed by the Istanbul Center for Private Sector in Development primarily use career information as defined by the OECD¹⁸³ to attract trainees into training programmes. Careers education can be built into the curriculum and a number of employers or workers from different companies and sectors can be invited to speak about their work and careers in their industry during these modules. Attaching an offer of employment to the completion of a training programme increases the number of trainees interested in attending training. This approach also allows the training institution to select the individuals most appropriate for the job.

3.6. Delivery

Delivering training programmes and related support services presents multiple possibilities for private sector engagement. The clearest areas for engagement relate to employers and workers acting as guest lecturers, workplace learning opportunities and site and workplace visits.

Structured on-the-job training

Workplace learning is a significant methodology used to help improve training outcomes. A systematic approach to workplace learning is crucial in skills development systems globally and is highlighted in the OECD G20 skills strategy report. It is an area where employers can make a valuable contribution to developing skilled workers. Systematic approaches to workplace learning guarantee that trainees are exposed to and participate in current workplace practices. Exposure to current workplace practices can immediately increase the relevance of the skills the trainees are learning and build motivation.

Workplace learning is widely recognized as a means to make trainees:

- Practice and develop their competency;
- Develop suitable attitudes towards work;
- Grow their occupational identity;
- Learn work behaviours appropriate to the industry;

- Practise skills developed in the classroom or institutional workshop in the workplace; and
- Acquire additional skills and knowledge, including important civic or soft skills.¹⁸⁴

Furthermore, from an inclusive development perspective, it can motivate disadvantaged and disengaged trainees and trainees in danger of failing. Work-based learning also improves student's labour market outcomes as they are more prepared for work and have developed relevant skills.

Employers widely recognize that work-based learning:

- Improves recruitment options;
- Increases the relevance of skills developed; and
- Improves efficiency and productivity.

Training institutions, for their part, note that work-based learning:

- Improves the relevancy of skills developed;
- Increases the opportunity to apply theory to practice;
- Provides concrete examples of how to apply new skills; and
- Provides trainers with a better understanding of workplace operations.

Along with increasing employer confidence in the training being offered, on-the-job training enhances the quality of training and training outcomes. There is also an economic benefit to work-based learning as it transfers some of the costs of training to the employer. This is mainly achieved by freeing up classroom and workshop time and by exposing trainees to up-to-date equipment that a training institution may not be able to afford.

Structured workplace training is a growing priority for countries around the world, owing to its immediate effectiveness in improving the quality and relevance of skills developed. The flow-on effects of formalized, integrated workplace learning includes trainers' developing an understanding of current workplace practices and technologies in use, which is useful when they consult with participating workplaces and coordinate with supervisors and trainees. The challenge for training institutions is to structure work-based learning in a way that ensures its benefits.

The McKinsey organization supports the notion that in successful training programmes:

Education providers and employers actively step into one another's worlds: employers might help to design curricula and offer their employees as faculty, for example, while education providers may have trainees spend half their time on a job site and secure them hiring guarantees.¹⁸⁵

Different models of work-based learning are incorporated into formal TVET programmes. They include: (a) upfront pre-course workplace exposure; (b) block release of a day to several days per week over the course of the training programme; and (c) full-time for a set period at the end of the training programme. Workplace learning is most commonly associated with apprenticeship training but is a valuable learning methodology at any level or in any industry sector, as testified by the increasing number of universities incorporating workplace learning in their degree and master's programmes. The European Commission divides work-based learning into three categories: apprenticeships, on-the-job training periods in companies and work-based learning that is integrated into school-based programmes.¹⁸⁶

It is important to ensure formal coordination arrangements and guidelines for workplace learning and to tailor learning and assessment resources to the workplace. These actions help to protect the integrity

of the learning process and support official recognition of the outcomes of on-the-job learning. Coordination begins when the training institution visits the workplace to ensure it can provide:

- *The learning experiences required by the course*, including ensuring that the equipment, processes and occupations covered by the training programme are available in the workplace;
- *A safe working environment for the student*, as students will be protected from all forms of abuse and exploitation and their safety will not be put at risk; and
- *Appropriate supervision of the student*, so that the workplace supervisor understands what the student is expected to learn as well as the documentation and communication responsibilities of the student, the training institution and the place of work.

Integration of on and off-the-job training starts by reviewing the structure of content delivery. For example, Astra Manufacturing Polytechnic—owned by a large Indonesian automotive manufacturer called PT Astra International—structures its training to build on skills and knowledge as the training programme progresses.¹⁸⁷ In the first year, trainees visit the Astra factories before they begin their institutional training in order to observe, accompanied by a teacher, what happens in the workplace. Through questions, the trainees are encouraged to think about what they have learned in the institutional workshops and classrooms. The approach in the first year is about observing appropriate workplace activities and processes and developing basic technical and soft competencies. In the second year, trainees must identify and explain various aspects of the work process and develop self and quality management skills. In the final year, the trainees work to apply their technical, process and soft skills in the workplace and develop innovation skills by undertaking a process improvement project during their six to nine month internship or apprenticeship in one of the Astra companies. The project reinforces students' quality management and continuous improvement skills, learned during the second year, and strengthens their problem-solving and innovation skills.

Structuring the integrated on-the-job component in this way allows trainees to develop the technical skills in the first year while reflecting on how these technical skills are applied in the workplace. In the second year, trainees build on these newly acquired skills to develop learning around the interaction of technical and productivity skills. Structuring the learning in this manner not only observes pedagogical considerations on building knowledge and skills progressively but also reflects the conventions and schedules of the workplace—where there is no room for less skilled workers attempting process changes or innovations until they have developed these basic skills.¹⁸⁸

The OECD has identified ten characteristics of high quality workplace learning programmes:

1. Work placements that are long enough for real learning to take place;
2. Systematic analysis of the training capacity of the workplace to see what it can realistically supply;
3. A formal training plan, setting out what has to be taught and learned, and clarifying the work-based and institution-based parts of a student's programme;
4. Employer involvement in student selection for work placements;
5. The presence of a trained programme coordinator, able to liaise between the school and the firm and troubleshoot when problems occur;
6. The use of qualified, highly competent workers as workplace trainers or mentors;

7. Regular face-to-face contact between the coordinators and employers and in-firm supervisors;
8. Monitoring of the trainees on the job by the programme coordinator;
9. The evaluation of student performance against the training plan at the end of the placement, with the evaluation carried out by the job supervisor and coordinator jointly; and
10. Deliberate efforts by the training institution to relate what has been learned at work to the trainees' institution-based learning.¹⁸⁹

Building on and confirming these characteristics, the European Commission identifies a number of tools for effective work-based learning:¹⁹⁰

- Overarching guidelines to integrate work-based learning into TVET programmes;
- External quality assurance measures/tools that include:
 - Measures focusing on employers' capacity to host learners; and
 - Measures that integrate work-based learning as part of TVET providers' quality assurance;
- Processes and tools to support planning and implementation of work-based learning in practice;
- Personalized learning plans;

Figure 18. Centre of Excellence for Leather Skills, Bangladesh

An example of a successful, structured on and off-the-job learning programme is in Bangladesh. The Leather Industrial Skills Council established the Centre of Excellence for Leather Skills. The sector comprises three subsectors—leather, leather goods and footwear—and is the second largest export sector after that for ready-made garments. It is an employer-led initiative where the training leads to formal TVET qualifications. It runs a dual apprenticeship model comprised of three-months' institutional training and nine-months' workplace training. The Centre of Excellence works in collaboration with participating factories and undertakes an initial assessment of skill needs, which, in consultation with participating companies, leads to placement of trainees in those factories. The programme has a performance monitoring system in place to monitor the learning progress of trainees while in the workplace.

Each trainee has a mentor and student logbook to record the progression of learning on the job. The training is competency-based, and the trainers come from industry and are trained in contemporary learning strategies. Along with this, workplace supervisors and management personnel receive training. There is an emphasis on post-training monitoring and follow-up, which allow for the continuous development of training modules to match the needs of the enterprise, including any emerging occupations. According to the ILO case study, 64% of trainees are women. The design and delivery of the training was done in close collaboration with the Leather Industrial Skills Council, the Centre of Excellence and participating companies. The programme's success is evident in its 99% employment outcomes.

Source: Khan, T., I. M. Employer engagement in skills development and utilisation: A case study of Bangladesh. In: ILO and OECD, *Engaging employers in apprenticeships*. (International Labour Organization and the Organisation for Economic Co-Operation and Development, Geneva and Paris, 2016).

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- Visiting learners in the workplace (including briefing and de-briefing);
- Having a designated contact person in place;
- Assessment and recording achievement approaches that include:
 - Formative assessment—student diaries (as a form of formative assessment);
- Measures to match learners and placements; and
- Measures to ensure trainees' health and safety in the workplace.

Many of these measures seem daunting. However, in order to safeguard the rich learning opportunities that work-based learning offers, it is important to make sure that some or all of these measures are in place. Ensuring that there is a dedicated person from the training institution to monitor and support work-based learning and that each student has a learning plan and associated learning resources for their work-based learning are good starting points in developing a structured approach to workplace learning.

Formalizing workplace learning creates a rich learning opportunity for trainees and can lead to an improvement in the overall training programme. In the Bangladesh example in figure 19, the development of on-the-job learning materials and the use of workplace supervisors as trained trainers have led to a high employment rate among trainees.¹⁹¹

At Astra Manufacturing Polytechnic, teachers coordinate the work-based and institutional learning components.¹⁹² In the final year, trainees are assigned mentors, and trainers work with the mentors to monitor student progress at least once every 10 days or every two weeks. The teacher and mentor discuss student progress with the student, identifying any problems and suggesting strategies to overcome any issues. The trainers also review progress in the design of the student's final projects. There is a strong connection between the trainers, trainees and mentors, providing a regular forum to assess student progress during the work-based learning component. Astra Manufacturing Polytechnic's integrated work-based learning is intrinsically pedagogical—it is designed to help trainees progress from the guided workplace observations of experienced practitioners in the early stages of the course to learning as participatory practice in the latter part.¹⁹³ The course structure, both in the classroom and on the job, is intentionally sequenced to enhance the complimentary learning opportunities offered in the workplace and institutional context.



Source: Centum WorkSkills

LabourNet uses an on-the-job training programme called ‘Earn and Learn’ to support disadvantaged people in undertaking training while earning an income.¹⁹⁴ There is one hour of classroom work and three hours of on-the-job training conducted at an onsite training location; the training programmes are 100 hours overall. The trainees are ‘shadowed’ by their trainers during the on-the-job training. Centum WorkSkills India also has an on-the-job component where trainees familiarize themselves with the workplace and are paid a small stipend by the employer to encourage them to stay and continue on to employment.¹⁹⁵ However, it is not clear whether the on-the-job component is a job trial to determine the suitability of the student for that particular employer or whether it involves a learning component.

The benefits of work-based learning can stall as a result of insufficient attempts to integrate the on and off-the-job components of learning or to organize opportunities for learning at the workplace. There needs to be support for the on-the-job component of the training for monitoring and quality purposes. Supervising workplace learning should be integral to the teacher’s role, or it will not happen. As stated earlier, a learning plan and dedicated learning resources will increase the benefits of any workplace component in a course.

Mentoring on-the-job

An important and recognized feature of mentoring is its value in providing support during significant transitions. The transition maybe personal or it may involve a cultural or organizational shift. The literature identifies three main types of mentoring: informal, formal and co-mentoring. An example of a structured formal approach to coordinating workplace learning is found in MLMM.¹⁹⁶ One of the central initiatives of the MLMM project is a scholarship programme that includes a promise of employment priority with a Koç company for disadvantaged vocational trainees. The scholarship programme is supported by a mentoring programme, which provides trainees with personal support and a bridge between schools and enterprises.

Mentors were volunteers and provided with training on volunteerism and motivation, along with training on how to use the personal development modules designed for trainees. There were four modules, with one module delivered over each year of the four-year scholarship. The modules in personal growth for trainees covered vocational guidance, goal setting and time management in the first year (class 9); becoming a responsible citizen and making a positive contribution to the community in the second year (class 10); teamwork, problem-solving and project management skills in the third year (class 11); and business ethics, résumé writing, interview techniques and entrepreneurship skills in the fourth year (class 12).

The use of mentors formalized the relationship between the schools, trainees and the companies participating in the programme, and ensured that all trainees received the same level of guidance and support. The design of formal mentoring schemes ideally incorporates mechanisms for evaluation, recruitment, selection, mentee induction, mentor training and development, matching of mentors and mentees, and supervision. Each of these aspects of a well-designed scheme fosters the mentoring relationship and its evolution, in alignment with the overall mentoring objectives. At the core of mentoring are interpersonal relationships and all elements of a scheme’s design should support and underpin positive interpersonal relationships. Developing linkages between a training institution



and a company has a magnifying effect on the quality of training provided: trainers become familiar with workplace processes and technology, students' progression can be monitored, and employers learn more about the training institution's training approach, which can lead to requests for greater cooperation.

Internships/apprenticeships

Apprenticeships and internships are one form of work-based training that often has a regulatory framework supporting it, which outlines the roles and duties of the employers and the length of the apprenticeship. Apprenticeship models have become more varied in recent years, as governments and industry sectors realize the value of on-the-job training and the need to keep pace with changes in how work is organized. A report on employment-based training identified the main model variations grouped together as:¹⁹⁷

- **Fast tracking options.** There are two types of fast-tracking models. The first, an accelerated progression model, is competency-based and includes recognition of prior learning. The second has intensive up-front institution-based training, followed by work-based learning;
- **Higher-level VET qualifications.** This model recognizes the complexity and demands of contemporary workplaces in dealing with new technology and higher productivity. United Kingdom higher apprenticeships and degree apprenticeships are examples of this model;
- **New skill sets/qualifications.** This model allows subsets of skills to be grouped together to form new apprenticeships based on new technology or work processes; and
- **Alternative provisions for young people.** This model focuses on school-based apprenticeships that allow young people to undertake full or part-time apprenticeships while continuing with their schooling.

Different apprenticeship models suit different industry sectors and some sectors may choose to call these models cadetships, internships, traineeships or by any other name the industry sector understands and recognizes it. Common features in all good practice models ensure that they:

1. Are pedagogically sound;
2. Are operationally effective;
3. Provide high-quality skills for employment; and
4. Have utility and are sustainable.

The pedagogical soundness of the programme has three main elements. First, it should comprise integrated, structured on and off-the-job training. Second, the programme should be long enough to provide meaningful learning that covers all requirements of the occupation. And third, expert support needs to be available to learners to support the development of their skills and knowledge.

Operational effectiveness requires clearly stated roles for employers, the apprentice and the government and any other stakeholder who might be mentioned in any apprenticeship agreements. Additionally, having a range of choice in who manages and delivers the training and flexibility in training delivery help to ensure that apprenticeships are more operationally effective and fit in with multiple workplace schedules.

The fourth feature of good practice models of internships, apprenticeships, traineeships and cadetships is providing high-quality skills for employment. High quality skills reflect the demand in many modern workplaces for higher level skill sets that meet contemporary work requirements, which includes

opening up apprenticeships to facilitate the skilling up or reskilling of existing workers and supporting older workers to update their skills.

To be more sustainable, apprenticeships, traineeships, internships and cadetships need to accommodate current and future skill needs and can be organized in a manner that reflects current workplace approaches to work organization, including part-time employment, outsourced labour and specialization. Additionally, the funding and structure of these programmes need to be more flexible to support access for existing and older workers and to provide programmes at higher skill levels.

United Kingdom: higher-level apprenticeships

United Kingdom higher apprenticeships incorporate the achievement of academic and vocational qualifications from level 4 up to bachelor's and master's degrees at levels 6 and 7.¹⁹⁸ Apprentices can achieve a full bachelor's or master's degree as a central element of an apprenticeship. Degree apprenticeships are co-developed by employers and higher educational institutions. According to the Government of the United Kingdom, the model has a number of benefits for employers, prospective apprentices and universities.

Employers can attract school-leavers who want to gain a full bachelor's or master's degree in a work-based environment. Allowing employers to acquire apprentices with the graduate/post-graduate skills they need and the training costs, including the degree, are co-funded by the government.

The benefit for apprentices is that they will be employed, paid a wage while gaining a full degree (bachelor or master) and get a head start by working into their chosen profession.

For universities, the benefits include strengthening links with local employers and offering a greater range of degree programmes that meet employer needs and are recognized by professional bodies.

Degree apprenticeships have two different structures. The first is a fully integrated apprenticeship degree course, which delivers and assesses both academic learning and vocational skills. In the second model, the degree programme is delivered with the aim of meeting academic knowledge requirements; additional training is provided through a partnership to meet the technical aspects of the apprenticeship, at the end of which a competency assessment takes place.

Employers take on an important role in developing an apprentice. First, they have the usual duties and responsibilities that come with employing the individual apprentice. Second, they must ensure the apprentice is given the opportunity to learn and develop the required competencies during their apprenticeship. Providing apprentices with opportunities to learn on the job requires employers to structure workplace activities and/or supervision in a manner that allows for maximum learning to occur.

Workplace simulation

There is a major difference between traditional skills development approaches to developing technical skills and more contemporary approaches to developing competence. The traditional approach to developing technical expertise is contextualized to the educational environment where trainees learn to complete small projects and tasks. Competency-based approaches incorporate both soft and technical skills and are contextualized to workplace conditions (deadlines, specifications, quality standards). Furthermore, competency-based approaches emphasize the need to combine and prioritize the use of a group of skills to achieve particular outcomes. This requires trainees to learn and practice their vocational skills and knowledge within workplace contexts and under workplace conditions. Where it is hard to gain access to a working environment for work-based learning opportunities or to supplement

existing workplace learning arrangements, workplace simulation can help training institutions to make this critical shift in how trainees develop their vocational skills and knowledge.

Workplace simulation is an approach that attempts to replicate the complexity of the workplace in a simulated environment within a training institution so that trainees may develop and practice their competence under work-like conditions. One of the more common forms of workplace simulation is the 'practice firm' or 'practice enterprise approach'.

Practice firms provide trainees opportunities to manage and operate simulated businesses as part of their learning programmes. Each of the simulated businesses (or 'practice firms') follows real-world business practices and trades within a virtual economy. Practice firms can be formed from a partnership between a training institution, or groups of training providers, and a facilitator working in conjunction with companies and industry organizations. Usually, practice firms operate at the national level and sometimes at the international level. Real businesses will often agree to mentor trainees. Trainees work as business people, operating their own businesses and making decisions that lead the businesses into profitable (or not-so-profitable) outcomes. Participating in practice firms allows trainees to experience the complexities of real work and to practice business communications with other people participating in the practice firm.

Workplace simulations can range from a training institution organizing classrooms where furniture/equipment is arranged to resemble a place of work through to more authentic work simulations involving customers, problem solving and other conditions commonly encountered in workplaces. Simulation possibilities include:

- Simulation activities that provide actual products or services but do not trade;
- Simulated businesses, trading in a simulated environment;
- Model workplaces, incorporating customer and co-worker role-plays; and
- Technology-assisted simulations.

The simulated environment should attempt to include:

- Facilities and equipment that meet current industry standards and other resources applicable to fulfilling the duties of the occupation;
- The presence of a range of diverse types of customers;
- Integrated approaches to work performance (including the performance of multiple tasks, prioritizing competing tasks and application of service standards and occupational health and safety requirements);
- Realistic allocation of time to tasks and deadlines (to enterprise and industry standards);
- Consistent performance over time—trainees should be assessed over time in performing multiple tasks; and
- Working with others in teams and as a team leader—trainees need to demonstrate the ability to work within a team situation, which is a feature of most workplaces.

The IL&FS training institution develops a simulated workplace within each classroom and works with several companies to establish these simulated classrooms.¹⁹⁹ IL&FS provides trainees with a range of multimedia learning resources and classroom equipment on which trainees can practice. There is more to a simulated workplace environment than making the classroom or workshop resemble a place of work; it is important to ensure a full workplace environment that reflects real experience, customers, deadlines and multiple tasking. Trainees can practice their competence of working with clients through

role-playing. Deadlines can be simulated by identifying industry standards for different activities, such as the number of bricks that are laid in an hour, or the number of widgets produced in an hour. Multiple tasks can be developed through well planned activities and role-play: a bedside assistant student might assess a patient while bathing her, demonstrating empathy, patience and care.

Customization of learning resources

Customization of learning resources means adapting existing learning resources so that they more closely reflect the learning requirements of learners and those of local workplaces. The GMR Varalakshmi Foundation uses government training modules and, through industry consultation, identifies additional requirements based on local skill needs. It in turn adapts its training programmes to meet local employment demands.²⁰⁰ Feedback is collected from both employers and trainees on the relevance of the training. Student feedback is culled post-employment so that they have the time to reflect on the training's usefulness. Customization against national qualifications involves adapting a percentage of the supporting learning resources while retaining the national qualification requirements. Providing flexibility for local institutions to customize learning resources creates the possibility for a greater match between the skill needs of the local industry and the graduate's skills, while still ensuring the student has the mobility to move from company to company or region to region. To ensure a balance between national consistency and local relevance, many skills systems will allow a percentage of the curriculum or learning materials to be customized to meet identified local needs.



Source: GMRVF

Benchmarking industry certification to national skills standards

Industry training and certification are generally highly regarded by the related industry, with graduates readily employed, retained or promoted. Industry-developed training, licensing requirements or certification programmes can also be mapped or benchmarked against national skill standards to determine if they can form part of the learning resources for a national qualification. An example is that of the information technology vendor-certification training programmes, which, when mapped with national qualifications, can form the technical component for a national qualification, or, when combined theory and soft skills, forms a complete national qualification. The benefit of mapping industry-recognized, but informal training, against national qualifications is that it provides employees with the option of gaining a nationally recognized qualification if there is a content match. For the business, it means they can source training programmes that contain the technical skills they require, plus the additional soft skills, without the expense of developing or paying for customized training.

Vendors (including information technology vendors, machinery and equipment) may map their programmes against national skills standards to support their strategies to increase school and training institution take-up of their training products or equipment. Training providers may undertake this approach to identify training products that meet national qualification requirements while delivering industry-specific training. Employers and trainees might want to map vendor certifications to determine which training resources can be delivered as part of a national qualification, using common workplace equipment, or when considering admission to a professional body.

3.7. Placement linkages in partnership with the business community

Evidence indicates that an active labour market strategy, in which trainees are given a job before training begins, increases their motivation to complete the training.²⁰¹ The SAP Africa example in section 1 of this document offers a case in point. The company provides employment for trainees upfront, and the training programme has a string track record of high demand and low disengagement rates.

Placement-linked training

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), formerly the Aajeevika Skills Development Programme, is the main skills training and placement programme of the Indian Ministry of Rural Development. DDU-GKY has been extremely successful and has had a major impact on the skills development sector in India—in that its employment-linked outcomes become a funding requirement for mainstream skills development programmes. The success of DDU-GKY is due in part to its working with a broad range of stakeholders, which includes employers, sector skills councils, state skills development missions, training providers (both public and private), social partners and local non-governmental organizations. The programme supports public-private partnerships for training delivery and includes the provision that partners can use government schools, industrial technical institutes and other public facilities. In addition, DDU-GKY forms partnerships with employers in a number of categories, including:

- **Champion employers**, or those that can train and provide employment for 5,000 individuals from the target group. Employers in this group include Apollo Hospitals, Raymond Ltd., TATA and Sons Ltd., Safe Express, TTI Global Pvt Ltd.; and
- **Captive employers**, or those that can train, in their existing training facilities, 500 or more of the target group, and employ them in their organization or one of their subsidiaries.

The participating employers are required to meet the same funding requirements as public and private

training organizations, such as issuing a formal qualification, guaranteeing the set minimum wage level and offering career progression. DDU-GKY has a funding requirement to recruit trainees through job fairs and provide career counselling. The example in figure 19 shows how a champion employer partnership created an opportunity for a large employer to source potential staff locally and provide them with training in regional centres, which resulted in both time and cost savings.²⁰²

The DDU-GKY champion employers initiative not only supports disadvantaged groups in gaining secure decent employment but also helps companies to meet their business growth targets. The programme requires businesses to employ trainees upon graduation: all students enter knowing they will be employed. The employer uses the training enrolment process as an employment recruitment interview. In this way, employers are confident that they have the individual they want before investing in her training.

Figure 19. Champion employers: Coffee Day Global Ltd. (Café Coffee Day)

Until 2013, Café Coffee Day partnered with several non-governmental organizations and training institutions to source potential workers for their stores across India. The partners would source individuals on behalf of Café Coffee Day and these individuals would attend the sole Café Coffee Day training centre in Southern India. This was a lengthy and costly process and slowed the growth of the business. The sourcing and training process was not only expensive in getting people to the training centre but it also slowed down expansion, as it took stores much longer to set up and start providing quality service to its customers.

Typically, Café Coffee Day prefers workers from the local area to work in their cafés, and the expansion of business is directly linked to number of stores and the number of individual customers in each catchment area.

Since becoming a DDU-GKY partner, Café Coffee Day has established additional training centres and has trained and employed over 1,200 rural youth. According to their human resources section, the champion employer partnership has potential savings of 3% on earnings before interest, taxes, depreciation and amortization on the training and induction of new staff.

Recruitment fee for service-linked training

Placement support for skills development graduates is part of an active skills development strategy and has been a focus of growing importance since the 2008 global financial crisis. As the OECD argues, comprehensive employment services, incorporating individual case management with a mix of strategies combined with enrolment in labour market programmes, have the greatest impact on youth unemployment.²⁰³ Sometimes employers are looking for skilled workers but want to reserve the right to employ someone after the training has been complete, particularly if they have not been involved in the recruitment process.

IL&FS Skills Development Corporation Limited (IL&FS Skills) is a private training company that organizes placement for trainees before training begins. IL&FS Skills obtains an 'employment commitment letter' from one of the 1,000 partner companies before enrolling trainees; in turn, each student receives a 'provisional placement letter'.²⁰⁴ Student enrolment numbers correspond to the number of job commitments, and IL&FS receives a service fee from the company for the placement.²⁰⁵ For example, a three-day orientation programme in the banking industry provided trainees, who passed a bank set

numeracy test, a letter containing the job description and salary.²⁰⁶ While not a promise of employment, it can motivate trainees to achieve good outcomes so that they will be selected for employment. An additional benefit for the training institution is that it can customize its learning resources to reflect the needs of employers who pay for recruitment services. The programme also provided IL&FS with information on the numeracy requirements of the bank. In this example, the three-day orientation programme was probably best suited to highly desirable candidates rather more disadvantaged trainees.

The AISECT case study in figure 20 is an example of a comprehensive approach to helping trainees gain employment while offering useful services to employers.²⁰⁷

Figure 20. AISECT employment placement strategies

The AISECT case study developed by IICPSD identifies a full range of activities and resources, including online training and an online job portal. The job portal and placement service is an example of a government and private organization partnership working to place training graduates. AISECT provides placement support to its trainees in a three-step process using both online and offline mechanisms. First, an employment exchange programme (a government initiative) is conducted whereby registration drives are held for both non-AISECT and AISECT job seekers.

Second, AISECT, with the largest online portal in rural India, offers placement services to rural populations. Support includes helping job seekers to assess their qualifications for available positions, streamline job prospects according to individual skill sets and obtain communication and résumé drafting advice from a selection of experts. Third, AISECT organizes job fairs, which facilitate interaction between trainees and companies, thus creating better opportunities for employment in the formal economy rather than the informal sector. AISECT organizes job fairs across seven states (Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Orissa and Uttar Pradesh) with several national companies including Bajaj Capital, Dominos India, Reliance and Sri Ram Life Insurance, among others, and regional companies such as Navbharat Fertilizer, Navkisan Bio Plantech and STI textile.

Companies also benefit from the online job portal, because they often find it hard to recruit manpower in semi-urban and rural India. The platform also offers job advertisement and online testing of candidates for employers, helping them find candidates who suit their requirements. The job portal is a service that some governments cannot easily provide to rural and regional communities. The value of AISECT's unique model lies in its range of training and services that cater to the needs and requirements of the rural poor.

Another training institution with a recruitment fee for service income stream is Centum WorkSkills India,²⁰⁸ which begins the process of seeking placements for trainees early in its training programme. Trainees' profiles are mapped to determine their suitability for available positions, and there is a placement coordinator in each state where Centum WorkSkills India operates. In addition to job placement, the placement team organizes the on-the-job component; most trainees are employed by the same organization where they did their on-the-job component. Employers can conduct interviews at the training centres before hiring trainees. When an employer is looking to recruit a large number of individuals, the placement team will take a group of trainees to the employer's organization. Centum



Source: Centum WorkSkills

WorkSkills India has a number of service agreements to recruit workers for a number of national companies within India.

Offering recruitment services to companies is one way that training providers can get to know the needs of business and help trainees gain employment. However, it is also important to have safeguards in place to ensure that the training in which trainees are entering gives them a broad range of skills so they can choose the company where they wish to work rather than develop skill sets for one company only. Otherwise, trainees not employed at the end of the training may find the training to be of limited value. One safeguard to ensure training is relevant to more than one company is to link funding to national qualifications, as this will ensure the training is suitable for a number of different companies.

After advertising the programme through newspapers, billboards, the project website and word of mouth, BUTGEM,²⁰⁹ an industry initiative, starts the recruitment process by interviewing potential trainees to determine the best candidates for the programme. A panel that had access to the applicant's profile does the interview. The profile of the applicants is: 18 to 35 years old, a minimum of high school diploma or equivalent. Primary school graduates are able to take four training courses, unemployed applicants are accepted into daytime courses, while those working during the day can apply for evening courses. Unemployed youth need to undergo a series of interviews.

BUTGEM trainees are highly motivated because there is the strong likelihood that they will find a job upon successful completion of training. While not all trainees are guaranteed employment, they have the opportunity to receive international welding engineering certificates and a German Welding Society diploma in certain courses, both of which increase their employment options.

Inviting local businesses, or companies identified with worker shortages, to help in interviewing potential trainees for course admission is a way to increase the chances that successful graduates will be employed.

3.8. Gender, equity and access

Increasing successful outcomes for all trainee and student groups through inclusive programme design has resulted in a number of different implementation strategies being built into different skills development initiatives. The DDU-GKY programme is a good practice example of a comprehensive approach that targets poor rural youth, women, young people in conflict zones and other vulnerable groups²¹⁰ that face major hurdles in entering the labour market.²¹¹ The programme has designed a number of highly successful implementation strategies to provide equity groups with greater opportunities to enter and successfully remain in the job market.

Implementation strategies to support equity groups

These strategies include:

- **Training at no cost.** This allows all equity groups to access training and have their transport, uniforms, learning materials, relevant tools, food and accommodation (if residential) covered. Additionally, these equity groups attract a salary top-up for the first two to six months. To ensure trainees receive the money, they are assisted in setting up bank accounts so the money can be directly transferred;
- **Career counseling.** All equity groups must be provided career counselling covering the nature of work in the sector, availability of jobs, entitlements, and job progression prospects to ensure the course meets their aspirations and they do not end up on a treadmill of different training programmes;
- **Formal qualifications.** This provides equity groups access to the formal TVET sector and the possibility to continue their studies so that they may enter high-skilled employment at some stage;
- **Industrial internships.** The programme provides a joint stipend to equity group trainees for a 12-month internship, which guarantee 75% placement and a higher minimum salary. Through this process, the employer receives a subsidized intern for 12 months;
- **Job fairs.** These are a mandatory requirement to assist in placing people from equity groups in employment;
- **Employment linked placement.** All contracted training must achieve 75% placement with a set a minimum wage;
- **Post-placement tracking.** Up to one year for evaluation purpose and to measure the effectiveness of training;
- **Retention support up to one year.** Many access and equity groups are from rural and remote areas, or include young women who have never left home and can be overwhelmed by different work cultures, social norms, ill health, substance abuse, trafficking and exploitation. Once they are placed, a number of support mechanisms allows for problems to be addressed before a graduate leaves paid employment:
 - **Alumni support networks:** Graduates' understanding that individuals like them have been able to gain and retain work can be a major motivator. Alumni networks also help people to build social, support and work networks. An alumni development strategy is a mandatory requirement;

- **Migration issues:** Many rural and remote individuals must leave their home region to work either in the cities of India or overseas. The lack of social support, cultural change, isolation and the possibility of exploitation are some of the issues that can cause young people to leave employment and return home. Once they have had a bad migration experience, they are less likely to do try it again. Training providers are required to open call centres for their trainees and alumni, so that up to one year after completing training they have a place to turn for help.
- **Setting-up bank accounts:** Graduates receive help setting up bank accounts and arranging documentation to make their transition to paid employment easier and to reduce the amount of running around they need to do once they have entered employment.
- **Soft skills training.** Soft skills is a critical requirement for workplace communication, personal presentation, time management and problem solving skills;²¹²
- **Finishing and work readiness module.** This helps to prepare trainees for work and includes helping candidates find accommodation and gain access to health care, counselling, advice on personal issues, résumé preparation, interview techniques and alumni meetings while inspiring them to persevere. Graduates from the target group may be the first in their families to work in the formal sector or in a non-agricultural work setting. These strategies help to prepare them for the change and smooth the transition to work.

All of these strategies, which individual training institutions can implement, have successfully helped gender and equity groups to enter training and gain long-term employment.

Gender

When planning the delivery of training programmes targeting women, it is important to pay attention to the management and monitoring of work-based learning for women. As discussed in component one, there are safety considerations that must be taken into account for young women travelling to and from a workplace, the times that the young women are expected to attend the work placement, and developing strategies to support positive attitudes in the workplace towards gender issues. Male vocational graduates are more likely to earn more than female graduates, even though women may have higher level qualifications. This is probably the result of males having employer support for their studies through apprenticeships, while young women are less likely to have employer support.²¹³ Ensuring that women participate in work-based learning is a major step in increasing their chances of gaining employment after graduating from the training programme.

On-the-job training appears to be an important consideration for training design and, in particular, in training programmes developed for women. Incorporating on-the-job training for women may help to improve their employment opportunities.

Scholarships

Scholarships are a useful tool to support disadvantaged groups that cannot afford to undertake extended training because it allows them to participate in training while still earning income. The Koç Group in the MLMM project achieved a women's enrolment rate of 44% through their scholarships programme.²¹⁴ Combining scholarships with mentors for women during work placement increases women's retention rate in training. Developing scholarships that target women and other equity groups and offering them mentors are features of the MLMM project; this type of support can significantly improve successful outcomes among young women and other equity groups.



Source: MLMM

Pre-work documentation

Along with scholarships and stipends, ensuring that equity groups have access and correct documentation for work is another important consideration. LabourNet goes through a process to ensure that their trainees have a bank account, health insurance and identity card.²¹⁵ Having these documents prepares graduates to work in the formal sector because: their wages go directly to their bank accounts, they benefit from health insurance (especially important for graduates in manual labour), and possess an identity card, which gives them access to a range of government schemes and support mechanisms. Trainees leaving LabourNet programmes are immediately able to start working without having to navigate a range of bureaucratic requirements beforehand.

Post-placement support

As discussed above under the implementation strategy for equity groups, retention support for trainees placed in employment can be critical to the success of their long-term employment prospects. Retention strategies include alumni support networks and call centre support for graduates of training programmes. Centum WorkSkills India has a dedicated placement manager who works with a team to place and provide post-placement support for trainees. The company tracks placed graduates through a call centre service that contacts trainees on a monthly basis to determine how they are doing and if they need support with any issues.²¹⁶

Dr Reddy's Foundation also provides post-placement support in a similar manner, using alumni in a call centre to identify employment information and gain placement support from existing alumni networks.²¹⁷ The foundation also facilitates alumni meetings, which provide an opportunity for graduates to build a network and possibly find new positions through network contacts.

Post-placement support is not only important to ensure the ongoing successful placement of equity groups. It also serves as a useful mechanism to monitor the performance and impact of training institutions. Regular contact with graduates allows training providers to collect detailed information on the relevance of the skills trainees have developed to their job and whether graduates are moving into more secure, decent employment. Additionally, a training centre can monitor whether there has been any change in the earning capacity of graduates, using their initial placement salary as a baseline.

Soft or core skills

Soft or core skills are competencies necessary to function in both daily life and the workplace. These skills can be applied in a range of contexts and are therefore transferable. A McKinsey survey of nine countries found that less than half of employers (43%) found the skills they needed in entry-level workers.²¹⁸ Employers were looking beyond technical expertise to a range of competencies, such as teamwork, communication skills, problem solving, literacy and numeracy. The ILO has developed a set of core skills based on the needs of employers in the Asia Pacific region. They cover the same skills mentioned above, in addition to health, safety, managing personal finances, using relevant technology, organizational skills, working sustainably and conflict management, among others.²¹⁹

Many of these soft or core skills are considered highly desirable by employers. They make employees better able to adapt and more likely to transfer their skills to different work contexts, making them valuable workers for the wider economy. Understanding the importance of these skills, many countries have developed soft skills or generic skills frameworks, including Australia, Cambodia, France, Germany, Indonesia, New Zealand, Pakistan, Philippines, Singapore and the United Kingdom. The name of these skills is different in each country; for example, in Denmark, they are called 'process independent goals'. These skills are regarded as necessary to increase the flexibility and adaptability of people to change and to support the ongoing acquisition or life-long learning of new skills and knowledge. They are also highly prized by employers because they increase workers' adaptability and innovation.

The importance of developing these skills cannot be underemphasized. Preparing trainers to develop them in learners involves giving trainers not only a range of contemporary teaching methodologies but also the flexibility to draw on a range of learning resources and approaches to meet their trainees' needs.

Pre-initial vocational education and training and basic skills

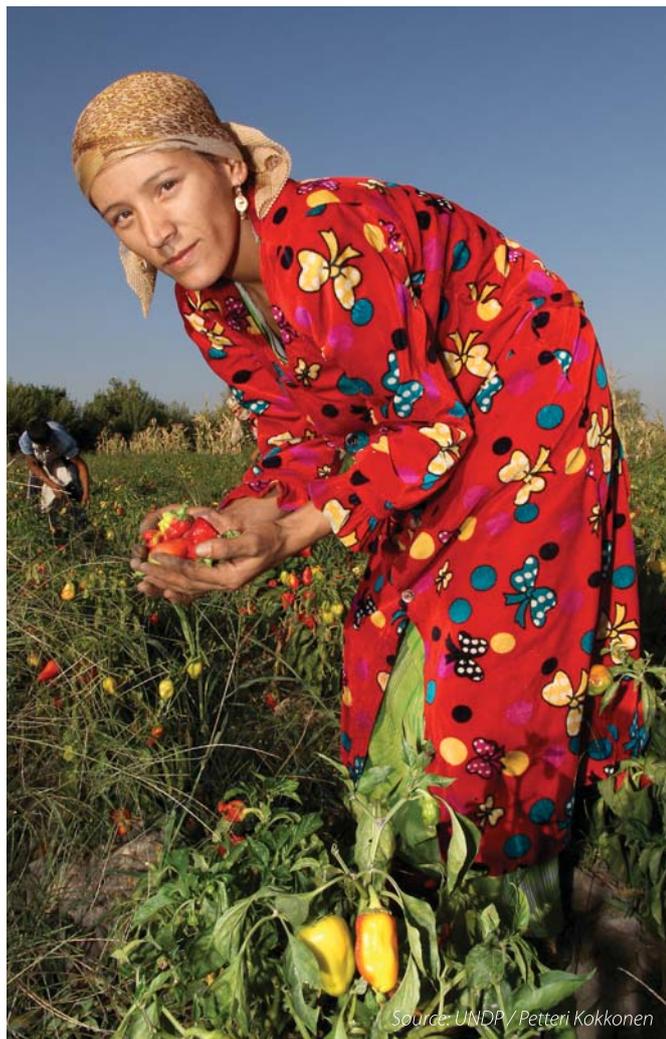
Equity groups often need specialist support to make a successful transition into skills development programmes and later employment. Prevocational training (or pre-initial vocational education and training) and life or basic skills development can markedly improve successful outcomes for different equity groups. Prevocational training has had positive outcomes for disadvantaged groups; in particular, it improved literacy, numeracy and employability skills.²²⁰ The evidence shows that people who enter an apprenticeship through prevocational training programmes have achieved significantly higher completion rates than those who did not participate in pre-vocational programmes. Basic skills are defined as reading and comprehension skills, numeracy skills, creative and critical thinking, problem solving, scientific concepts and processes, and independent thinking skills. The OECD has stated that achieving basic skills will make economic growth more inclusive by reducing gaps in earnings.²²¹

Dr Reddy's Foundation²²² provides a nine-day life skills module that covers topics such as understanding oneself, money management and societal perceptions. Trainees also undertake a personal strengths, weaknesses, opportunities and threats analysis of their past and present life experiences. This life skills module is conducted as an induction and completed before technical training commences. Additionally, the foundation runs a work-readiness module, which is integrated with the technical training modules,

that helps trainees to prepare résumés; learn interview techniques, strategies to overcome workplace challenges and workplace communication skills; and gives them exposure to workplace culture and ethics. The work-readiness module aims to assist trainees in adjusting to the work environment, in building a rapport with future colleagues and managers, and in developing peer support. Soft skills training and job preparation skills help young graduates make a successful transition to the labour market.

Migration pre-departure training

Migrant workers—whether internal or external—face a number of challenges. Developing their strategies to overcome the lack of social support and be prepared for cultural change and isolation helps to make their transition smoother and their retention in work more likely. Along with mandatory post-placement support under the Ministry of Rural Development of India, many organizations provide pre-departure training and post-arrival training to migrant workers. This training covers issues such as worker's rights, the social norms and laws of the region to which the individual is travelling, documentation requirements, job-specific skills and knowledge, awareness of their rights as residents, entitlements, responsibilities and access to support agencies, among others. Organizations such as the ILO and the International Organization for Migration have a number of projects and resources covering both pre-departure and post-arrival training. Additionally, there are a number of projects that deal with fair recruitment practices to reduce deceptive and coercive recruitment. Centum WorkSkills India also advocates that accommodation for migrant workers be provided through government funding, as this is a serious financial and/or personal security hurdle for many migrant workers.²²³



Source: UNDP / Petteri Kokkonen

3.9. Improving the perception of skills development

Many groups within different communities view skills development as second chance training for dropouts of the education system. In reality, though, a dynamic economy requires a diverse and robust range of companies and industry sectors—because a labour market made up of doctors and solicitors will not support economic growth. Many community members are unaware of the income that different vocational streams can command. Others consider the work 'dirty', unaware that technology has changed the nature of work in some sectors, such as printing, which is now fully computerized and clean and requires air conditioning to keep large printing presses at an optimum level of operation. Improving the image of skills development is an ongoing multifaceted process, and a comprehensive approach needs

to be undertaken at all levels. For example, government has a role in raising awareness of the quality of skills development activities and the link between skills development and decent work. An example of government involvement in raising the profile of skills development can be found in India's semi-government agency, the National Skills Development Corporation (NSDC). The NSDC conducts national awareness-raising campaigns called *Hunar Hai To Kadar Hai* (English translation: "If there is skill, there is respect") for television, print and social media and radio, which are delivered in local languages.²²⁴ The campaign's aim is to make careers associated with vocational training aspirational and to provide information on opportunities provided through vocational training. The television commercials present real people who have undertaken vocational training and gained employment in the automotive and retail industries. Along with this awareness-raising strategy, the corporation has also launched a hotline number where interested individuals can receive additional information and be linked to their closest training centre.

The MLMM project aims to promote youth employment and attract aspiring applicants. It works to create public awareness of the importance of vocational education through a public-private partnership to improve technical vocational and education training.²²⁵ The MLMM initiative undertook a number of communication campaigns using the press, social media, a project website and e-bulletins. It held a number of contests with trainees who were asked to discuss and describe how it felt to be a vocational high school student. The communications strategy helped to raise awareness, strengthen feelings of belonging among scholars and boost the reputation of TVET generally.

Using high profile industry representatives as industry champions, whose careers are built on the foundation of vocational training, is an effective way of making stakeholders, particularly parents, aware of the value of vocational education and training. The BUTGEM case study shows how a high profile industrialist became an industry champion on overcoming implementation obstacles and providing technical advice on skills gaps.²²⁶ Utilizing industry champions provides potential trainees, their parents and the broader community with a real life example of the success of vocational education and training.



Source: NSDC

Industry champions are in a position to influence the views not only of the broader community but also their industry sector in accepting the value of skills development initiatives. As the BUTGEM case study highlights, the fact that graduates from the project were immediately productive in the workplace meant that the perceived value of training increased greatly among employers. Furthermore, the BUTGEM project incorporated a number of national and international certifications, which raised the perceived value of training programmes.

3.10. Micro-level finance

There are generally four overarching categories for private sector financing of skills development:

- The first, at the macro-level, is levy/tax-based and funds skills development across or within industry sectors;
- The second is joint funding for the development of training facilities or equipment purchases, as seen in the Turkish IICPSD case studies, and may involve corporate social responsibility financing or other internal company funds;
- The third is through the provision of work-based training of existing workers, apprentices, trainees and trainers, along with in-kind support for advice and participation in skills development activities; and
- The fourth is through purchasing fee-for-service activities, such as recruitment services, as identified in the Indian IICPSD case studies, the training of existing workers or other human resource services.

Additionally, some training organizations develop products as part of the training process and sell the products. The Indonesian factory model or production-based training system is an example. During the production-based training system, trainees develop products, for example, computers as part of an electronics course, which are then sold to consumers. This approach gives trainees valuable training in a work environment while providing income for the training institution so it can subsidize equipment, learning resources and materials.

However, the most common categories where private sector funding flows to training providers at the micro-level (organization to organization) are the third and fourth. Fee-for-service activities constitute a straightforward, simple exchange, which means that the move to joint funding involves planning for a long-term, more complex partnership.

3.11. Developing partnerships

There are many different types of partnerships that training institutions and companies can form. Some are transactional or fee-for-service, some are informal and others are strategic. For a training institution, company or enterprise to work together requires a certain level of trust and skills in forming partnerships. To successfully achieve an effective partnership between local businesses and training institutions requires the allocation of resources and the development of a number of competencies to negotiate areas of mutual interest and navigate any issues that arise. Building trust means being consistent in your communications and building personal relationships. Dedicating a partnership facilitator is an important first step. The literature strongly suggests that training organizations with dedicated positions for industry liaison have the most robust long-term industry partnerships.²²⁷

Initially, when considering an approach to engaging companies or training institutions to form partnerships, it is important to have a clear purpose for the partnership. It is also necessary to have a clear

understanding of what the partnership can offer the proposed partner company or training institution. Identifying appropriate partners involves researching the activities, interests and directions of potential partners. Partnership problems often arise when people do not fully understand each organization's culture and priorities. Therefore, being very clear about what the partnership is meant to achieve for each partner is important.

Planning what to say and identifying key messages (and tangible and intangible benefits) generally helps to develop a case for collaboration. Where there are a number of possible benefits, or the benefits are not necessarily clear, holding preliminary meetings to discuss options with potential partners will determine interest and areas of mutual benefit. Partnerships of all types rely on effective communications to sustain and build their collaboration. There are a number of principles that underpin partnerships. These include:

- **Senior level commitment**, essential for moving partner organizations towards participation;
- **A partnership team/facilitator**, who helps to steer and maintain momentum during the life of the partnership, motivating partners and keeping communication open;
- **Open communication and governance**, which develop shared understanding of individual roles and responsibilities. Communication builds a sense of connection and information prompts members to prioritize the creation of greater opportunities;
- **Clear shared vision and objectives**, which, once understood and accepted, create ownership and motivate confidence in partners;
- **Development of trust and respect**, which creates an environment where partners are willing to share ideas and accept that each partner will meet her responsibilities;
- **Collaboration**, which requires new ways of thinking about working together; and
- **Understanding the organizational culture** of partner organizations and their external pressures, customs, drivers, terminology and customs

Partnerships offer opportunities for all partners and training institutions, and local businesses may begin with a relationship built on advice and consultation. With senior level commitment, good communications and an understanding of each other's organizational culture, relationships can grow to maturity where partners gain ongoing benefits, such as teacher and staff training and process innovations.

Types of partnerships

Different types of partnerships have different kinds of impact on the partners involved. Informal, low performing partnerships do not necessarily lead to organizational change or growth, such as the informal collaboration activities identified in figure 7. Partnerships can build coalitions, aimed at strengthening the capacity of local training institutions and employers to cope with common problems. These are considered high performing partnerships and are reflected in the activities and partnerships formed in skill-ecosystem and workforce-development project examples in section 2.²²⁸ Mutual learning occurs as training institutions acquire an understanding of how the private sector operates, and the private sector becomes more aware of the training providers operations. These types of partnerships are considered as high performing partnerships. Figure 21 below highlights some of the high-level features of different kinds of partnerships. The goal in many high performing partnerships is to achieve more than individual partners can achieve on their own.

GUIDELINES

Figure 21. A tool for assessing and developing partnerships in Stockport (adapted from the partnership toolkit)

Informal collaboration	Transaction-based	Joint delivery partnerships	Strategic partnerships
<ul style="list-style-type: none"> Brings partners together to discuss particular areas, such as curriculum content, skill needs, etc.; Does not have a budget or deliver any services; Does not require a formal agreement or have a formal agreement, and does not include clear outcomes or timelines. 	<ul style="list-style-type: none"> Fee-for-service, such as recruitment services; Does not involve collaboration; Minimal impact on the business beyond the service being provided; and May have an agreement tied to service provision. 	<ul style="list-style-type: none"> Involves service delivery by one organization on behalf of another or through joint working, such as joint management of a training facility; Works to deliver value added benefits and training for existing and new workers, produces process improvements, and adapts to new possibilities; Contractual relationship is monitored and amended to meet new opportunities. 	<ul style="list-style-type: none"> Develops a number of clear mutually beneficial objectives, supports training for particular target groups and value chain partners; Plans, coordinates and monitors activities; Takes strategic decisions based on meeting objectives; Involves mutual learning leading to innovative outcomes; and Focuses budget resources on commonly agreed priorities.

Most partnerships go through stages similar to those of teams—forming, storming, norming and performing.²²⁹ Managing a smooth transition from one stage to the next requires awareness of the different stages and planning the transition.

In the early stages of a training and private sector partnership, it is important to keep in mind that because partnership members are still becoming acquainted with one another partnership managers must provide guidance and authority. During this stage, partnership managers maintain open communication and develop agreements. Developing a shared vision and clear goals helps partnership members to know what is expected of them. There are often preconceived ideas of how people work together and some may use negative work habits, such as, being overly competitive, hindering others, or blocking the flow of information. Such habits need to be monitored. Developing operating procedures and guidelines and creating initial collaborative structures will help to develop a more cooperative partnership over the long term. Identifying partnership assets, resources and protocols

for use to achieve the goals and expected outcomes will help individual partners to understand how they fit into the partnership. Specifying indicators to measure desired outcomes will reinforce what is expected of individual team members.

In the storming phase, partners may become frustrated with each other as they discuss what priorities or activities the partnership should undertake in order to grow. This frustration may arise as a result of the lengthy time needed for an initiative to begin or to have an impact. At this stage, it is important to revisit the vision, goals and shared benefits. Partners should focus on positive progress and the contributions that have been made to achieve the vision. All partnership members should be given the opportunity to provide feedback, which should be viewed as a positive contribution. It may be necessary to secure staffing and resources by reducing workloads in other areas and by developing individual action plans. Refocusing on goals will usually bring the team's attention back to the positive aspects of the partnership.

By the norming phase, the partnership is working to achieve its goals and decisions are made and implemented with a minimum of disruption. All partnership team members know their roles and responsibilities, and new ideas can be acted on, while risks can be taken and failure seen as an opportunity for learning. At this point, it is important to cull team members' ideas and solutions to problems, build strategic networks that work for the partnership, and develop succession planning for the partnership.

At the performing stage, all partners are actively collaborating, the anticipated partnerships are coming to fruition, and all team members are building on their experience in using the partnership procedures. Team members perform their roles effectively, contribute to new solutions or activities and work autonomously. During the last two stages, team members from training institutions and businesses can start to integrate partnership functions into ongoing organizational activities. For example, the training institution might undertake induction training for new workers and participate in process improvement activities with the staff in the enterprise, while workers from the company participate in student enrolment activities or in assessments of trainee's skills.

Being able to foster learning and innovation is a feature of building high performing partnerships. Achieving an environment of learning and innovation, essential to high performing partnerships, requires: commitment from top leadership; a partnership facilitator; clear objectives and proposed outcomes; and the design of monitoring and evaluation criteria aimed at learning and performance improvement around the partnership objectives. A self-evaluation is a powerful tool for continuous improvement; if and when it is an inherent part of a partnership approach, it helps to strengthen the partnership and create an enabling environment for a long-term approach. Whichever form of partnership suits the proposed needs of all partners, it will require skills in partnership management, communication and working across different organizational cultures.

3.12. Impact evaluations

Determining the impact of skills development initiatives can be difficult to identify clearly. The most common approaches include conducting pre-training and exit-training self-evaluations of trainees to determine whether they consider themselves more prepared for employment and have developed new skills. The self-evaluation survey, or group session, occurs before the training commences and provides a baseline set of data. The exit training survey, completed at the end of the training programme, is used to gain an understanding of a student's perceived readiness for employment. This information is useful to determine how motivated and confident the trainees are to enter employment.

Pre-training and exit surveys are not enough on their own. Surveying employers to determine whether the skills that trainees have developed are relevant and used in the workplace is another important indicator of the applicability of the training. Employers should be asked to rate the value of the student's soft and technical skills to the workplace and how the student is generally performing in the workplace in comparison to other workers who have not undertaken training. Employers who have an ongoing relationship with the training centre can be surveyed, or invited to focus groups, to review the value of employed graduates over the long term.

Employed graduates should also be sent a questionnaire up to one year after training to rate their perception of how useful they believe their new skills are for the workplace. This is usually called a 'tracer study', or a 'student destination survey'. The aim of a tracer study is to determine the effectiveness of the training undertaken. Tracer studies can be used to identify the results of the training programme and whether the student has been employed or gone onto further study. These surveys may also enquire if a student has acquired a higher level of income and if she has had success in starting a business.

Receiving a useful response rate from tracer surveys is difficult. Informing trainees that they will be sent a survey and explaining why the survey is important may increase the number of replies. Another approach is to undertake a phone survey of graduates and employers, asking them questions about their perceived workplace performance and the relevance of the skills developed through the training programme. Using social media to contact trainees is another useful tool to gather information. Tracer studies should also cover information on whether the student is continuing their education and whether they have gained any advanced standing for the training undertaken. The use of alumni groups is another avenue to collect data, particularly longer term, on the impact of training. Focus groups with guided questions can assist in identifying a broader range of impacts, both positive and negative, that the training has had on the student and their employment options.

3.13. Towards an enabling environment: building relationships at the local level

From the discussion above, identifying local skills demand and customizing learning resources to meet those needs help to make training more relevant to local business. Work-based learning leads to improved employability for trainees and greater productivity for employers. Customization of learning resources should occur, where possible, within formal qualification pathways, in order to ensure that trainees can build a foundation for lifelong learning or labour mobility, which will enable them to work in a range of companies.

Developing partnerships requires particular partnership-building skills and can lead to valuable teacher and workplace trainer development strategies, such as return to industry programmes and mentoring. Local businesses, which offer training providers the opportunity to update the knowledge and skills of their trainers, can be repaid through the training of workplace supervisors/trainers or other forms of worker development.

Developing networks is another aspect of working with local companies, as networking can support:

- Local labour market needs identification;
- Professional development for trainers, workplace trainers and managers;
- Development of industry partnerships for on-the- job training;
- Strengthening of micro-businesses; and
- Development of alumni networks.

Recruiting trainees requires careful planning to ensure that the more disadvantaged trainees are not left behind. Some useful levers to attract more disadvantaged trainees include: offering pre-initial vocational education training, scholarships and stipends, and conducting student recruitment at the local level.

Structured on-the-job training provides crucial access to contextual skills that helps to develop competence. Such training however requires new skills in managing workplace training so that trainers or managers can monitor student progression and support the workplace supervisor. Having a dedicated person from the training institution monitor and support work-based learning, which should include individual learning plans and associated learning resources, is a good starting point for developing a structured approach to workplace learning.

Where structured on-the-job training is not possible or needs to be supplemented, a simulated workplace environment should include:

- Facilities and equipment that meet current industry standards as well as other resources applicable to fulfil the duties of the occupation;
- The presence of a range of diverse types of customers;
- Integrated approaches to work performance (including multi-tasking, prioritizing competing tasks, and applying service standards and occupational health and safety requirements);
- Realistic allocation of time to tasks and deadlines (to enterprise and industry standards);
- Consistent performance over time. Trainees should be assessed over time in performing multiple tasks; and
- Working with others in teams and as a team leader. Trainees need to demonstrate the ability to work within a team, a common feature of most workplaces.

Helping a diverse range of trainees access training and move successfully into employment requires strategies that help the student to successfully make the transition into training and then employment. Many of these strategies need to extend beyond the training programme itself and monitor trainees once they are employed. Alumni networks and call centre support can offer assistance to trainees once the graduate is employed.

The discussion above indicates that training institution and company partnerships can extend beyond fee-for-service activities and into activities that build the wider skills of the organizations involved. Developing partnerships at the local level will require staff within training institutions to develop new skills in identifying and developing partnerships. These skills are generally overlooked in professional development programmes for institute management, though managers, trainers and support staff need them to grow such partnerships.

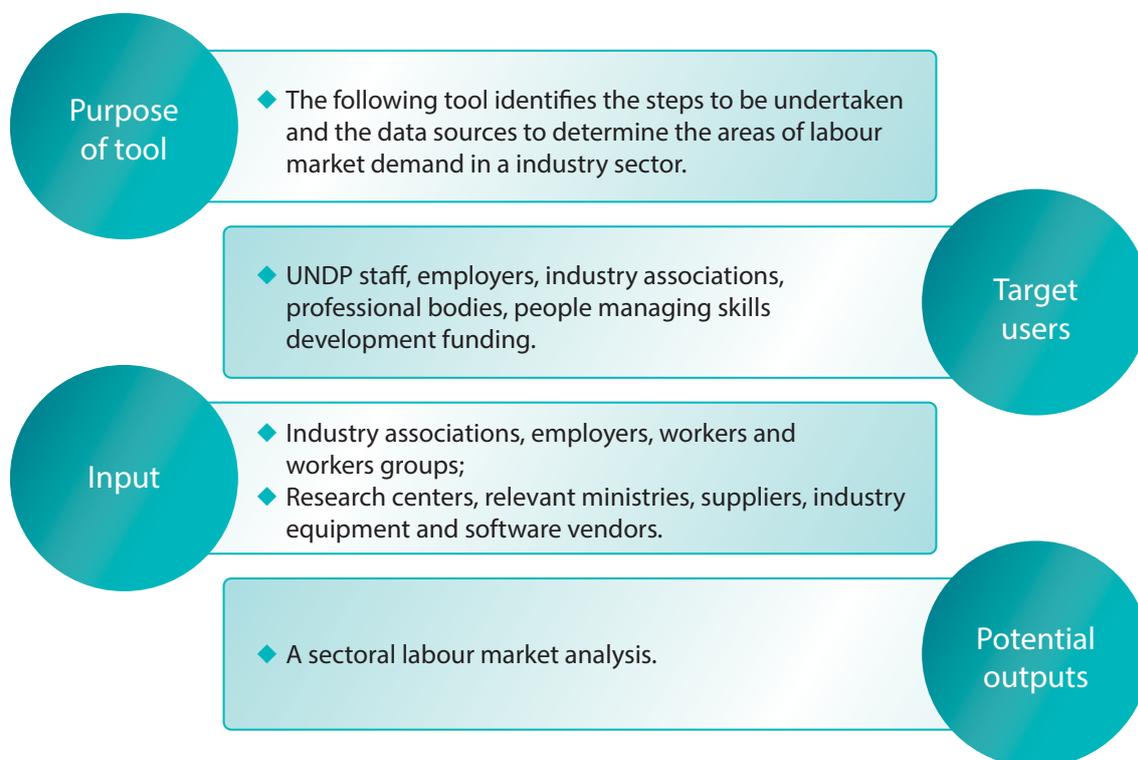
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TOOLKIT

TOOLKIT 1. MACRO-LEVEL

TOOLKIT 1.1. Labour market information and analysis tool



How to use this tool

The following tool identifies the steps to undertake and the data sources to use in determining the areas of labour market demand in an industry sector.

Background

The biggest challenge facing skills development systems in most countries is matching supply to demand. The supply of workers in a labour market where enterprises demand particular skills requires a match between the skills developed by training institutions and those required by industry. Improving the match is achieved through an analysis of labour market information to determine current and future skill needs.

A labour market analysis is used to inform both skills development policy and planning and the choice of training to be delivered. Undertaking an analysis of labour market information includes consideration of the skills employers need, the career aspirations of students, and what can realistically be provided by the skills development system. The key role of identifying skill needs is to determine:

- Today's labour market needs (reduce skills mismatch); and
- Anticipate tomorrow's workforce demands (prepare for new technologies, new work processes and industries with growth potential).

To identify skills in high demand and to inform planning and resource allocation, policymakers use a labour market information and analysis (LMIA) system. Training institutions will use LMIA to select

training programmes, review and update course content and teacher skills, and provide guidance to students and potential students. Employers can draw on LMIA to clarify changing business or sectoral environments, confirm future skills shortages and gaps and identify sector-wide training priorities. Workers can identify areas for skills upgrading opportunities as well as employment and wage trends. Non-governmental organizations can use LMIA to improve training for vulnerable groups and for career guidance purposes.

An LMIA system is the collection, analysis and dissemination of quantitative and qualitative information related to the demand for and supply of labour. Labour market information and analysis is the process of analysing data to determine whether the shortages are skill shortages (entire jobs) or skills gaps (gaps in the skill sets of existing workers), and whether skills development is the best solution to the shortage.

The collection, compilation and dissemination of data and information

One of the first activities when commencing LMIA is to identify existing data and information sources, who the stakeholders are and what internal and external factors may be causing labour market shortages or skills gaps. This process often takes the form of an environmental scan. Labour markets exist within the economic context and, therefore, data collection does not only need to cover data on the sectoral labour market but also on the linkages with the broader economy.

Step 1. Choose the industry sector and collect data

Depending on the purpose of the labour market assessment you might focus on growth and/or labour intensive sectors. The process involves answering:

- a. What is the basic potential within the selected industry sector for employment?
- b. What are the growth patterns in the sector? Is growth supported by increased labour or a decrease in labour?

The main sources of labour data consist of:

- Surveys of households broken down to the industry sector level:
 - Labour force survey;
 - Population census;
 - Income and expenditure survey.
- Surveys of establishments (companies) within the sector:
 - Establishment survey of production;
 - Employment and earnings survey;
 - Occupational employment and vacancy survey.
- Administrative data for workers within the industry sector:
 - Educational enrolment data;
 - Migration records;
 - Employment services records.
- Labour market regulations related to the industry sector:
 - Minimum wages;
 - Unionization rates;
 - Employment protection legislation.

- Labour market policies:
 - Unemployment benefits;
 - Activation policies (training, job centres);
 - In-work benefits.
- Macroeconomic information related to the industry sector
- Subjective information:
 - Student /worker aspirations;
 - Perceptions of occupations.

Additionally, comprehensive LMIA will involve consulting research centres and relevant ministries and using supplementary data sources (e.g., the ILO's key indicators of the labour market and decent work indicators) to build a full range of information. Each data source has advantages and limitations, particularly in relation to cost, quality and the type of information collected. An effective LMIA system draws on all data sources to develop a detailed picture of the labour market in the chosen industry sector.

Step 2. Analyse the data

Once data sources are identified, it is important to:

- Determine the currency of the data;
- Analyse the data to identify gaps;
- Ensure the data is reliable, current and valid; and
- Confirm the data derives from an appropriate source.

Also key is determining what prevents firms from employing or contracting more labour. The conditions of the business environment need to be analysed to answer this question and to identify the constraints for business growth that impact labour demand. This requires:

- a. Analysing infrastructure and policy or regulatory frameworks for the sector to identify the impact on the demand for skilled labour; and
- b. Reviewing financial market conditions and policies to determine the impact on labour movements and growth in the sector.

Step 3. Anticipate future sector trends

The next step is to undertake industry-wide analysis to anticipate future trends. This may involve running workshops on scenario or future planning with industry associations, lead employers, industry equipment and software vendors, workers and workers groups, individual employers and, depending on the entity, research and development organizations.

Step 4. Develop institutional arrangements and networks

This step involves determining the institutional arrangements and networks that need to be in place for ongoing sectoral analysis. Institutional arrangements are needed to enable labour market stakeholders to use the information and analysis and to create networks of users and data generators, including government departments, employers' and workers' organizations, statistical agencies and research organizations. It will be necessary to consult key agencies and organizations involved in the generation, collection, processing, management and reporting of relevant data and to identify the key agencies

that require skills development data in order to compile the specified reports and to discuss ongoing arrangements for future information.

Step 5. Validate the results

The results of the analysis should be validated with a range of stakeholders from the sector, including government departments, employers' and workers' organizations, statistical agencies and research organizations in a workshop with all stakeholders.

Checklist

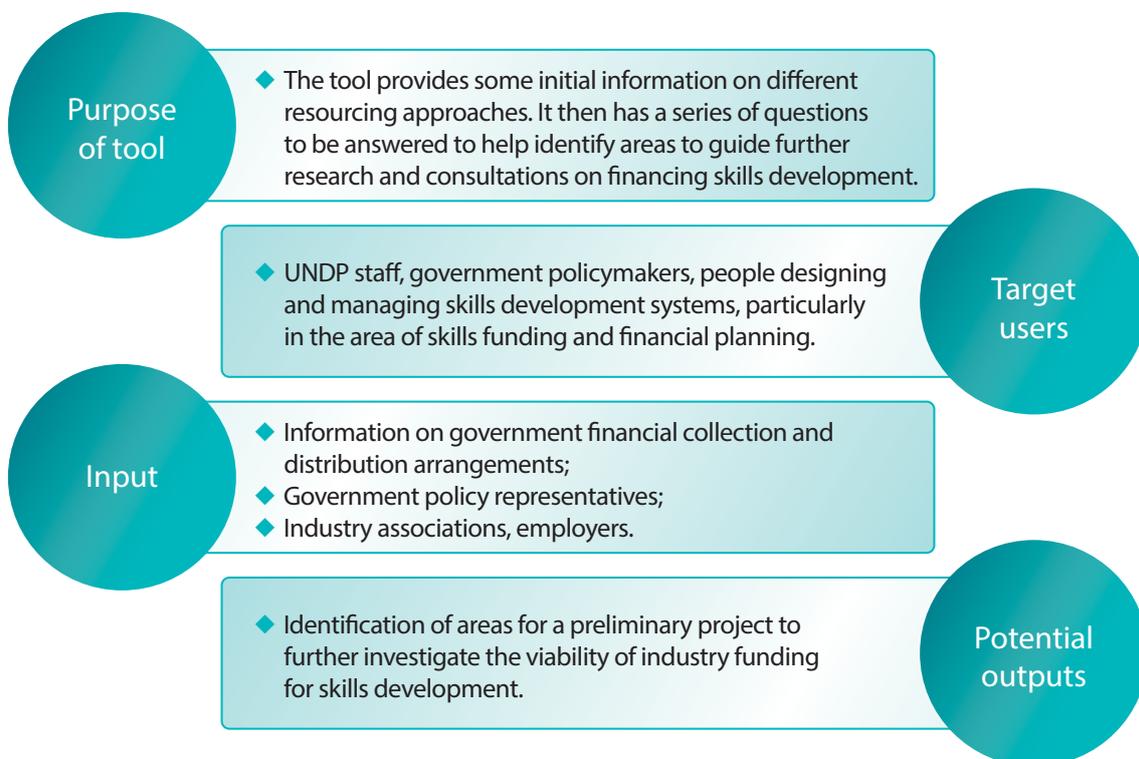
The following checklist confirms that data is available and institutional arrangements are in place.

Table 10. Labour market sector analysis

	Yes	No
Data related		
A review of existing sector data has been undertaken and a comprehensive list of reliable data sources have been identified.		
The sources and data standards can be used to classify occupational and qualification structures of the economic sector (organized and, if required, unorganized sectors) at the national and state levels.		
The data sources have been identified that cover occupational data on the annual demand for semi-skilled, skilled and high-skilled workers, and technicians for overseas employment in the sector.		
The data sources cover the annual local demand for skilled and semi-skilled workers and technicians, as a result of worker replacement and labour turnover within the sector.		
Data sources have been identified to determine the average demand for a skilled and educated workforce for the new jobs created annually through new investments, company registrations, etc.		
Data sources exist that identify:		
<ul style="list-style-type: none"> ■ Enrolments in and graduates from skills development programmes related to the sector; 		
<ul style="list-style-type: none"> ■ TVET and skills training-providers that deliver training in the sector (public and private institutions, schools, non-governmental organizations and others), including their numbers, location, average annual enrolments and graduates, types and duration of courses for each trade and learning outcomes; 		
<ul style="list-style-type: none"> ■ Apprenticeship enrolments and graduates per year in each trade within the sector; 		
<ul style="list-style-type: none"> ■ The employability of graduates according to qualifications and sector-wise training programme outcomes; 		

	Yes	No
■ Large scale retrenchments and business closures within the sector;		
■ Returning overseas workers, their qualifications/experience in each trade or each sector.		
The data sources have been assessed to identify data gaps.		
The data sources have been assessed to identify the currency and the regularity of data collection.		
The data sources have been assessed to determine whether the data is a regular and sustainable (ongoing) source of data.		
The data sources have been evaluated to determine the reliability and representativeness of the data.		
Institutional arrangements		
The key data stakeholders have been identified and their needs understood.		
The types of data which stakeholders need to make decisions has been determined.		
Organizational arrangements and methods for collecting, processing, storing, analysing and managing the data have been agreed and memoranda of understanding or contracting agreements are in place.		

TOOLKIT 1.2. Financing tool



How to use this tool

This tool is designed to help users, through a series of questions, identify issues that may arise when introducing a new source of revenue.

Background

There are various levers that can be used to generate employer participation in skills development. The most suitable approach, or mixture of approaches, that is best for any one country will be agreed after extensive consultations, initially, at a senior government representative level.

Different sources of finance

Government. This finance source covers mostly public provision of skills development, particularly for entry-level training. Government also contributes to the provision of employment initiatives and targeted programmes for different groups, including vulnerable existing workers. This type of finance works well where skills development is not highly valued, and where individuals or employers are not likely to pay for skills development. Government funding is very important when the aim of the skills development programme is to target disadvantaged groups that might not be able to afford training.

Employers. Employers pay for services for public and private training provision and for recruitment and placement services. There are several ways in which employers can pay, such as levy systems and in-house training, or by directly purchasing a training provision. These types of revenue streams are useful when employers find it difficult to attract skilled workers, and when the industry base is strong enough to absorb extra expenses, such as levies. Additionally, the political climate needs to be supportive of costs shifting to the private sector, since such a policy can have political ramifications.

Employees. Employees may seek career development or skills up-grading training by paying directly for the training provision through fees or through an agreement to accept lower wages during the training period. This type of finance does not work well where skills development is not highly valued since individuals are not likely to pay for skills development. If labour market demand is not high and employees earn low wages, it is unlikely that this approach will be successful.

Students. Students can pay directly fees through training tuition fees or through a public or private loan for their skills development. Individuals set aside money in individual learning accounts for the purpose of paying for future training. If there is no tradition of private training providers in the skills development sector, it may be difficult to convince individuals to purchase training. This is particularly the case if students and their parents value government training.

Training institutions. These institutions gain income by charging course fees, selling training materials and offering services, such as customized training programmes for companies. Offering individual fee-for-service activities is one approach to creating alternative sources of incomes for training providers, and includes recruitment and placement services and other human resource services for employers.

Other approaches include several sorts of training levies or levy exemption schemes, incentives such as tax refunds or tax exemptions, corporate social responsibility and in-kind support through the provision of on-the-job training. A levy is a type of tax, and incentives often come in the form of a tax reduction or a delayed tax payment.

National governments want to avoid any suggestion that a new income source is an additional tax burden or personal expense that has little support in wider business and community spheres. Detailed wide-ranging industry and social partner consultations on alternative financial arrangements are necessary and require time and consideration of the business environment, government operational and political issues, and larger social expectations. In some countries, there is cultural pride in the fact that education and vocational training is freely available, while in others it is considered normal for students to contribute to the cost of their education and vocational training.

General issues to consider are:

- A government's political agenda;
- Existing financing regulations;
- Government agencies' ability to collect and disperse additional sources of income;
- The profile of the economy, both formal and informal, in terms of paying additional taxes and accessing funds for training;
- Cultural expectations around access to education and vocational training; and
- The status and effectiveness of skills development.

There is disagreement in the research as to whether small employers benefit from levy schemes. Evidence suggests that they are generally non-compliant with paying levies and do not seek reimbursement for training their employees. In contrast, some research on levies suggests small employers can have greater access to training support and, therefore, participate in more training. There is general agreement, however, that inefficient collection mechanisms and the cost of collecting levies make it less likely that small businesses will participate in training.

Levies

Compulsory levies, notwithstanding ideological or political considerations over whether an interventionist strategy is appropriate, can be problematic. For example, Australia's failed levy system, rather than demonstrate its value, highlighted the cost of training to employers. It is therefore important to approach a training levy, taking into careful consideration what is to be achieved. Levies are useful where there is a large formal economy and a robust system to collect levies. In countries with a large informal economy, it may be difficult to raise adequate amount of resources.

Over thirty countries have had a training levy at some time in the recent past, with tax rates ranging from 0.5% to 3.0% of payroll and with rates remaining fairly stable over time.

Payroll levies are one method used to finance skills formation. There are several different types of payroll levies that can be applied:²³⁰

- **Revenue-raising schemes.** In these schemes, revenues fund national training systems that provide a wide range of training courses. Brazil and Morocco are countries with this approach. The emphasis is on public-sector training provision rather than on the encouragement of firms to undertake training. This approach does not necessarily encourage workplace training, nor does it guarantee an improved match between what industry demands as the outcome of training and what is supplied. The money is usually raised and managed by the government directly. This approach is useful where the public training system offers high quality training in all industry sectors and is well regarded by industry. This approach can sometimes work when industry assumes management of individual public sector training and determines the content and equipment.
- **Levy-disbursement schemes.** Under this arrangement, payroll tax is linked to a disbursement scheme, whereby companies receive grants in proportion to the training that their employees undergo. The advantage is that companies are encouraged to set up work-based training or to purchase training from a recognized training institution. In this way, the firms qualify for a rebate of up to a specified per cent of the tax paid. This type of approach needs good financial governance, and transparent government collection and distribution arrangements. Additionally, there needs to be a variety of training providers to deliver the range of training that individual enterprises will demand.
- **Training cost reimbursement/levy-grant schemes.** Enterprises are reimbursed based on the cost spent for certain accredited or recognized forms of training. Otherwise, grants are paid to companies on the condition that they meet criteria once an internal company-wide training approach is adopted. Singapore, Malaysia and South Africa all employ this method for improving the quality of TVET nationally or to support national economic objectives. In reimbursement schemes, governments and/or employers and workers organizations, or sector skills councils, administer reimbursement mechanisms and levy-grant schemes from national or sectoral funds. These funds collect levies and distribute training grants based on clearly defined criteria. The involvement of sector skills councils has the benefit of ensuring that national TVET system requirements are central criteria for reimbursement. For this type of approach to be successful, it requires efficient application and reporting mechanisms. Application and reporting systems must be non-bureaucratic and streamlined, so as to encourage small business participation.
- **Payroll tax exemption.** Organizations reduce or eliminate their levy obligations by the amount of approved training provided or purchased for their workers. These schemes usually

operate through employers' individual actions and are supervised by either the government revenue agency or labour ministry. This approach, similar to those above, works best in countries where the collection and distribution systems are efficient and transparent.

Incentives

Incentives operating in tandem with levies can increase employer participation and sponsorship of training. For maximum impact to be achieved, it is important that incentives are integrated with the national skills policy and aligned with skills development strategies and the mechanisms of the overall TVET system. There is clear evidence that incentive systems speed up the demand for training and enhance employer and employee engagement in skills formation.

- **Tax exemption.** Offering tax exemptions to enterprises that offer training can include exemptions for wages, payroll, equipment and write-off of depreciable goods and resources used for training purposes. In countries where corruption is high, it is often difficult to develop robust evidence and financial records of training expenditure.
- **Access to best practice.** Sharing best practices in workplace training is another type of incentive for employers to become involved in training. Australia, Singapore and the United Kingdom are examples. Singapore, Canada, France and South Africa require companies to develop workforce training plans. Once developed, these training plans are then made generic and shared in non-competitor industry sectors. Adequate access to expert support to develop company training plans is required to support implementation.
- **Wage or training subsidies.** Wage or training subsidies are a form of incentive where subsidized wages are provided for employees undergoing training, such as apprentices. This type of approach requires countries to have not only good financial systems but also good follow-up and support for trainees and employers.

The financing tool

Which modality to choose is dependant on the strength of an individual country's current skills development system, the robustness of the economy, the ability of companies to pay, the transparency and efficiency of a country's administrative systems, and the overriding political climate. Whichever approach is preferred, employer buy-in for levy and incentive schemes and the related application and reporting requirements are crucial.

The following series of questions will help users to identify some of the issues that arise when introducing a new source of revenue. The information is used to identify areas to guide further research and consultations before any decision on which approach is best can be made.

The literature suggests that agriculture, the public sector and small businesses are often excluded from such taxes. What is the demographic of the priority industry sectors in the country? How big is the informal sector and how will this impact the amount collected?

In 2004, the World Bank found that these levy schemes were more effective under conditions of economic growth. Is the economy growing? Can businesses absorb an additional tax?

Successful levy schemes have an effective and efficient system for administering the levy—both for levy collection and for administration of grants. How well can the government collect new taxes? Will the additional cost of collecting and dispersing funding make the new levies viable?

Other research points out that, where disbursement systems are complex, the amount of training that industry participates in does not increase. How capable are government agencies in creating a streamlined-lined application and disbursement system?

Evaluations of French training levies suggest that employers tend to be more accepting of sectoral levies than they are of national levies, especially when industry is represented in the organizations charged with fund disbursement. Is there support for taking a sectoral approach to disbursement of funds?

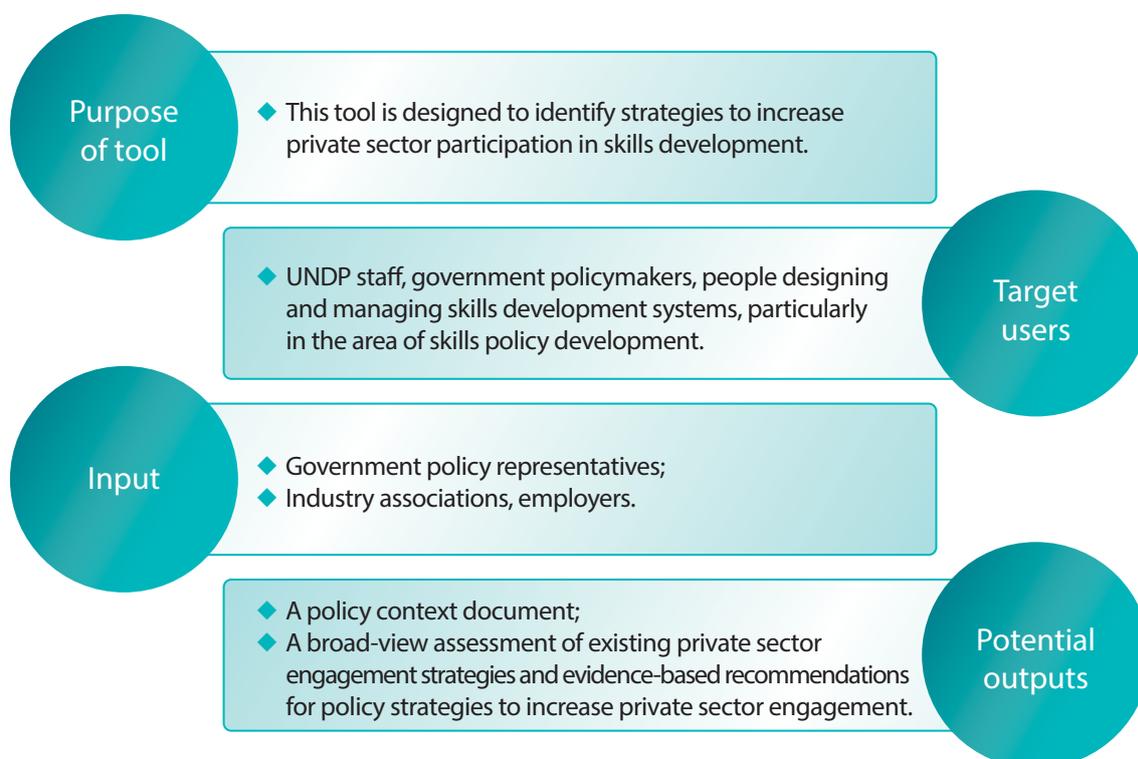
Strong industry leadership in the disbursement of the levies helps to ensure industry support for and participation in the TVET system. How likely is the government to give industry the decision-making authority in the disbursement of funds?

Most industries are more likely to prioritize training, but less willing to fund development and maintenance of training system mechanisms. Is the government considering using additional income to fund training or to maintain the TVET system, for example, by using funds to contribute to the cost of maintaining the qualifications framework or teacher's salaries?

Incentives require clear non-bureaucratic reporting requirements. Does the administrative system within the country support clear non-bureaucratic reporting processes?

Incentives should be well targeted to support the skills development policy and strategies. Are there particular skills development policies that the incentive could target that also support company development needs, such as recognition of prior learning?

TOOLKIT 1.3. Skills development policy environment tool



How to use this tool

1. The first section, policy context, contains a series of questions that help to identify: (a) key stakeholders; (b) the skills policy development context; and (c) existing evidence to support further private sector engagement within the country. Once you have answered the questions in the policy context section, you should have a better idea of the skills policy environment in the country and how you can engage in dialogue on strengthening the role of industry in skills development.
2. The tool's second section is designed to develop a broad view of policy strategies that leads to private sector engagement, based on the main features found in contemporary skills development policies. Not all of the policy strategies will be relevant; however, the tool provides a number of examples of policy strategies that can be used as discussion points with country counterparts to begin discussions about how to involve the private sector more thoroughly in skills development initiatives.
3. Table 11 identifies some sources of evidence that should be considered when developing new or modifying existing policy.
4. The analysis produced using this tool can in ten help to influence the development of new policies or strengthen existing skills development strategies.

Background

Skills development comprises the formal technical vocational education and training sector, informal learning, and non-formal learning.²³¹ Comprehensive skills development covers both public and private

sector efforts in developing skilled individuals, both those intending to enter the workforce as well as those already in the labour market. An inclusive skills development policy brings these two streams of skills development together, without introducing barriers and without acting as a deterrent to employers to participate in skills development.

Understanding of the role and effectiveness of skills development has sharpened considerably over the past twenty years, particularly in the policy environment and with regard to funding mechanisms and governance and delivery institutions experiencing significant change. However, the central objective of skills development—preparing individuals with relevant labour market skills—has remained the same.

Countries are now keen to formulate comprehensive national skills development policies that will help to bring about inclusive economic growth, greater productivity and better employability. Not all countries have a national skills development or technical vocational education and training policy and many countries are considering reviewing existing national skills development policies. This means moving the focus of skills development from a supply-side approach, where training institutions offer courses that they believe students want or courses that training institutions have traditionally offered, to a demand-side approach. A demand-side approach works to match the skills of graduates with the areas of demand for skills in the labour market.

There are many features of contemporary technical vocational education and training systems, such as national qualifications frameworks, the use of skills standards to inform curriculum and assessment, sector skills councils and compulsory quality frameworks. These features may or may not be relevant to any one country. If, for example, the country or industry sectors are small, some features may not be of added value to the skills development system, and another mechanism might be better. In a small country where different industry sectors are emerging, for example, establishing a sector skills council might not be viable. Instead, the establishment of a long-term sectoral committee that controls the agenda and decides when to meet might suffice.

Section 1. The policy context

A skills development policy environment is not static. It responds to changes in political, economic and social expectations, as well as to emerging skills development issues which the country is facing. Engaging stakeholders in policy dialogue and advocacy can help to shape the role that industry plays in skills development. While this tool deals only with skills policy, such a policy needs to consider how it can support trade and investment, labour and social protection and institutional coordination arrangements.

The questions below are provided as a guide only and can be adapted to different environments. Once you have answered them, you will have a better idea of the skills policy environment in the country and how to engage in dialogue on strengthening the role of industry in skills development.

The policy context

1. Who are the key stakeholders (policy actors) in the skills development policymaking process?
2. Is there a demand for skills development reform or change among policymakers/major stakeholders?
3. What are the sources of resistance or hesitation to increasing industry involvement in skills development?
4. What is the skills development policy environment? (Is the government's commitment to

implementing and following the policy underpinned by regulations, such as accreditation of training institutions? Is skills development centralized and highly structured or is flexibility built into the system?)

- a. What are the skills development policymaking structures? (Who does the policymaking? Is it done at the centre level only? Is there inter-ministerial involvement? Are different sections responsible for different policy objectives/strategy areas? Are chambers of commerce and industry and other industry stakeholders invited to participate?)
 - b. What are the policymaking processes? (Is it done in a consultative manner or behind closed doors? How are the issues/policy objectives identified?)
 - c. What is the relevant legal/policy framework? Is there legislation underpinning aspects of the policy, such as, apprenticeships, quality accreditation, qualification formulation, etc.?
5. Given the above answers, what are the opportunities and timing for input into skills development policy formulation processes?
 6. How do regional, national and local-level agendas (such as free trade areas, regional qualifications frameworks, migrant worker agreements, foreign direct investment competition and local economic zones) influence the development of skills development policy?
 7. Who decides on the objectives and targets for the skills development policy?
 8. How do assumptions (e.g., skills development is about trade/craft training for youth; women are not interested in technical skills) and prevailing narratives (industry does not want to be involved; teachers do not have industry experience) influence the development of the policy? Is there room to influence the skills development policy based on these assumptions and narratives?
 9. With what issues are policymakers grappling?

Evidence to support private sector engagement

1. What are the current approaches to private sector engagement in skills development in the country? Are there successful examples in the country or region that could be useful to review from a policy development perspective?
2. What are the industry stakeholders identifying as issues and suggesting as solutions?
3. Are the issues consistent across different industry stakeholders? Is there divergence in the issues and solutions identified?
4. Is there evidence of unmet skills demand? Or evidence of future industry expansion (foreign direct investment, new factories, services, etc.)
5. How can the evidence be presented to be relevant and understood by policymakers? Is the evidence accurate?
6. From where did the information come and who collected and analysed it? Are the evidence and the source considered credible and trustworthy by policymakers?

Who are the key stakeholders in skills development and industry?

1. Who are the experts? (Within industry, skills development, ministries responsible for skills development and industry/economic development.)
2. Do these stakeholders already have established networks or links?
3. What kind of information can they bring to a dialogue on increasing private sector participation in skills development?
4. Who are the key stakeholders that have significant power to influence policy from industry and skills development points of view?
5. Do these stakeholders have wide membership or representation? Do they have recognition as leading voices for industry or skills development?

Who are the key external stakeholders in skills development and industry?

1. Who are main international actors with a presence in the country who can participate in the skills development policy process? (For example, development banks, the European Training Foundation, the International Economic Development Council, ILO, the LEED Programme of the OECD, UNESCO, UNIDO, the World Bank, national aid agencies such as the German Agency for Technical Cooperation (GIZ), the Department for International Development of the United Kingdom, the United States Agency for International Development (USAID), the European Union and others.)
2. What are their skill development priorities and policy agendas in relation to private sector engagement?
3. Is there a common agenda for private sector engagement between the various external stakeholders who work in the country?

Once you have answered these questions, you should have a good understanding of the skills development policy context and the opportunities available to influence the role of the private sector in the skills development landscape of the country. You will have also identified a range of evidence to support your input into the policy development process, as well as a range of stakeholders to consult.

The next section identifies possible areas where the private sector may participate in skills development.

Table 11 in section 2 below, 'Policy strategies for private sector engagement', is designed to provide a quick broad-view assessment of existing policy strategies for involving the private sector in skills development. The policy strategies table can be used as a prompt to discuss policy areas that need strengthening with policymakers and key stakeholders.

Table 12, 'Evidence-based policy', identifies stages in the policy lifecycle and suggests different evidence to consider when developing or modifying policy. This will be useful when identifying the types of evidence that need to be collected for different strategies.

Section 2

Table 11. Policy strategies for private sector engagement

Good skills development policies have a clearly stated aim and measurable objectives.	Yes	No
The skills development policy has a clearly stated aim or high-level vision.		
There a number of policy objectives related to the policy aim or vision.		
Each policy objective has different policy levers to support decision-making over the long term.		
Policy principles and strategies	Yes	No
Skills development underpins economic growth and employment strategies.		
<ul style="list-style-type: none"> There are processes for policy coordination across different ministries. 		
<ul style="list-style-type: none"> Integrated skills development strategies are present in national economic development strategies. 		
<ul style="list-style-type: none"> National priority industry sectors have skills development strategies underpinning economic growth strategies. 		
<ul style="list-style-type: none"> Skills development strategies underpin regional competitive advantage strategies. 		
<ul style="list-style-type: none"> The policy has provisions for flexibility to support local industry skills development initiatives. 		
<ul style="list-style-type: none"> The policy strategies aim to improve productivity in the informal economy. 		
<ul style="list-style-type: none"> There are provisions for the strengthening of employment services to improve the matching of potential new workers, jobs and skills, including the development, collection and provision of information on job opportunities and skills requirements. 		
There are clear roles and responsibilities for government, employers, non-governmental organizations and individual workers/community members.		
<ul style="list-style-type: none"> The policy incorporates a sector-based approach. 		
<ul style="list-style-type: none"> The policy identifies industry stakeholders as forming part of the membership of high-level advisory and governance boards. 		
<ul style="list-style-type: none"> The policy identifies sector skills councils or equivalent sectoral groups. 		

<ul style="list-style-type: none"> ■ The policy strategies identifies a range of tools and mechanisms for stakeholder engagement. 		
<ul style="list-style-type: none"> ■ The policy identifies public-private partnerships from joint institutional management to joint delivery of training, seeking advice on labour market skill needs, providing up-to-date technical skills for teachers. 		
<ul style="list-style-type: none"> ■ The policy identifies stakeholder participation as an important instrument, as diverse and meaningful input helps to holistically frame problems, develop relevant decisions, and forge quality policy directions and implementation initiatives. 		
<p>There are transparency and access strategies identified or referred to in the policy.</p>		
<ul style="list-style-type: none"> ■ There are policy strategies to ensure comprehensive information is available in a timely manner to relevant stakeholders. 		
<ul style="list-style-type: none"> ■ Transparency strategies refer to standardized processes, or the need for standardized processes, that allow private sector partnerships to be established and to avoid the perception of preferential treatment. 		
<ul style="list-style-type: none"> ■ There are policy strategies to ensure governance related to private sector partnerships are sound and not open to abuse or misuse. 		
<ul style="list-style-type: none"> ■ Strategies exist to communicate guidelines and decision-making processes to all stakeholders. 		
<ul style="list-style-type: none"> ■ The policy refers to accountability and redress mechanisms to hold both government and private sector partners accountable. 		
<ul style="list-style-type: none"> ■ The policy refers to legal systems, regulatory frameworks and other redress mechanisms that are in place to uphold public interest. 		
<p>The policy supports lifelong learning.</p>		
<ul style="list-style-type: none"> ■ There are clear qualification pathways that reflect career pathways in the labour market. 		
<ul style="list-style-type: none"> ■ There is a recognition of prior learning strategy to support those with informal and non-formal learning to enter formal learning pathways (qualifications). 		
<ul style="list-style-type: none"> ■ The policy provides flexible learning strategies and flexible entry and exit options, along with fast-track and advance-standing possibilities, and modular-based, part-time, on-the-job and/or mobile provision. 		
<ul style="list-style-type: none"> ■ The policy has strategies to provide relevant high-quality career advice and reform-career guidance to deliver effective advice for all. 		

<ul style="list-style-type: none"> ■ The policy has an awareness-raising strategy to provide information on training programmes and to improve the image of skills development within the community and among stakeholders. 		
<ul style="list-style-type: none"> ■ Strategies exist for soft skills development and pre-vocational training. 		
<ul style="list-style-type: none"> ■ There are skills development strategies for existing workers and older workers for skilling-up or career progression. 		
<ul style="list-style-type: none"> ■ There are provisions for apprenticeships and work-based learning that form part of structured learning pathways. 		
<ul style="list-style-type: none"> ■ The policy promotes the full use of structured workplace learning. 		
<p>There are strategies to support equal opportunities for all, including those in the informal economy.</p>		
<ul style="list-style-type: none"> ■ There are skills development strategies to support the participation of different target groups (such as women, rural communities, disadvantaged youth, people with disabilities). 		
<ul style="list-style-type: none"> ■ There are strategies for post-placement support for particular target groups in employment. 		
<ul style="list-style-type: none"> ■ The policy identifies strategies such as scholarships, stipends, no fees or subsidized training for particular target groups. 		
<ul style="list-style-type: none"> ■ There are clear targets set for increasing the participation and positive employment outcomes of different target groups in different industry sectors. 		
<ul style="list-style-type: none"> ■ The policy has sensitization strategies for trainers to train different target groups and advocacy for potential employers on the benefits of employing particular target groups. 		
<p>There are strategies for improved matching of skills demand and supply.</p>		
<ul style="list-style-type: none"> ■ There are policy strategies to improve processes for anticipating skills demands (current and future) and disseminating the information. 		
<ul style="list-style-type: none"> ■ There are strategies identified for regular collaboration with stakeholders to identify labour market needs. 		
<ul style="list-style-type: none"> ■ There are strategies to support the institutional and statistical infrastructure required to maintain the systems required to anticipate current and future skill needs. 		
<ul style="list-style-type: none"> ■ There are strategies to identify the right mix of skills for the labour market. 		
<ul style="list-style-type: none"> ■ There are policy levers to disseminate the information, review and collect feedback on the accuracy of the information. 		

There are policy strategies supporting quality improvement across the skills development system.		
<ul style="list-style-type: none"> There are common service-delivery quality criteria and indicators to underpin the monitoring and reporting arrangements. 		
<ul style="list-style-type: none"> There are skills development systems-level quality criteria and indicators to underpin the monitoring and reporting arrangements. 		
<ul style="list-style-type: none"> The policy incorporates regular monitoring (involving internal and external evaluation mechanisms) and reporting on progress of quality implementation. 		
The skills development policy identifies strategies for capacity building of the skills development system .		
<ul style="list-style-type: none"> Strategies cover the government's ability to manage, monitor and evaluate new private sector partnerships and the advice received from the private sector. 		
<ul style="list-style-type: none"> Strategies cover the capacity of a training institution to manage, analyse and evaluate the local private sector partnerships and the capacity of teachers to integrate student learning between a workplace and an institution. 		
<ul style="list-style-type: none"> Provisions exist to ensure teachers and trainers have industry experience. 		
<ul style="list-style-type: none"> Strategies cover the capacity of the private sector partner to work in a meaningful way with the skills development sector. 		
The policy has a monitoring and evaluation strategy to enable analysis of the impact of the various strategies of the policy to be objectively assessed.		
<ul style="list-style-type: none"> The policy has a provision for reviews to occur at the mid-term and final, as well as an impact assessment. 		
<ul style="list-style-type: none"> There is a provision for quantitative and qualitative assessments against targets, indicators and policy objectives. 		

Evidence-based policy

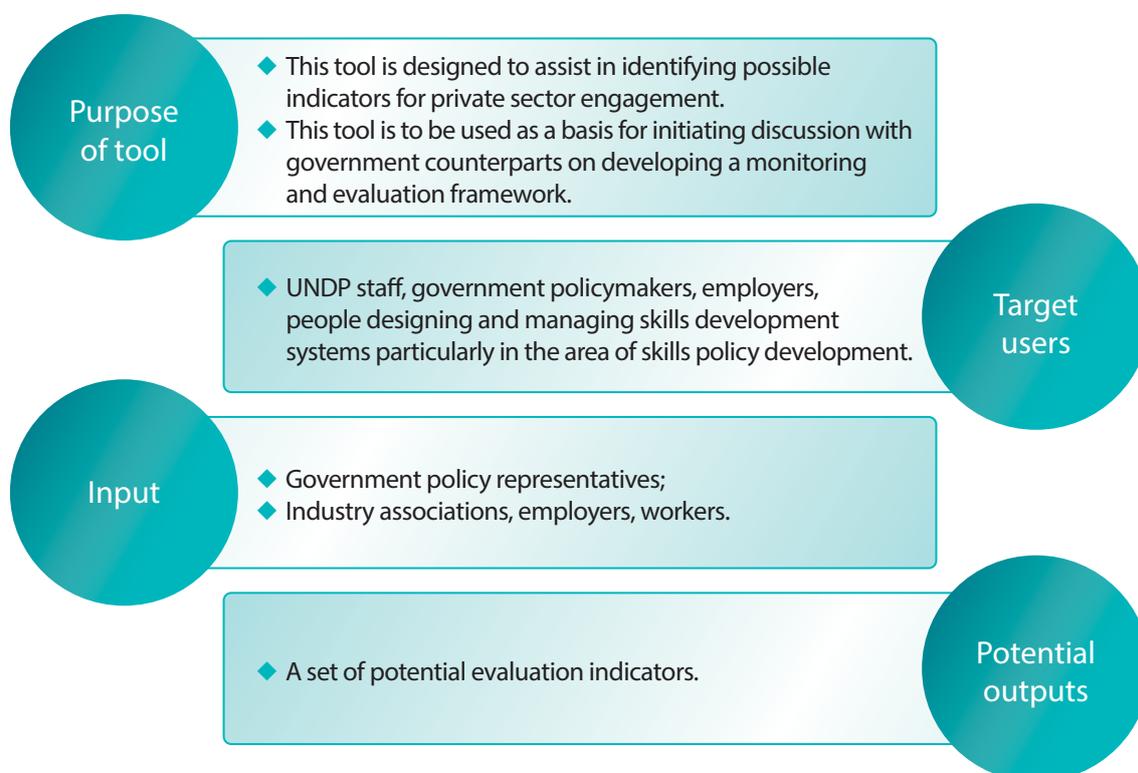
Developing policy-based evidence (evidence-based policy), rather than on opinion or best guess, helps policymakers to reach informed decisions and results in a more effective policy. Unfortunately, in many countries there is a short supply of quantitative and qualitative research based on reliable and objective evidence. Where reliable evidence is in short supply, it is especially important to collect information from as wide a range of stakeholders as possible. The following table identifies stages in the policy lifecycle and suggests different evidence issues to consider. However, policy is inherently a political process and can be influenced by a range of political and social expectations. Wherever possible, drawing on the experiences of stakeholders and the knowledge of experts, along with identifying relevant research from other countries, can help to fill gaps in sources of evidence.

Table 12. Stages in the policy process and different evidence issues related to private sector involvement and skills development²³²

Stage of the policy process	Description	Different evidence issues
Agenda-setting	Awareness and priority given to an issue.	<p>The evidence collected here is used to help identify problems or to build up evidence to determine the size of a problem. For example, seeking advice from a full range of stakeholders could mean: an employer organization identifies a skills shortage; worker representatives identify the shortage as a wages and conditions issue which stops individuals from entering the profession; the training institution states that it cannot attract students into training programmes for that profession. In this case, the issue might not be skills shortage but rather a need to improve the image of that particular profession, or it could be a wages and conditions issue. Reviewing wages and conditions will determine if anything can be achieved through the skill development policy.</p> <p>A key factor here is the credibility of evidence and the way evidence is communicated to stakeholders.</p>
Formulation	There are two key stages to the policy formulation process: identifying the policy options and selecting the preferred option.	<p>For both stages, policymakers should ensure that their understanding of the specific situation and the different options is as detailed and comprehensive as possible; only then can they make informed decisions about which policy to follow and implement. Going back to the example above: If the wages and conditions are fine, but it is difficult to attract new individuals to the occupation, then perhaps an awareness-raising campaign on training programmes and career options could be developed in partnership with the industry sector, with targets set for enrolment and placement.</p> <p>The quantity and credibility of the evidence is important.</p>
Implementation	Actual practical activities.	<p>The focus is on operational evidence to improve the effectiveness of initiatives. This can include analytic work and systematic learning around technical skills, expert knowledge and practical experience. Action research and pilot projects are often important. The key is that the evidence is practically relevant across different contexts.</p> <p>Continuing the example above: The awareness campaign reaches relevant students, as evidenced by the number of potential students attending workplace visits arranged by industry and training institutions, and career information is understood by the students and the number of enquiries and enrolments in related courses.</p>

Stage of the policy process	Description	Different evidence issues
Evaluation	Monitoring and assessing the process and impact of an intervention.	<p>The first goal here is to develop monitoring mechanisms. In the processes of monitoring and evaluation, it is important to ensure not only that the evidence is objective, thorough and relevant, but that it is also communicated successfully into the continuing policy process.</p> <p>From the example above: the evaluation could cover the number of enrolments in relevant courses, the number of early leavers (dropouts) and the number of graduates who gain employment.</p>

TOOLKIT 1.4. Skills development monitoring and evaluation tool



How to use this tool

Because many skills development systems do not have data available on private sector engagement, this tool will assist in identifying possible indicators for private sector engagement. Once the assessment exercise is complete, areas of strength and areas requiring strengthening should be discernable and prioritized for improved private sector engagement.

This tool is to be used as a basis for initiating discussion with government counterparts on developing a monitoring and evaluation framework.

The accompanying skills development policy environment tool can then be used to identify possible strategies to strengthen private sector engagement.

Background

Effective skills development helps individuals who participate in training to access better working and payment conditions, and improves employability leading to a better quality of life. According to the International Labour Organization, companies that consider workers as an important aspect of their competitive advantage can be more innovative and sustainable.²³³ For societies, skills development improves life options and fosters greater equality.

Developing a monitoring and evaluation framework for a skills development system is an essential part of assessing the impact of skills development and making improvements in the system. Monitoring and evaluation require a focus on nationally developed policy objectives and results, with linked indicators built around objectives. The indicators are integrated into the skills development system throughout the policy, planning and implementation cycle and across all functions. Contemporary skills development

systems use monitoring to review progress towards achieving established objectives and outcomes and to ensure the continuous improvement of purposes when integrated into a quality improvement framework.

Table 13. Aims and audience of the monitoring and evaluation framework

The following prerequisites are required to develop a monitoring and evaluation framework:

Prerequisites	Yes, clear and available	Yes, but not very clear	No	Not sure
There are clearly understood aims and objectives of the skills development system or initiative being monitored and evaluated.				
There are agreed objectives for the monitoring process and the evaluation.				
Strategies have been developed for data collection and to overcome data collection issues (such as resistance, low response rates).				
There is a consensus among stakeholders involved in the system or initiatives to participate in the monitoring and evaluation process and actively collect the required data.				
There is an understanding of the specific information to be collected to determine if the activities are being implemented and if they are having an impact in the manner planned.				
Operational stakeholders have a favourable view towards collecting data.				
There is communication of the evaluation objectives and plan among the stakeholders.				

Once completed, it is possible to prioritize activities for discussion and further work, including determining the purpose of the evaluation if the monitoring and evaluation objectives have not been identified.

Purpose of the evaluation

During discussions, it is important to determine the evaluation's purpose. Typical monitoring and evaluation purposes include supporting management's and policymakers' decision-making, learning and improvement, and accountability and stakeholder engagement. Agreeing on the use or purposes of a monitoring and evaluation framework helps to develop a common understanding of why it is being done. There is often more than one reason, but it helps to prioritize the key purposes.

Here are a number of purposes that can be used as triggers for determining the key purposes of monitoring and evaluation. During discussions, it is worth asking why a particular purpose matters and if it matters more than some other purposes listed or identified by stakeholders.

- Building trust and transparency by sharing strategies and information for increased private sector participation;
- Lobbying and advocacy to influence the broader system to become more involved with the private sector;
- Confirming or adjusting the private sector engagement strategy;
- Ensuring financial accountability and efficiency of private sector engagement;
- Improving communication processes between the private sector, employers and the skills development system;
- Improving employment outcomes of graduates;
- Strengthening the capacity of the system to identify and deliver skills relevant to labour market needs;
- Strengthening capacity by improving the performance of trainers and institute staff to work with industry, employers and workers; and
- Identifying best practices to increase knowledge of innovative approaches to partnerships with industry.

Once you have identified the purposes and prioritized the purpose, you need to determine what questions you want answered.

Levels for monitoring and evaluation

There are six generally accepted levels for monitoring and evaluation to occur: ²³⁴

- 1. Strategy and direction:** Are we doing the right thing? Are key industry stakeholders actively participating in the skills development system?
- 2. Management and governance:** Are we implementing the private sector engagement strategy as effectively as possible?
- 3. Outputs:** Are the training programmes appropriate to meet labour market demands and do they deliver at the level of required standards?

- 4. Uptake:** Are employers seeking to become involved in partnerships and employ skills development graduates?
- 5. Outcomes and impacts:** Are graduates being employed in more secure and decent work? Are graduates earning more and being promoted faster?
- 6. Context:** How do changes in the economy and labour market affect our plans and intended outcomes?

It is important not to develop too many questions, but rather to prioritize and focus on one or two questions. Developing questions around each of these levels will help to identify what indicators are required.

Questions usually cover:

What difference do we want to make? (For example: Are graduates being employed in more secure and decent work? Are graduates earning more and being promoted faster? Enterprises becoming more productive? Greater levels of industry innovation? Improved lifestyle options for different equity groups?)

What lessons have we learned? (For example: Are trainees participating in work-based learning or employed faster than those that are not?)

What do we need to do now? (For example: Should we examine different models of work-based learning to encourage more employers to participate?)

How will we know if we made a difference? (The development of indicators helps to answer this question.)

Indicators

Indicators tell if a programme has made a difference. For example, are more trainees employed and earning better wages than before? Developing indicators to collect valid, useful and reliable information is an essential step that requires an understanding of the nationally set goals, objectives and outcomes. A number of international agencies have developed monitoring and evaluation indicators, which can be customized to meet national requirements. From the viewpoint of private sector engagement, a number of relevant indicators developed by international agencies have been collated in this tool for consideration.

The Inter-Agency Working Group on Technical Vocational Education and Training Indicators—whose membership includes the Asian Development Bank, the European Commission, the European Training Foundation, ILO, OECD, and UNESCO—has developed a set of indicators for technical vocational education and training. The Inter-Agency Working Group mapped indicators commonly used by international organizations and grouped them into five related policy areas to form a framework. The five policy areas are:

- Access and participation;
- Relevance;
- Quality and innovation in technical vocational education and training;
- Governance; and
- Technical vocational education and training financing.

The working group then developed a range of indicators covering essential indicators where data is available; a set of indicators where data is difficult to gather in developing countries; and other desirable indicators where data may not be widely available. The European Quality Assurance Reference Framework also incorporates 10 indicators against which European Union countries report.

Along with these two initiatives, the World Bank's systems approach for better education results (SABER) identifies three functional aspects for skills development institutions. The three elements are:

- (a) The strategic framework, which sets the direction for the workforce development initiative relative to national goals for economic growth and productivity;
- (b) The system oversight, which relates to the governance of the workforce development system and the operational arrangements; and
- (c) Service delivery, covering the management and provision of services, both by public and private training institutions.

The World Bank's SABER emphasizes the following policy goals under the strategic framework above:

- Setting strategic direction for workforce development that aligns with the country's objectives for economic growth, poverty reduction and social development;
- Pursuing a demand-led approach to workforce development, and
- Enabling coordination among key stakeholders at the decision-making leadership level.

SABER has a rating scale for indicators, ranging from 'poor' to 'modest' to 'good' and, finally, to 'great' outcomes. The approach is to support policymakers in moving from one level of performance to the next. Table 14 below details an example highlighted in the World Bank manual, "A framework and tool for analysis of workforce development".

*Table 14. World Bank framework and tool for analysis of workforce development*²³⁵

Poor outcomes:

- Few employers value the workforce development system; and
- Interest in hiring graduates from the system is low.

Modest outcomes:

- The system produces some useful outputs in terms of individuals trained;
- Trainees and employers are generally dissatisfied; and
- Access to training is limited and quality of skills imparted is poor.

Good outcomes:

- The system trains large numbers;
- Most trainees and employers are satisfied with the system;
- Some scope exists for continuous learning and skills upgrading; and
- The system lags behind in skills for innovation and technology upgrading.

Great outcomes:

- The system makes a difference and enjoys employers' and trainees' confidence;
- Employers participate actively to provide feedback and support;
- Graduates secure gainful employment;
- The system encourages continuous learning and skills upgrading; and
- The system adapts quickly to new economic conditions and opportunities.

Contextualizing the SABER framework, the Inter-Agency Working Group and the European Quality Assurance Reference Framework indicators, a series of questions have been developed to assist UNDP staff and country counterparts in assessing the strength of private sector participation in a national skills development system.

Once the indicators are identified, the next step is to identify the methodologies and data collection tools and to identify pre-existing data that can be used as a baseline.

Table 15. Skills development monitoring and evaluation tool

Policy area	Questions	Yes, it occurs	No, not present	Data regularly updated	Partial data available	Out-of-date data available	No data available	Not Sure
Governance	Both government and industry leaders advocate for skills development to support economic development.							
	The government and industry leaders take a strategic focus and make decisions to support skills development.							
	Industry leaders have a role on high-level policy setting boards or councils.							
	Industry leaders and employers have a role in setting strategic directions.							
	Industry leaders play a leading role in advocating for the importance of skills development and skilled workers.							
Finance	Funding is available for a range of industry-based training programmes.							
	Funding comes from a range of sources.							
	Funding is available for apprenticeships.							
Access and participation	Government and industry leaders facilitate sustained partnerships between training institutions and employers.							
	Support services, such as career advice and placement services for skills development of workers, job seekers and the disadvantaged.							
	Data is collected on participation by type of skills development programme.							

Policy area	Questions	Yes, it occurs	No, not present	Data regularly updated	Partial data available	Out-of-date data available	No data available	Not Sure
Access and participation	Data is collected by industry sector on the different target groups and the general cohort of skills development students entering training programmes and gaining employment.							
	Non-state provision of training is encouraged and regulated/ formalized.							
Relevance	There is a process to work with industry to determine industry sectoral priorities and related skills needs.							
	Critical skill constraints in significant industry sectors are prioritized for skills interventions.							
	Mechanisms (including industry engagement) exist to develop skills standards or learning outcomes for curriculum/learning resource development and delivery.							
	There are incentives available to employers to participate in skills development and skills upgrading.							
	There are formal industry sectoral mechanisms in place to provide advice and to participate in skills development initiatives.							
	Industry and expert input is integrated into the design and delivery of public training programmes.							
	The formal industry sectoral mechanisms prioritize the skill needs of their industry sector for both new and existing workers.							
	Data is collected on labour mobility (promotion and career progression) over the long term.							

Policy area	Questions	Yes, it occurs	No, not present	Data regularly updated	Partial data available	Out-of-date data available	No data available	Not Sure
Relevance	Skills development teachers are recruited on the basis of their teaching qualifications and their industry experience.							
	Protocols are established to ensure industry experience forms part of a skills assessor's requirements.							
Quality	Data is collected on public and private training provision to inform decision-making.							
	Processes exist for teachers to maintain industry skills and knowledge through continuing professional development.							
	Information is collected on the extent to which the graduated student's skills and knowledge are used in the workplace.							
	Information is collected on how satisfied employers are with the skills offered by TVET graduates.							
	Industry representatives advise on industry relevant standards (equipment, technology, product, etc.) for delivering quality training programmes.							

Developing indicators based on each statement in table 15 above will involve a mix of qualitative and quantitative data. For the first statement, "Both government and industry leaders advocate for skills development to support economic development", the indicator should be the number of board or high-level committee positions open to industry representatives that include a skills advocacy role.

Other indicators identified by the Inter-Agency Working Group include:

For the completion rate in technical vocational and education training and skills development, the three indicators are calculated as:

1. Percentage of students completing skills development programmes, which lead to formal qualification, among the total number of students who entered the programmes, calculated by each type of programme.

Utilization of acquired skills at the workplace is identified as:

1. Percentage of skills development programme completers working in relevant occupations;
2. Percentage of employees of a given sector who, within a period of 12 months after completing the training programme, consider that their training is relevant for their current occupation;
3. Percentage of employers of a given sector who are satisfied to find TVET programme completers with relevant qualifications and competences required for the work place; and
4. Percentage of employers of a given sector who are satisfied with the skills developed through training programmes.

Other indicators can be developed using standard calculations such as:

$$\frac{ABC \times DEF}{xyz \times QRS} \times \frac{100}{1}$$

ABC is the number of participants in work-based training.

DEF is the number of hours of training in work-based training per participant.

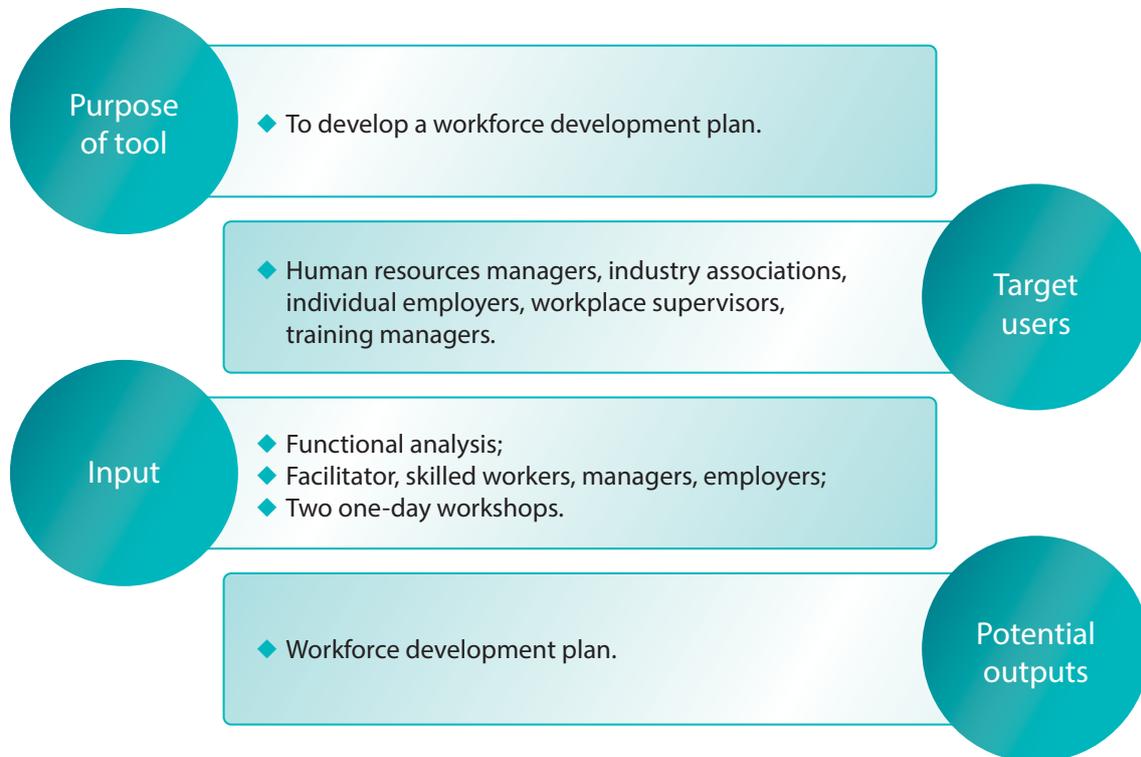
xyz is the total number of participants in TVET.

QRS is the average number of TVET training hours.

The indicators developed by the Inter-Agency Working Group and the European Quality Assurance Reference Framework are a useful starting point to consider when suggesting monitoring and evaluation indicators. There are links to these in the useful resources section below. Types of indicators cover process indicators and impact and outcome indicators. Process indicators include management and financial indicators, for example, while impact and outcome indicators include areas, such as, employment outcomes, increases in wages and improved productivity for companies.

TOOLKIT 2. MESO-LEVEL

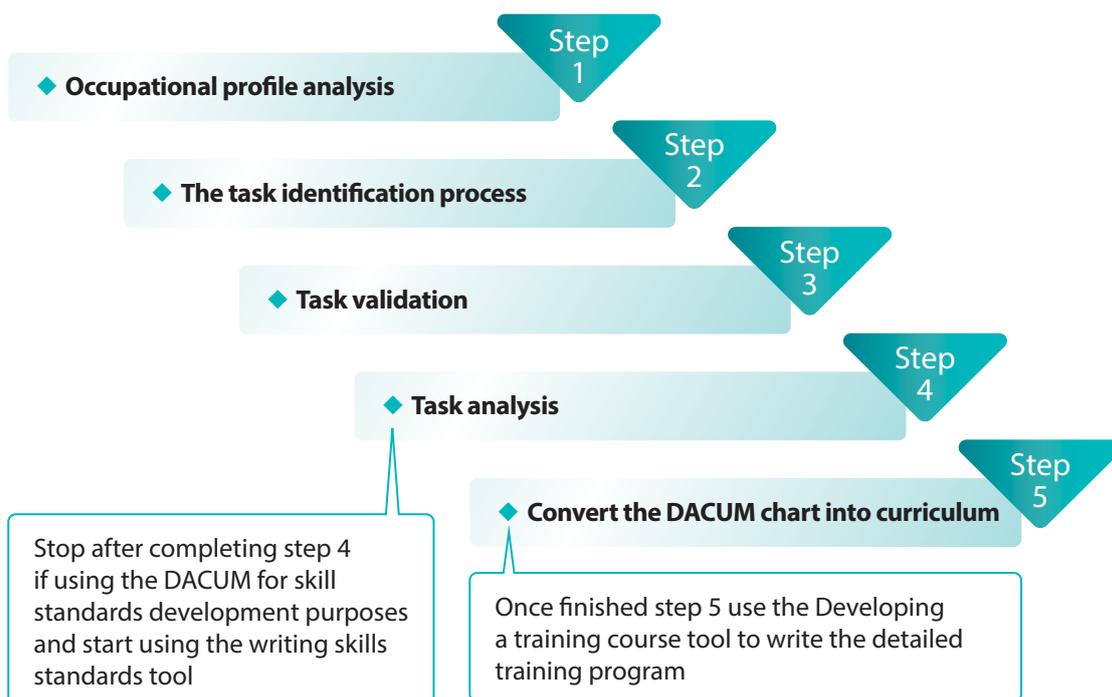
TOOLKIT 2.1. DACUM – Developing a curriculum tool



How to use this tool

This tool, intended to be used in a flexible manner, helps to identify content for training programmes, information for skills standards or occupational analyses, and the development of job descriptions.

When developing skills standards, this tool is used after the tool for stakeholder mapping and before the tools for writing skills standards or writing a training course.



Background

DACUM stands for 'developing a curriculum' and is a methodology that has been in use in skills development since the 1960s. DACUM constitutes a group process that brings people together to identify the competencies and analyse the detailed tasks and related knowledge within an occupation or job role.

It is important that practitioners make up the group—that they are the people performing the job. It is crucial that the individual practitioners actually undertake the work because the facilitation process focuses not only on the competencies and tasks they perform in the job but also on how these tasks may change in the future. DACUM looks at future as well as current skills, since the time it takes to develop learning materials and implement training (development of skill standards, curriculum, learning resources and assessment materials) can be long and the process expensive. Including future skills prepares trainees for future work as well.

Using industry practitioners gives industry confidence that the skills developed will meet their requirements and that the content of any training programme based on the DACUM process is relevant to their needs.

You will need plenty of wall space, large sheets of paper and flip charts, sticking tape or blue tack. It is key to have a facilitator who is neutral; the individual does not need to work in the field. The facilitator is the process expert while the participants are the content experts.

Before undertaking a DACUM process, it is important to understand what the terms 'duties' and 'tasks' mean in this context. Hierarchically, duties are made up of tasks.

Competencies, or skill standards, incorporate duties and tasks as well as the combined underpinning knowledge, soft skills and attitudes. A duty is a cluster of tasks and a task is the smallest activity performed within a particular job role.

For example, an automotive mechanic duty to maintain workshop tools and equipment, would have some of the following tasks among many others: follow operating instructions for equipment; start up and shut down service equipment according to instructions; clean equipment and tools; and maintain supplies. For the duty of maintaining the operation of a vehicle, tasks would include conducting inspections of 'x, y, z'; repairing engine problems; replacing parts and components; and testing the performance of the engine.

Step 1. Occupational profile analysis

1. Identify and bring together, in a workshop, a group of skilled workers all employed in the same occupation as the one under review;
2. Brainstorm on the 'big picture' view of the occupation;
3. Write each duty on the top of a large sheet of paper placed on the wall where focus group participants can see it;
4. Rank the duties according to the most essential duties for the job; and
5. Capture future trends that will impact on the way work will be done.

The first step is to identify a group of skilled workers in the occupation under review and bring them together in a workshop to review the occupation. The occupational profiling process requires the facilitator to enable free and open discussion among participants through a brainstorming exercise in which they relate the duties they perform in their job roles. To begin, brainstorm on the 'big picture' view of the occupational profile to determine the scope of jobs that fit within the occupation under analysis. A facilitator will need to explain the difference between a duty and a task, for which it is always good to have a few examples to show participants.

The facilitator will need to systematically ask questions that bring out the details of participants' (skilled workers) tasks. Basically, the facilitator will need to keep asking questions such as: "What is it that you do?" "If I came into your workplace, what would I see you doing? In the morning? In the afternoon?" "What else do you do?" "How do you know when you have completed the tasks well?"

Keep working around the room to identify duties; participants should discuss the duties with each other as part of the process. During this process, the facilitator continues to write the duties on the top of large sheets of paper placed on the wall, so that what has been identified can prompt participants' memories. Some of these duties will turn out to be tasks and will be regrouped later under one of the duties. Remember, job roles may vary in different companies.

Once the group has identified all the duties, the next activity involves ranking the duties according to which are the **most essential duties for the job**; these are also the duties that all workers will be performing in this role regardless of the company for which they work. The next phase is to identify which of these duties is the **most time consuming** for workers. Participants will have different views on this, which is fine; however, the group should come to a consensus as to which duties are the most essential and take the most time. The sheets of paper can be arranged in either a linear representation depicting the 'most essential and most time consuming' to the 'least essential and least time consuming', or the sheets can be numbered.

During the process, participants will discuss how the jobs are changing and the training required for different duties; it is important to capture this information on separate sheets of paper as well. The facilitator should also be asking questions regarding the future trends that will impact the way work will be done.

Once this process is completed, there will be a large (maybe 8 to 12) sheets of paper on the walls, with individual duties written at the top of each.

Step 2. The task identification process

1. With the skilled workers employed in the same occupation that is under review, identify the tasks that are performed under each duty;
2. Write each task as an 'outcome statement' of what a worker must be able to do;
3. Assign different tasks to duties;
4. Confirm, with workshop participants, the types of training new workers need to enter the occupation and the types of training existing workers must undertake over time.

Next, the facilitator asks the group to identify the tasks that are performed under each duty. As in step 1, the facilitator should carefully clarify any ambiguity surrounding duties and tasks. When participants describe each task as an outcome statement of what a worker must be able to do, they should focus at this stage on identifying 'tasks', and not 'sub-tasks'. The following is an example of the difference between a task and a sub-task: 'adjusting the carburettor' is a task, while 'using a wrench' is a sub-task.

Sometimes, duties identified early on will turn out to be tasks and can be moved under the relevant duty. The group keeps assigning tasks to different duties through group discussion and agreement, refining the tasks and duties as they go. Some tasks will be moved from one duty to another, as the group clarifies where tasks fit, but a task should only appear under one duty.

This process can take several hours, and even up to two days, once the task analysis is included.

Finally, you will have a list of duties and their corresponding tasks.

Once this step is completed, the next step is to confirm both the types of training new workers need to enter the occupation and the types of training existing workers require to maintain their skills. The facilitator makes sure that the group identifies the skills and tasks that a given training develops.

The process will take several hours to complete and, since it is difficult to pull workers from their workplace, the facilitator needs to balance firmness in moving the group forward by keeping discussions to a minimum while allowing group discussions to clarify the task and distinguish tasks from specific work processes, which may be aligned to a particular vendors equipment, for example.

Step 3. Task validation

1. Write the DACUM results in a DACUM chart with each group of tasks under the relevant duties, with each duty ranked according to how essential it is to the occupation;
2. Send the DACUM chart to as many additional workers as possible who work in the same occupation as the one being reviewed, or bring the workers together in a workshop to review the DACUM chart;
3. Ask the larger group of workers to confirm whether all the tasks identified in step 2 are present and assigned to the correct duty, and then rank them according to the order of importance of these duties
4. Ask the group to identify new tasks that may be required owing to job or technology changes and the kinds of underpinning knowledge needed to successfully perform the tasks; and

5. Analyse the feedback from both workshop groups to ensure consistency before making changes to the DACUM chart.

The task validation step is undertaken when the information is destined for national-level skills standards or national-level training programmes. This process may not be achievable when the DACUM is for an individual company, cluster or value chain, unless there are many more workers performing the same job who were not part of the focus group.

The DACUM results are written in a DACUM chart, with each group of tasks under the corresponding duties and each of the duties ranked according to how essential it is to the occupation. Either the DACUM chart is sent to as many additional workers performing the occupation as possible or the workers are brought together in a workshop to review the DACUM chart. These additional workers are asked to confirm that all the tasks required to perform the job roles are present and assigned to the correct duty. They are also asked to confirm the order of importance of these duties, in addition to confirming any future tasks that may be required of the job and the kinds of underpinning knowledge needed to successfully perform the tasks.

[An example DACUM chart template is found below.](#)

Once this information has been collected, it needs to be analysed to determine if it is consistent with what was developed during the focus group, and whether any changes have been consistently identified among the wider group. If changes are necessary, it is also a good idea to confirm them with members of the focus group.

Step 4. Task analysis

1. Interview key workers employed in the occupation to confirm workshop feedback and to identify general knowledge and skills related to each task and to determine worker behaviours;
2. Ask interviewees to identify indicators that measure if tasks have been performed well, what the tools and equipment used and the emergence of future trends and concerns; and
3. Identify the underpinning tasks and knowledge that individual workers require to function successfully in the job.

The task analysis step is the most time-consuming and requires that the facilitator interview key workers in the position to: confirm feedback, identify general knowledge and skills related to each task, determine worker behaviours, and learn how to identify tasks done well, tools and equipment used, and future trends and concerns.

Interview information is used to start identifying the underpinning tasks and knowledge that individual workers require to function successfully in the job.

If you intend using the DACUM exercise to produce skills standards, then this is where you finish using this DACUM tool and continue on with the developing a skill standard tool.

This information can also be used to identify career pathways.

For those using the DACUM to develop a training programme, please move on to step 5.

Step 5. Convert the DACUM chart into curriculum

1. Identify entry-level tasks so that you can begin to logically sequence topics within the curriculum and determine entry requirements;
2. Turn the skills and knowledge into learning outcomes;
3. Convert the learning outcomes into assessment tasks;
4. List which learning methodologies will best suit the target trainees;
5. List the most appropriate learning resources, equipment requirements and teaching guides, if available; and
6. Identify trainer requirements.

Some of the sequencing in point 1 will have been done during the workshop group activities. You should be able to group different tasks and knowledge together to identify which skills and knowledge the learner needs to develop before moving onto the next set of skills and knowledge.

Once you have analysed the sequence of skills and knowledge for the logical learning and development purposes, the next phase is turning the skills and knowledge into learning outcomes. The easiest way to develop learning outcomes is to convert the task outcome statements into learning outcomes and capture the underpinning knowledge within the related group of learning outcomes. Next, the learning outcomes can be converted into assessment tasks, both for assessing student progress and for summative assessment purposes.

Once you have sequenced the learning and identified assessment tasks, the next stage is to list which learning methodologies will best suit the target trainees. Once this is completed, you will want to list the most appropriate learning resources, equipment requirements, trainer experience and teaching guides, if available.

Other issues to consider are:

- Alternative delivery modes and learning pathways, such as apprenticeships, and work-based, institution-based and self-paced learning;
- Listing the same equipment used in industry, the same facilities or trainer requirements;
- Whether the curriculum will be modular in design;
- Indicative hours for delivery; and
- Indicative costs for delivery.

When developing competency-based curriculum (or, in this case, outcome-based curriculum), it is important to consider the target audience for the training.

Once the curriculum framework is completed, you may wish to develop a detailed training course.

The tool for developing a training course will help you to do this.

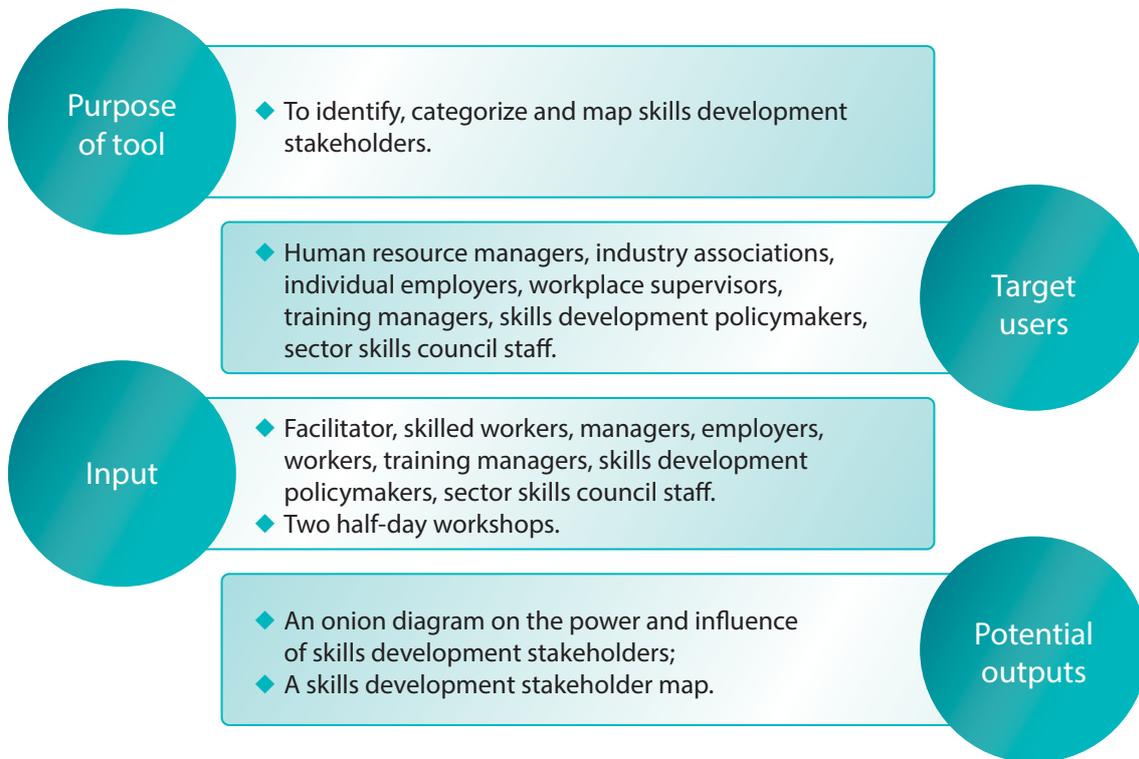
Table 16. Example DACUM chart template

Example for an automotive mechanic duty

← Duties
Tasks →

Maintain workshop tools and equipment	A-1 Follow operating instructions for equipment	A-2 Start up and shut down service equipment according to instructions	A-3 Clean equipment and tools	A-4 Maintain supplies	A-5 Etc.	A-6	A-7	A-8	A-9	
Maintain the operation of a vehicle	A-10 Etc. B-1 Conduct inspections of x, y, z	A-11 B-2 Repair engine problems	A-12 B-3 Replace parts and components	A-13 B-4 Test the performance of the engine	A-14 B-5	A-15 B-6	C-6	C-7	C-8	C-9
	C-1	C-2	C-3	C-4	C-5	D-6	D-7	D-8	D-9	
	D-1	D-2	D-3	D-4	D-5	E-6	E-7	E-8	E-9	
	E-1	E-2	E-3	E-4	E-5	F-6	F-7	F-8	F-9	
	F-1	F-2	F-3	F-4	F-5	G-6	G-7	G-8	G-9	
	G-1	G-2	G-3	G-4	G-5	H-6	H-7	H-8	H-9	
	H-1	H-2	H-3	H-4	H-5	I-6	I-7	I-8	I-9	
	I-1	I-2	I-3	I-4	I-5					

TOOLKIT 2.2. Skills development stakeholder mapping tool

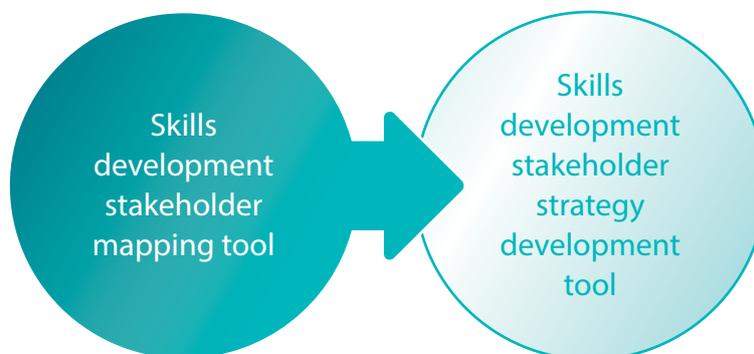


How to use this tool

This tool helps users to:

- Outline the purpose and principles for stakeholder engagement in skills development;
- Identify skills development stakeholders; and
- Define stakeholder groups.

It is used prior to the skills development stakeholder strategy development tool.



This tool is intended to be used in a flexible manner and could also help to identify stakeholders:

At the macro-level for:

- Skills policy development;
- Collecting and disseminating information on skills development initiatives and training reform;
- Analysis of labour market data;
- Communicating future trends in labour market demand;
- Capacity-building for trainers and institute staff;
- Disseminating information on the new system and qualifications among employers;
- Advocating the value of training and skilled workers.

At the meso-level for:

- Collecting and disseminating information on skills development initiatives and training reform within a specific industry sector;
- Capacity-building for trainers and institute staff;
- Disseminating information on the new system and qualifications among employers;
- Advocating for the value of training and skilled workers.

At the micro-level for:

- Fostering public-private partnerships at the local level;
- Identifying partnerships for services;
- Developing new solutions to skills development at the local level.

Background

Successful stakeholder engagement is necessary for effective high quality skills development at all levels of operation. A stakeholder engagement strategy in skills development may be a transformative strategy, requiring fundamental change in how skills development is viewed, planned, designed and implemented. Productive stakeholder engagement entails ongoing dedication to engage actively with stakeholders through two-way communications, developing long-term relationships and responding to their advice and concerns.

Importantly, engagement is not the final objective, but an approach to develop robust relationships with industry, employers and workers to improve the relevance of skills and the employability of skills development graduates.

Step 1. Determine the purpose of the stakeholder engagement

1. Determine the objective of the stakeholder engagement and what the engagement strategy needs to achieve;
2. Develop objectives for industry engagement;
3. Identify internal high-level champions.

Depending on the purpose of the stakeholder engagement strategy, the stakeholders may change. This is why it is first important to determine the objective of the stakeholder engagement and what the engagement strategy should achieve.

Several common reasons for developing an industry engagement strategy include supporting greater private sector participation in:

- Policy development;
- Collecting and disseminating information on skills development initiatives and training reform throughout their networks;
- Analysis of labour market data;
- Communicating future trends in labour market demand;
- Capacity-building for trainers and institute staff;
- Fostering public-private partnerships at the local level;
- Disseminating information on the new system and qualifications among employers;
- Advocating for the value of training and skilled workers.

Once you have identified the purpose of the engagement strategy, the next activity is to develop objectives.

Objectives for industry engagement usually centre on:

- Collecting accurate and timely industry advice on skills development initiatives through two-way communications;
- Providing industry stakeholders with accurate, consistent and timely information and advice on skills development initiatives;
- Obtaining feedback and recommendations on policy and initiative design;
- Following and collecting recommendations from industry on skill needs and training content;
- Following and collecting recommendations from industry on implementation issues, including delivery models;
- Obtaining feedback and recommendations for priority areas for industry-identified projects and activities;
- Building long-term relationships with industry;
- Raising awareness of skills development, particularly the benefits for employers and workers and how industry can access skills development services; and
- Ensuring that industry has established channels to raise ideas or concerns.

Stakeholder engagement objectives should compliment objectives found in the national skills development policy or other strategic documents of the engagement strategy's owner.

Once the objectives are developed and compliment the strategic directions of the organization that owns the engagement strategy, it is critical to identify internal high-level champions. These internal champions become the internal change agents who keep people focused on the commitment to involve the private sector and who must therefore be senior within the organization.

Step 2. Identify who your stakeholders are

1. Once the purpose and objectives of the stakeholder engagement strategy are identified, the next step is to identify who your stakeholders are;
2. Collect and analyse information to help scope the range of possible stakeholders;
3. Facilitate group discussion with a small group to identify all possible stakeholders.

The range of stakeholders relevant to skills development is largely dependent on the purpose of the skills development strategy. For example, at the macro-level, a government skills development ministry that is looking at flexible funding options may identify stakeholders as: treasurer, industry associations, large corporations, international donor organizations, development banks, private foundations and individual enterprises. The same ministry working on raising the status of skills development might identify stakeholders as: industry associations, professional bodies, large corporations, individual enterprises, parents and students.

At the meso-level, a sector skills council looking to increase employer participation in skills development might identify its stakeholders as: industry associations, professional bodies and high-profile business leaders.

A training provider operating at the micro or local level and looking to increase employment outcomes for their students might view their stakeholders as: local employers, local employment agencies, community organizations and local business groups.

Depending on the purpose of the stakeholder engagement process, you may want to collect and analyse the following information to help scope the range of possible stakeholders to be considered:

- Data on the size, diversity and complexity of the industry (or industries) and sub-sectors, as measured by available statistics on total employment and the share of employment;
- The occupational composition of the industry (or industries) and sub-sectors;
- Coverage of sectors or cross-industry functions and horizontal and vertical differences;
- Geographical dispersion of the industry (or industries) and sub-sectors.

Once you have collected this information, you can begin to identify the key stakeholders, such as employer associations, industry associations, professional bodies, unions, non-governmental organizations, economic development groups, cluster development agencies, and private and non-private training organizations. The purpose of the stakeholder engagement strategy will determine which stakeholders should be involved.

Facilitate a group discussion with a small group to identify all possible stakeholders and review the conclusions from the data analysis, using the answers to the following sample questions:

- Who are the relevant stakeholders that are important to current and future private sector engagement in skills development?
- Does the stakeholder have access to the necessary information, networks and expertise that will contribute to improving private sector engagement?
- What is the standing of stakeholders within their industry sector and how strong are their networks? (This is about the legitimacy of the stakeholder to be part of the engagement strategy.)

- How willing is the stakeholder to engage on the issue?
- Where does the sphere of influence of the stakeholders lie?
- Does the stakeholder have the power to discredit the strategy or derail the process if they are not included in the engagement strategy?

Industry stakeholders span industry associations, employer associations, professional bodies, unions or guilds, industry research and development centres, industry vendors and suppliers, major customers, and non-governmental organizations (particularly in the informal sector).

Step 3. Undertake stakeholder analysis

1. Bring together a small group to participate in the analysis;
2. Analyse the stakeholders to determine who should be involved, how they should be involved, and when they should be involved;
3. Review the relevancy of each stakeholder group and their known views on engaging with the skills development sector and, if known, their views on the purpose or issue (policy development, capacity-building, etc.) of the stakeholder engagement strategy

After initial identification of potential stakeholders and after assembling a small group to participate in the analysis, a number of tools, such as, a power-versus-interest grid and a stakeholder-influence diagram can assist in the facilitation process. Using these tools is useful in helping to identify champions and others involved in private sector relationship-building and to think strategically about how to create interest and develop commitment to collaboration in skills development.

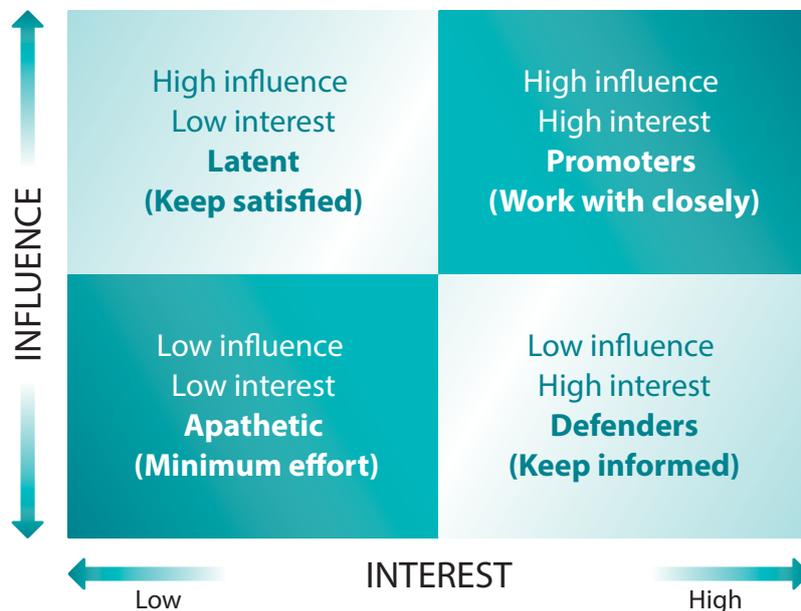
Step 4. Assign the power and influence of stakeholders

1. Request participants to group the stakeholders in predefined categories;
2. Identify the most powerful or influential stakeholders so as to bring the positive ones on board in the early stages;
3. Identify what the owner of the engagement strategy needs from each stakeholder;
4. Rank each stakeholder according to their importance to the owner of the engagement strategy;
5. Map each stakeholder on the grid to suggest the flow or line of influence from one stakeholder to another. (The final map is called an onion diagram.);
6. With the group, determine which are the primary directions of influence among the stakeholders.

In the next step, the facilitator asks participants to group the stakeholders in the categories identified below. You want to ask how each stakeholder influences members of the industry sector or the skills development system to determine if they have high or low influence.

The intention is to identify the most powerful or influential stakeholders so as to bring the positive ones on board in the early stages and to develop strategies to manage stakeholders who might derail the process. Early stakeholder involvement helps to build trust and makes it more likely that they will support and reinforce the quality of the engagement strategy. Bringing influential stakeholders on board early can greatly enhance the success of private sector participation. The influence/interest grid

can be used to direct a communications or consultation strategy by ensuring that stakeholders are targeted with the correct level and type of information.



Place the stakeholder's on the grid above using the names of stakeholders identified early on by writing on self-adhesive labels, one stakeholder per label. Placement in a section of the grid should be debated and agreed by the group. Some stakeholders may be eliminated at this point. Labels can be moved until the group agrees with the location of each stakeholder on the grid.

Use the following guidelines for each of the four sections of the grid:

- **High influence, high interested people/groups, promoters:** are greatly interested and have the influence within their industry sector to help make it successful (or to derail it). These are the people with whom you must fully engage and make the greatest efforts, for example, **national industry groups, unions, professional bodies, sector skills councils and local employers.**
- **Low influence, high interested people/groups, defenders:** are involved groups or organizations who can publically support the strategy in either the community, skills development sector or industry, but they do not have the power/network to influence the strategy in any way. It is worth providing them with information and to consult with them on what their issues and priorities are. They are often **public and private training organizations, local employment agencies and non-government organizations.**
- **High influence, low interested people/groups, latent:** have the power to influence the strategy but only if they become interested; they may have no specific interest or involvement in skills development. Provide information or target them with an awareness-raising campaign to make sure that they have the information relevant to them. **In the skills development sector, these stakeholders could include industry associations, employers and professional bodies.**

- **Low influence, low interested people, apathetic:** have little interest and little power, and may not even know that skills development exists. Provide these people with minimal communication. **In the skills development sector, these stakeholders could include local enterprise associations, local employers and local non-government organizations.**

When the grid is complete, identify what the owner of the engagement strategy needs from each stakeholder. After the group has identified what is required from each stakeholder, the stakeholders are ranked according to their importance to the owner of the engagement strategy.

Ranking the stakeholders will require consideration of stakeholders' influence and the standing of the stakeholder within the industry sector, whether they can influence engagement in the process in either a positive or negative way. One way of doing this is to undertake a stakeholder influence process and develop a stakeholder influence diagram.

The group starts with the completed power-versus-interest grid. For each stakeholder on the grid, the group suggests the flow or line of influence from one stakeholder to another; the final map is called an onion diagram. A facilitator or group member should either draw in the lines from one stakeholder to the other or, even better, use pins and thread or wool to make the link between the two stakeholders. The thread or wool should be colour coded, for example, red could indicate one-way influence, while green could indicate two-way influence. While two-way influences do occur, the focus is on attempting to identify the primary direction of the influence.

Next, the group should agree which are the primary directions of those influences among the stakeholders. For example, if the influence is two-ways, which organization has more influence over the other? Once the direction of influence is finalized, the lines can be permanently added to the power-versus-interest grid, which then becomes an onion diagram. This process will help to identify the central and most influential stakeholders.

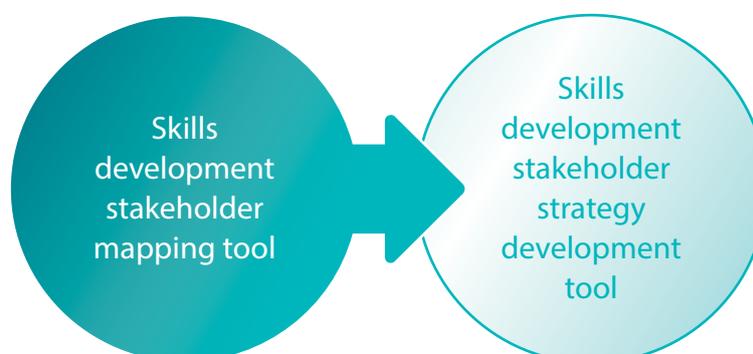
TOOLKIT 2.3. Skills development stakeholder strategy development tool



How to use this tool

This tool is intended to be used in a flexible manner.

The stakeholder strategy tool will help you to define the strategic approach to stakeholder engagement and identify the mechanisms for engaging these stakeholders. **The stakeholder engagement objectives (for example, raising the status skills development, increasing employer participation) will determine the types of strategies relevant to different stakeholders.**



This tool can only be used after the activities in the stakeholder mapping tool have been completed.

This tool is intended to be used in a flexible manner and could help to identify strategies for different stakeholder groups for:

- Policy development;
- Collecting and disseminating information on skills development initiatives and training reform throughout their networks;
- Analysis of labour market data;
- Communicating future trends in labour market demand;
- Capacity-building for trainers and institute staff;
- Fostering public-private partnerships at the local level;
- Disseminating information on the new system and qualifications among employers;
- Advocating for the value of training and skilled workers.

Background

Successful stakeholder engagement is necessary for effective high quality skills development. A stakeholder engagement strategy in skills development may be a transformative strategy, requiring a fundamental change in how skills development is viewed, planned, designed and implemented. Productive stakeholder engagement entails ongoing dedication to engage actively with stakeholders through two-way communications, developing long-term relationships and responding to their advice and concerns. Importantly, engagement is not the final objective, but an approach to develop robust relationships with industry, employers and workers to improve the relevance of skills and the employability of skills development graduates.

After completing the stakeholder mapping, you have determined the purpose of the engagement strategy, developed the objectives and identified the internal high-level champions. Furthermore, you will have identified your stakeholders and ranked them according to their influence and interest in private sector engagement in skills development.

Step 1. Participation planning

1. Bring together a small group from the private sector engagement strategy's owners;
2. Identify the reasons for the need to change to greater private sector participation in skills development;
3. Determine current attitudes among stakeholders toward greater private sector participation in skills development;
4. Assess the current capacity within the skills development sector for improving private sector engagement.

It is highly likely that a stakeholder engagement strategy aiming to increase private sector participation is going to be a transformative strategy. Therefore, when considering how stakeholders will participate, it is important to consider:

- The reasons for the need to change to greater private sector participation in skills development, as some stakeholders might block the push for more private sector involvement;
- Current attitudes to greater private sector participation in skills development; and
- The current capacity within the skills development sector for improving private sector engagement/

Step 2. Allocate priority levels and strategy categories

1. Review, with the focus group, the engagement categories in the engagement categories table 17 below;
2. Review the stakeholders in the influence-and-power grid and their level of influence and power developed earlier in step 4 of the stakeholder mapping tool;
3. Assign stakeholders in the stakeholder engagement-level table (table 18 below) according to their power and influence identified in step 4 of the stakeholder mapping tool (i.e., promoters, defenders, latent), in line with the possible strategy options. One stakeholder may be assigned to different strategies;
4. Once the process of assigning stakeholders to different strategies is complete, the stakeholder engagement table can be used to further develop strategies. The matrix can assist you in thinking about how to respond to or engage with different stakeholders;
5. Develop the stakeholder engagement plan.

Stakeholders who have been assigned categories in step 1 are then placed in table 18 to identify possible strategy options. Place the name of a stakeholder under one of the stakeholder classifications and, under its name, write one of the methods of engagement.

Table 17. Engagement categories table ²³⁶

Level of engagement	Methods of engagement
<p>Consult</p> <p>Limited communications: organization asks questions, stakeholders answer.</p>	<ul style="list-style-type: none"> ■ Surveys ■ Focus groups ■ Meetings with selected stakeholder/s ■ Public meetings ■ Workshops ■ Online feedback mechanisms ■ Advisory committees
<p>Involve</p> <p>Two-way or multi-way engagement: learning on all sides but stakeholders and organization act independently.</p>	<ul style="list-style-type: none"> ■ Multi-stakeholder forums—sector skills councils and other group meetings and workshops ■ Advisory panels ■ Consensus building processes—such as labour market analysis, identification of skill shortages, national skills standards ■ Participatory decision-making processes—sector skills councils and high-level board representation ■ Focus groups ■ On-line feedback schemes
<p>Transact</p> <p>Limited two-way engagement: setting and monitoring performance according to terms of contract.</p>	<ul style="list-style-type: none"> ■ Public-private partnerships—government owned training facilities with privately financed training staff and equipment ■ Private finance initiatives—allocation of sponsorships, stipends for disadvantage trainees, funding of particular training programmes ■ Grant-making—corporate social responsibility financing training activities and resources for specific vulnerable groups ■ Cause-related marketing
<p>Negotiate</p> <p>Two-way or multi-way engagement to determine the acceptable operational requirements and to gain ownership for implementation</p>	<ul style="list-style-type: none"> ■ Negotiate with employers and employee representatives for apprenticeships and traineeships in new occupation industries
<p>Collaborate</p> <p>Two-way or multi-way engagement: joint learning, decision-making and actions.</p>	<ul style="list-style-type: none"> ■ Joint projects—conducting training for existing workers across an industry sector ■ Joint ventures—jointly owning and running training facilities ■ Partnerships—employers own training facilities at factories and training organizations run the training process ■ Multi-stakeholder initiatives—skills development and placement activities for a value chain, special economic zone or cluster
<p>Empower</p> <p>New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in governance</p>	<ul style="list-style-type: none"> ■ Integration of stakeholders in governance, strategy and operations management, for example, through sector skills councils and in policy and strategic-setting boards or committees

Table 18. Stakeholder engagement level table

Level of engagement	Promoters: high influence/interest	Defenders: high interest/low influence	Latent: high influence/low interest
<p>Consult</p> <p>Limited communication: organization asks questions, stakeholders answer.</p>			
<p>Involve</p> <p>Two-way or multi-way engagement: learning on all sides but stakeholders and organization act independently.</p>			
<p>Transact</p> <p>Limited two-way engagement: setting and monitoring performance according to terms of contract.</p>			
<p>Negotiate</p> <p>Two-way or multi-way engagement to determine the acceptable operational requirements and to gain ownership for implementation</p>			
<p>Collaborate</p> <p>Two-way or multi-way engagement: joint learning, decision-making and actions.</p>			
<p>Empower</p> <p>New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in governance.</p>			

Once completed, the stakeholder engagement table can be used to further develop strategies for different stakeholder groups. The matrix helps you to think about how to respond to or engage with different stakeholders. This step entails developing the stakeholder engagement strategy and it should cover:

- Tasks and timelines;
- Responsible/contact persons;
- Resource requirements and budget;
- Channels of communication;
- Protocols;
- Monitoring and evaluation; and
- Reporting engagement outputs and outcomes.

Once completed, indicators can be assigned to each of the individual strategies as well as overall stakeholder engagement strategy objectives.

TOOLKIT 2.4. Workforce development tool



How to use this tool

This tool is intended for use as practical advice on workforce planning and development in a cluster or value chain. It is designed to assist in responding to the labour and skills requirements of clusters and value chains. It can be used with the writing skill standards tool and Developing the training course tool.

Background

Workforce development is the comprehensive management of human resources so as to better meet the demands of a global economy at both the national and local levels through improving competitiveness and social cohesion.²³⁷

Workforce development methodologies follow a number of similar steps, beginning with the organizational, value chain or cluster strategy. The skills of the organization, value chain or cluster workforce should support the achievement of the organizational, value chain or cluster strategy.

- The second step is undertaking an environmental scan; this information is often found in a value chain or cluster analysis.
- The third step is look at the occupations, functions and roles; this is sometimes called segmentation or a modified functional analysis.
- The fourth step is identifying the current state of skills within the organization, value chain or cluster.
- The fifth step is identifying future skill needs based on the organizational strategy.
- The sixth step is to analyse the gap between the workforce's current skills and the skills required in the future in order to determine what skills development activities need to occur.

- The seventh step is action planning.

This tool starts at the third step and deals specifically with identifying current and future skills needs and the skills gaps within the organization, value chain or cluster. It then turns to identifying skills development strategies and developing a workforce development plan.

Step 1. Undertake a workforce functional analysis

1. Bring together human resources managers, employers and skilled workers in a workshop;
2. Consider the key functions that support each objective and activity of the cluster or value chain;
3. Facilitate the workshop with the aim of identifying all primary and secondary functions, the relationship between them and the contribution that they make to the objectives and activities of the cluster or value chain;
4. Delineate complete work roles, that is, the technical, soft skills, literacy and numeracy, and knowledge requirements required for each role; and
5. Identify the underpinning knowledge required to perform these job roles.

Functional analysis is a commonly used tool to define an occupational sector and the functions and roles performed. It is a highly useful tool in defining occupational competence and determining the boundaries between different occupations. The process involves analysing individual jobs and the competencies that make up those jobs, within the wider context of the cluster or value chain. The analysis process aims to answer the question: What are the skills and knowledge required for each role to achieve the strategic objectives? This will help to address points 3 and 4 above.

The analysis process continues until an informed person clearly recognizes the job role and what an employee should be able to do in that job role. The term 'functions' refers to the activities a person is expected to do as part of her job. Functions are not random activities and must have clear purpose and outcomes that are valuable to an employer.

Workshop participants must consist of a mix of practitioners who perform the work and their supervisors, and may involve different members as well. The facilitator will need access to flipcharts, sticky tape and pens so that answers to prompts can be documented and placed on the walls, allowing the focus group to continue to consider the information during the process. The functional analysis process commences with consideration of the key functions that support each objective and activity of the cluster or value chain. The facilitator should ask:

- What are the key duties/or occupational areas? (For example, manufacturing units, design, research, marketing and business development);
- What are the key job roles in each of these functional areas?

For each key role the facilitator asks:

- For each job role, what is the key purpose? (The essential purpose should be written as a statement);
- What needs to happen to achieve this key purpose? (The answers will result in the identification of the primary functions/functional areas of the job role);

- For each of the resulting main functions/functional areas of the job role, the following question needs to be asked: What needs to happen to achieve primary function? (The answers should help to break down the three or more main functions into smaller more detailed tasks).

This process is continued for each functional area and each job role within each functional area, working down to a level that details the smaller tasks of each job role.

Once the job role identification process is complete, workshop participants are asked to identify the underpinning knowledge required to perform these job roles. This information can then be turned into skill standards to develop training and assessment materials and competency-based job descriptions.

Step 2. Determine the strategic context in which workforce development is intended to function

1. Review the objectives and activities with a facilitator to determine future skill needs; and
2. Identify future workforce skill needs.

Workforce development activities should be aligned with the business and operational strategies of target clusters and value chains under consideration. This stage requires access to existing organizational strategic plans, market chain or cluster analysis when working with value chains or industry clusters. Once these documents are located, it is important to pull together a representative group of managers, employers and skilled workers of the organization, value chain or cluster. In a workshop setting, participants will review the objectives and activities with the facilitator, asking the following types of questions aimed at identifying the future skill needs of the organization, value chain or cluster:

- What are the objectives and activities of the cluster or the market opportunities of the value chain?
- What upgrading is planned to realize these objectives and market opportunities, and what skills will be required?
- Is the cluster or value chain on track to meet these objectives?
- Is the cluster or value chain productive? Are some sections more productive than others?
- Which companies within the cluster/value chain are affected most by or benefit most from this upgrading?
- What are the most critical skills for the desired upgrade?
- Do the resources and skills already exist within the cluster or value chain?
- Is the planned upgrade delayed, and, if so, why hasn't it happened to date?

Once the workshop participants have discussed these questions, the next activity is to identify the future workforce skill needs related to each of these questions.

- What are the workforce occupations that support the realization of these objectives and activities?
- What are the skills which the occupations will need to meet the strategies of the organization, value chain or cluster?
- Will other enterprises which provide upstream support be impacted by any upgrading? If, so what are the future skill needs of upstream organizations?

- Which companies should be prioritized for workforce development activities?
- Why are these firms within the cluster or value chain most in need of workforce development? What issues have prevented them from attracting the skills they need or retaining the skills they already have?
- What new occupations may be needed within the organization, value chain or cluster to achieve the strategies?

Step 3. Identify workforce development strategies

1. Compare the results from the functional analysis with the feedback on the future skill needs to identify existing skills gaps;
2. Undertake a desktop review of trends in the sector to identify any additional emerging skill needs;
3. Send the finalized skills gap analysis to a small group of workshop participants for comment; and
4. Hold another workshop with managers, employers and workers to develop the workforce development strategies.

Once the functional analysis process is complete, workshop participants and sometimes a wider audience (such as human resources specialists working within the cluster or value chain, local training institutions and employment agencies) are asked:

- What is the current workforce capacity? Does it contain all the functions, job roles, skills and knowledge identified? If not, how can these be obtained?
- What existing resources can be used to develop the skills and knowledge required?
- Are some job roles missing within the cluster or value chain that require recruitment?
- Can some job roles be shared across enterprises within the cluster or value chain?
- What inter-firm relationships need to be strengthened to support ongoing workforce development?
- Which organizations can be partnered with to provide workforce development services?
- Are some job roles experiencing high turnover of people within those roles? If so, what are the possible causes? And what are the possible strategies to overcome this high turnover?
- What additional resources and budget are required to achieve the workforce development requirements to meet the cluster or value chain objectives?

Step 4. Create the workforce development plan

It is essential that the workforce development plan is developed under the direction of and in agreement with members of the cluster or value chain. The workforce development plan needs to answer the following questions:

- What does the cluster or value chain want to achieve from the workforce development plan?
- What resources does the cluster or value chain need to achieve this?
- What job roles need top-up skills to achieve the cluster or value chain objectives?

- What new job roles are required within the cluster or value chain to achieve the objectives? And will these job roles support a number of enterprises, or work for individual companies?
- What will be the protocols to support job roles that span a number of enterprises?
- What strategies are required to reduce turnover of skilled workers?
- What is the anticipated time period for these strategies to be implemented and demonstrate impact?
- What strategies can be implemented to ensure that workforce demand for skilled workers and the supply of new workers, or the skill upgrading of existing workers, is in balance now and into the future?
- What strategies can strengthen inter-firm relationships to support current and future workforce development initiatives?
- What external agencies can provide strategic support for the cluster or value chain in achieving its workforce development requirements? (These external agencies will include, for example, employment agencies, skills development institutions and economic development agencies.)
- How can the impact of the workforce development initiatives be measured? For example, indicators might include reduced worker turnover, reduced time between demand for skills and the skills being applied in the workplace, and improved worker productivity.

Once the workforce development plan is finalized, the next step may involve developing partnerships with organizations to: develop programmes for specific training, engage training institutions to undertake training within the cluster or value chain, develop mentoring programmes, and engage employment agencies to strengthen recruitment practices, remuneration options and job design.

TOOLKIT 3. MICRO-LEVEL

TOOLKIT 3.1. Writing skills standards tool



How to use this tool

This tool is intended to be used in conjunction with the DACUM development tool and may be used to develop national sector skills standards, standards for use within an industry cluster or enterprise specific standards.

This tool is used after steps 1 to 4 of the DACUM have been completed.

Background

Many countries have introduced skill standards as the foundation for course content and assessment of skills in different contexts. Enterprises also use skills standards as part of a human resources performance management system. Skills standards can be used to formulate competency-based job descriptions, competency-based training programmes, and assessment tools to measure individual competence and performance.

National skills standards generally specify minimum standards and the conditions in which they should be applied, so as to be inclusive and reach as many organizations as possible. If national skills standards only identify best practices, they would be irrelevant to large number of companies. The best approach is for training centres or enterprises to include additional information and outcome requirements for national standards based on local industry needs. This serves two purposes: one, it means that existing workers are assessed against the actual tasks they perform in the workplace, and, two, it means that more companies will be able to use the skills standards. Training centres that adapt the standards in consultation with local enterprises to meet local needs will boost their competitive advantages.

There are many different terms used to describe the components that make up skills standards; however, the components form the same function regardless of how they are labelled. For the purposes of this tool, the following terms will be used for the different components.

Definition of skill standard

'Skill standard' is a term used to describe the knowledge, skills and attitudes a person needs to successfully perform a particular job or activity at a specified level of performance. The term can vary from national occupational standard to competency standard depending on the country.

What is competence?

'Competence' is the capability to reliably carry out tasks to a standard of performance required in the workplace that demonstrates knowledge, skills and experience.

Skill standards identify the industry or workplace agreed standards of performance required in the place of work.

A skill standard identifies:

- What a person is required to do (their **performance**);
- Under what conditions it is to be done (the **conditions**); and
- How well it is to be done (the **acceptable standard**).

Skills standards are developed in consultation with a wide range of people working in the industry covered by the skills standards.

They emphasize outcomes and the skills and knowledge to achieve these outcomes.

Format

The format of each set of skill standards varies in the detail and information included and the way in which the content is presented and labelled. A variety of formats are used, depending on the country, with different terms to describe different aspects of the skill standard. However, all skill standards tend to have a number of similar fields.

Normally, all skill standards are broken down into units. A unit is one which, when applied in a work environment, can logically stand alone.

A **unit title** concisely describes the unit outcome. The title is normally written as an outcome to assist assessment and to provide different approaches to achieving the outcome. Providing an outcome statement means that individuals are assessed on what they can observably demonstrate and achieve. Skill standards should provide the basis for skills formation now and into the future.

Elements are another common feature of skill standards: they are a logical grouping of tasks and describe, in outcomes terms, the significant functions that make up a unit of a skill standard. Elements should not simply be task lists, as they can also tightly link units with specific processes, technologies and work organizations, which may change from workplace to workplace or over time. A general rule of thumb is that there are three to five elements in each unit.

Performance criteria are very important components of a skill standard that specifies the required level of performance to be demonstrated to successfully prove competence. It is here that the activities, skills, knowledge and understanding, which provide the evidence of competent performance, are specified.

Underpinning knowledge is another area that is documented in a skill standard. Units should include the underpinning knowledge required to successfully perform the competencies. Identifying knowledge requirements means that the skill or competency can be applied to new situations. Documenting underpinning knowledge ensures that the person understands the ‘why’ as well as the ‘how’ of using a skill.

There are other fields that are found in skill standards in different countries. However, the above are common to all skill standards, though the components may have different names while the function remains the same. Some countries also include soft skills and generic or core skills as a separate field.

Reviews of countries’ skill standards sometimes show that many are so complex and difficult to understand that groups such as ILO now stress that simplicity makes them more readily understood and used by industry groups and companies.

Whichever components of the unit are relevant to your situation, it is worth developing a template with unique multi-level numbering for each section.

Table 19. Example template

Unit title Unit number	The title concisely describes the individual skill standard outcome
Element	Performance criteria
1. Reflects the grouping of a number of performance criteria	1.1. Describes what must be done to what level of performance (standard). The information must be measureable so that consistent assessment can occur.
	1.2
	1.3
2. TBD	2.1
	2.2
	2.3
Underpinning knowledge	Identifies the knowledge required to perform the skill standard.
Soft skills	Identifies the soft skills that support competent performance of the standard.

The writing process

Step 1. Complete the DACUM using the DACUM tool

1. Review DACUM results up to step 4.

Once steps 1 to 4 of the DACUM—which is developed through intensive industry consultation—is complete, you have a rich source of information directly relevant for populating your skill standard template.

The duties identified during the step 1 occupational profile analysis of the DACUM process may be used as titles of individual skill standards.

The step 2 task identification process and the step 3 task validation process of the DACUM tool will provide the information needed to develop the elements and performance criteria for the skill standards.

Step 4 of the DACUM process will provide information for the performance criteria.

Important point. When writing a skill standard, it is important to avoid **task lists**.

An example of a task list is:

- Pick things off the floor;
- Sweep the floor;
- Mop the floor.

Simply listing tasks means that the unit will not reflect the complexity of the work and will ignore contingency and task management skills, in which the work organized and the approaches to work are flexible enough to accommodate changes.

Step 2. Analyse DACUM results

1. Review the DACUM chart;
2. Determine the size of each individual skill standard based on the DACUM results; and
3. Allocate titles, expressed as outcomes, to individual skill standards.

The first step is to review the DACUM chart developed during the DACUM process. Review the size of each separate duty and its related tasks; it may be that some duties are small enough to become a stand-alone individual skill standard. However, some duties will be too large to form one unit. It is difficult to specify the appropriate size for a unit, as it must reflect the complexity of skills and knowledge, or the range of activities undertaken to perform a discrete component of work. It is important not to have a large variation in the size of units.

It is useful to think about how the units will be used and the breadth necessary for flexible job/qualification construction as they are developed. You will need to consider the tasks grouped under each duty, as it will help you to determine the size of the duty and whether the duty needs to be broken down into two or more units. If a particular duty identified in the DACUM duty statement is a good size for an individual skill standard, then the duty can become the unit title.

Step 3. Analyse and group the tasks

1. Group the tasks to form performance criteria categories, based on the DACUM task validation and task analysis results;

2. Title the groups of tasks to form elements; and
3. Identify tasks that are performed together or sequentially to identify performance criteria.

Once you have roughly identified which duties will be broken down further, the next step is to analyse the tasks to identify natural groupings. When identifying natural groupings, analyse what the group of tasks as a whole is about and give it an outcome title.

These outcome titles become the elements that make up the unit title. It is important to identify tasks that are performed together or sequentially as these groupings will form the performance criteria.

As you go through this process, you may adjust which duties are broken down into different groups or which tasks sit under which sub-duty group. This information should then be validated with industry practitioners, that is, people who do the work described in the skill standard.

When this is complete, you will now have the unit title, the elements and the associated performance criteria for each element and can now populate your template.

Once complete, it is worth again reviewing each of the units and thinking about whether it is possible to assess each unit on its own. This will help to determine if the units are correctly grouped and of appropriate size.

Step 4. Assigning underpinning knowledge

1. Identify the knowledge requirements of individual skill standards; and
2. Identify prerequisite and co-requisite knowledge requirements.

The next step is to analyse the knowledge and qualification requirements that were collected during the DACUM and determine which of these knowledge components is applicable to which duties and, therefore, to which skill standards. It may be useful to identify which knowledge requirements are prerequisites for the development of this particular skill standard and which are co-requisite knowledge requirements, especially when developing curriculum and training programmes.

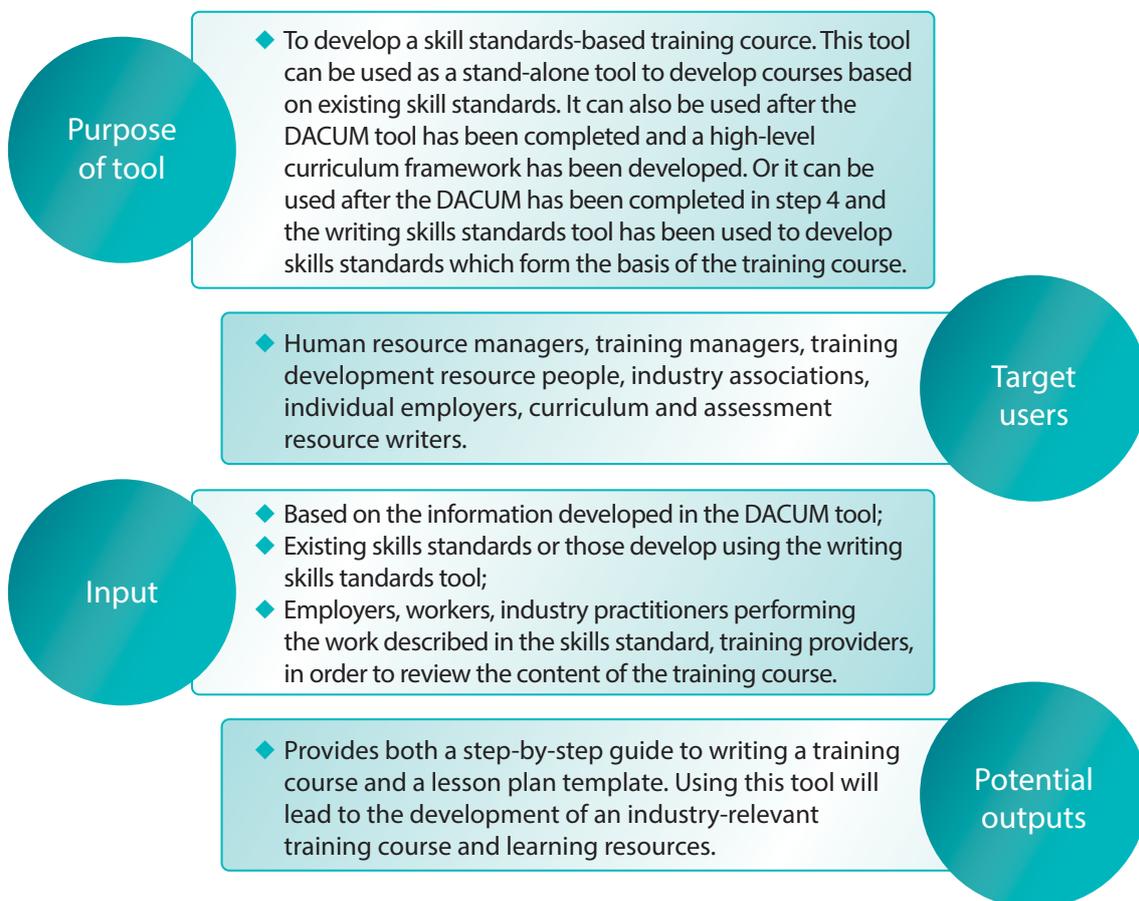
Step 5. Reviewing the content

1. Bring together a group of industry practitioners who perform the skills;
2. Ask the group to consider the content of the draft skill standards;
3. Ask the group whether the information is observable and can be consistently assessed; and
4. Validate the content with a larger group of industry practitioners who perform the work described by the skill standards;

Once each of these steps is complete and adjustments are made, assemble a group of individual practitioners or workers who performed the occupation. The group of individuals who perform these jobs should be asked to consider whether the groupings under each skill standard title make sense, and if the performance criteria are logical in how they are grouped together. At this time, it is worth asking the group to consider whether the information in the performance criteria is written in a way that is observable and can be assessed.

Once this process is complete, it is worth going through the same process with a larger number of workers to validate the input, particularly if the skill standards are a national resource.

TOOLKIT 3.2. Developing a training course tool



How to use this tool

This tool is intended to be used in conjunction with the DACUM development tool and/or the writing skills standards tool.

This tool is used after the DACUM and the skills standards have been completed. The DACUM chart will provide detailed information useful for the content of the training course, particularly the pre- and post-requisite knowledge requirements. Most of the information in the DACUM will be contained in the skills standards, though the skills standards will have more information regarding assessment.

Background

Skills standard-based training focuses on what is expected of a person in the workplace rather than on the time spent learning.

Competency-based training, or CBT as it is commonly known, relies on the skills standards to form the basis of all training and assessment resources and to form the learning outcomes.

CBT concentrates on the outcome, focusing on what it is a student should be able to do and how well she can do it. CBT training programmes clearly state what is expected of trainees in terms of performance.

CBT differs from a traditional time-served approach to learning in that it focuses on skill development needs linked to a particular job role. Less importance is placed on the time it takes to reach the skill

standard than in traditional training. CBT places greater emphasis on training that is student-centred rather than teacher-led.

Step 1. Establish course purpose and a course development committee

1. Collect the DACUM results, the DACUM results and curriculum framework developed using the DACUM tool, or the relevant skills standards;
2. Identify relevant industry practitioners (workers performing the job targeted by the training programme) and skills specialists to form a course development committee; and
3. Determine the purpose of the training programme and the target audience.

After the DACUM is complete, training programme developers will have the necessary detailed information to develop the training programme. In some circumstances, the DACUM results will be turned into skill standards, which will then form the basis for the training programme, though skills standards are not always required when the training consists of informal learning within a company or when there is a certain urgency to develop the training programme.

In either circumstance, it is important to convene a **course development committee** made up of industry practitioners and skill specialists to confirm the content and the relevance of any learning strategies and activities. The writer first **establishes the purpose** of the training programme and the target audience. How much do the target learners already know? Is the programme for new workers or existing workers? The target audience might require:

- Post-secondary vocational/technical training;
- Training for out-of-school, unemployed youth;
- Literacy programmes;
- Entrepreneurship training; and
- Work-based skills training.

Identify the type of training required by the target group to help you in the next phase of designing the course structure.

Step 2. Sequence for the logical development of skills and knowledge

1. Identify pre- and post-requisite skills and knowledge to order the course content;
2. Review the target audience and determine whether additional bridging of skills and knowledge is required;
3. Determine a draft course structure and the outcomes to be achieved; and
4. Confirm the structure with the course development committee once a draft has been developed.

After establishing the purpose of the training programme, the writer should determine how the course and content will be structured and the outcomes that must be achieved. This involves identifying logical groupings of skills and knowledge based on what needs to be learned before something else (prerequisites) in order to build on the skills and knowledge as they are learned.

The ordering of the learning can vary depending on where the training is delivered and who is the audience. For example, a new worker who is to receive training may first be given theory on process

and technical skills in a classroom setting while an existing worker may receive technical training on the equipment in the workplace. To do this, the writer will need to confirm the structure with the course development committee once a draft has been developed.

The DACUM has identified detailed tasks and the underpinning knowledge that support the successful performance of the tasks and duties. The writer will need to analyse the tasks and knowledge to identify what needs to be known before something else can be known and which skills are foundations for other more advanced skills.

- Each duty of the DACUM or each element of the skill standards needs to be analysed by considering the related tasks or performance criteria;
- The writer considers each performance criterion to identify embedded knowledge and skills required for successful performance—most of the underpinning knowledge should have been identified during the DACUM process but a writer needs to check this as sometimes gaps appear;
- The writer should then carefully examine who the target audience is and whether additional bridging of skills and knowledge is required; and
- Next, the writer needs to consider the context, whether it is a particular company or group of companies that is commissioning the training, as they may have some specific contextual information or processes that need to be included.

A useful approach is to write 'foundation' knowledge on post notes, stick them on individual sheets of duties and tasks and move them around until the sequence looks correct. Once this process is complete, the writer will be able to identify any overlaps and knowledge and any common base skills that apply across a number of different duties or skill standards elements. This information will enable the writer to identify the most effective structure for the learning programme. Once the learning structure has been identified, the outline should be discussed with the course development committee to ensure that all knowledge and skills are covered and that all relevant contextual information is included.

Step 3. Developing the training course

1. Choose preferred model for the training course;
2. Develop a clear set of measurable learning objectives for each topic;
3. Group the information in a manner that is easy to digest; and
4. Confirm training model and learning objectives with the course development committee, particularly the industry practitioners.

There are many different models for developing curricula and training programmes that provide for a range of learning styles to improve the effectiveness of the training. A training programme for existing workers might be part-time or modular. A training programme for unemployed people may combine on-the-job training with classroom-based learning. For unemployed youth, the training programme may have intensive up-front classroom-based delivery before further structured work-based delivery; while for unemployed older workers, the training programme may contain a mix of on and off-the-job training. The preferred model for the training programme will be partly determined by the target group and the purpose of the training programme.

The educational psychologist, Robert Gagné's nine steps of instruction,²³⁸ offers a pragmatic and structured approach to writing effective learning materials. The nine steps involved:

1. Inform the learners of the objectives—to guide them so they can organize their thoughts around what they are going to learn;
2. Gain attention—to orientate and motivate the learner;
3. Stimulate recall of prior knowledge—as adults learn best by building relationships between what they know;
4. Present the material—in ways that cater to different learning preferences and that are easy to digest;
5. Provide guidance for learning—offering opportunities to integrate new information into their existing knowledge;
6. Elicit performance by providing opportunities for practice;
7. Provide feedback to reinforce or correct learning
8. Assess performance—to identify learning progression; and
9. Enhance retention and transfer—by encouraging the learner to think about how she will apply what she has learned.

As the training programme outline is developed into the training programme, the writer should develop a clear set of measurable learning objectives for each topic. This will alert the learner to what is the expected outcome from the topic. Writing clear objectives involves writing a statement of what the learners will be able to do if they successfully complete the training. The objectives will be based on the duties identified in the DACUM. Clearly framed objectives start with verbs such as:

List	Describe
Identify	Define
State	Solve
Operate	Demonstrate

Each topic should be designed so as to engage the trainee's attention using thought-provoking questions, providing interesting facts and supply case studies which link closely with the skills to be developed.

It is important to stimulate students so that they recall prior learning by helping them to make sense of new knowledge, connecting it to something they know or have experienced. Linking new learning with existing knowledge helps learners to retain the information in their long-term memory. If a training needs analysis or a diagnostic assessment (to pinpoint areas of weakness to identify training needs problematic performance) has been undertaken, the teacher can draw on them to ask questions about previous performance or experiences linked to learning topic. Students can also be asked how this new topic links with what they have done previously.

The information should be written in an easily digestible manner, using, where possible, a variety of media to cater to different styles. Each topic should be broken down into small easy-to-comprehend components. Using a variety of media will make the exercise more interesting and keep students involved.

Step 4. Choosing learning methods and activities

1. Review all points in the training programme where learning activities can occur;
2. Ensure the learning activities cover a variety of learning methods;
3. Check that a range of different delivery methodologies are used;
4. Build in guidance for the teacher to provide feedback to students on their performance;
5. Confirm the appropriateness of learning activities with the course development committee, particularly industry practitioners.

Once learning objectives and topic details have been developed, the next activity is to review all points in the training programme where learning activities occur and ensure that the proposed activities provide a variety of methods. A useful way to start this process is to have students develop a linear line for the learning programme. They begin by writing the learning activities on adhesive notes which they in turn rearrange until they are satisfied with the spread and variety of learning activities.

The writer needs to ensure that the delivery methodology not only focuses on the presentation of information but also allows the teacher to guide and facilitate learning. Using group work, student presentations, projects and role play will help learners to consolidate their new knowledge.

Learning resources help students to explore and consider the new learning in different contexts. For example,

- a. Analogies can assist learners to make connections with information they already know;
- b. Case studies should be realistic and provide the right detail of information that the student needs to understand and avoid being merely descriptive. The studies should focus on the particular problem or issue related to the learning;
- c. The use of visual aids helps to stimulate the student to think about the knowledge and new ways of thinking about the same information;
- d. The use of instructional games and workplace simulation can provide deep learning experiences for students as they combine practised task management and contingency skills and as they develop and practise competence; and
- e. Projects such as report writing and presentations can allow students to consolidate technical writing skills and develop their understanding and application of theory.

The writer needs to build in adequate time for practice to develop competence. The learner needs to practice the newly acquired skills since repetition builds mastery and increases retention. Designing learning activities for students to develop presentations on particular topics will help students to recall learning. Asking students questions about theory while practising particular skills helps them to apply their practice with a deep understanding.

The course developers should build in guidance for the teacher to provide feedback on student performance and to help the students understand and recognize good performance. Feedback can come in the form of corrective information to improve performance, confirmation feedback of good performance and analytical feedback to provide detailed information on the performance overall.

Step 5. Assessment

1. Determine which forms of assessment will be used;
2. Identify relevant existing assessment tools that can be used; and
3. Confirm the appropriateness of the assessment tools with the course development committee, particularly industry practitioners.

There are a number of different forms of assessment. **Diagnostic assessment** is a type of formative assessment used to diagnose areas of weakness or to identify training needs at the beginning of a training course. Performing a diagnostic assessment at the beginning of the training programme provides the trainer with a baseline to measure trainee progression throughout the course. **Formative assessment** is a tool the trainer uses to provide feedback to students and to measure progress. **Summative assessment** is the final assessment and involves making a final decision about the competence of the trainee. For best assessment results, a summative assessment should be performed in the workplace or a simulated workplace. Visualizing what the competent performance of skills actually looks like in the workplace is essential in efforts to ensure consistent assessments.

Universally, there are four principles that underpin a good assessment system and assessment process. Assessments must be:

- Fair—the assessment is the same for all trainees;
- Valid—the evidence collected is relevant to the assessment activity and demonstrates that the learning objective or performance criteria have been met;
- Reliable—the assessment is consistent and reproducible; and
- Flexible—the assessment involves a range of assessment methods that can produce the same outcomes.

Developing assessment materials requires an individual who is familiar with writing assessment materials. A well-designed course includes assessment strategies based on: (a) assessment principles, with guidance on the type of evidence required; (b) valid methods of assessment for the particular skills and knowledge; and (c) a range assessment tools.

An assessment tool guides the collection of quality evidence during a designed assessment process. These tools normally include instruments for collecting the evidence, the assessment methods and procedures for conducting the assessment.

Step 6. Review

1. Present the training programme to the course development committee for final feedback and sign off before implementation.

When the training programme and related learning activities are complete, it is worth reviewing the documentation to ensure that the purpose of the training programme is well sequenced and the learning objectives and assessment cover all duties and tasks of the DACUM, or elements and performance criteria in the skills standards. It is then important to confirm that the training programme has a variety of learning activities to cater to different learning styles. Once the writer is satisfied, the

training programme should be presented to the course development committee for final feedback and sign off before implementation.

Other issues to consider are:

- Unpacking the performance criteria so the learning incorporates all aspects of the skills standard;
- Developing structured work-based learning around work activities;
- Organizing training to meet company requirements/schedules;
- Establishing partnership arrangements with workplaces and training institutions;
- Using the same equipment used in industry, and the same facilities or trainer requirements;
- Delivering training in flexible and cost-effective ways; and
- Simulating workplace conditions.

Table 20. Example of a lesson plan

<p><i>Training programme title:</i></p> <p><i>Topic/module title:</i></p>	
<p>Overview (of training programme)</p> <p>Learning objectives</p> <ol style="list-style-type: none"> 1. xxx 2. xxx <p>Activities</p> <ol style="list-style-type: none"> 1. xxx 2. xxx 	<p>Materials</p> <p>Activities</p> <p>Resources</p>
<p>Evaluation trainer's thoughts</p>	<p>Evaluation student's comments</p>

TOOLKIT 3.3. Mentoring tool



How to use this tool

This tool is intended to be used stand-alone or in accompaniment with the developing a training course tool.

Inputs for the mentoring programme may come from industry-based mentors, mentees (existing workers, students and graduates), and trainers from an institution seeking to update its industry experience. Additionally, a designated mentor programme manager, with experience developing and running training programmes, is required, along with individuals to form the oversight committee. The development or customization of a mentor-training programme is also required.

Background

While there are differing definitions of mentoring, one that has gained current acceptance is the following: *mentoring facilitates learning and requires a personal partnership between the mentor and the mentee*. Structured mentoring can be an important support for trainees to transfer their classroom-based learning to the workplace. Mentoring can also assist new workers in developing soft skills, successfully transitioning to a workplace and increasing retention rates.

Step 1. Define purpose, scope and learning outcomes

1. Convene a group of key stakeholders, employers and workers to identify the purpose, scope and learning outcomes of the mentoring programme;
2. Review the organization's business plan and align the mentoring programme outcomes to the business plan objectives in order to embed the programme within the enterprise.

The mentoring programme owner, in collaboration with key stakeholders (usually employers and workers), identifies the purpose, scope and learning outcomes. The mentoring programme must be carefully designed to embed mentoring within the organization to ensure the programme's success. Defining the purpose involves determining if the programme is to support trainees in practising their newly acquired skills and in gaining workplace experience, or if it is to support new workers in adjusting to the workplace, or if it is to support existing workers in developing new skills so that they can remain in the organization or pursue career advancement. Clearly identifying the purpose will help to determine the criteria for selecting mentors and mentees; it will also aid in the development or refinement of learning objectives.

Step 2. Establish success indicators

1. Based on the mentoring programme's purpose and the enterprise business plan, identify draft success indicators;
2. Seek feedback on success indicators from key stakeholders, employers and workers.

A mentoring programme takes time and effort and requires clearly defined success indicators to justify resources and to motivate mentor and mentee. The indicators need to be very clear. The following are examples of what form indicators might take: "90% of trainees gain and retain employment for over a year in the industry sector", or "100% of new workers remain with the company over a two year period", or "90% of mentees receive promotions within the company over a four year period".

Step 3. Identify roles and responsibilities

1. Identify the roles required for running the mentoring programme;
2. Determine responsibilities of each of the mentoring programme's participants;
3. In the case of multiple organizations, develop draft memoranda of understanding;
4. Seek feedback and approval on roles and responsibilities and the memoranda of understanding from key stakeholders, employers and workers.

Once purpose and success indicators are crafted, the next step is to identify the roles and responsibilities within the mentoring programme. For the programme to be successful, it is necessary to articulate the roles and responsibilities of each of the mentoring programme's participants. Without clear roles and responsibilities, unrealistic expectations can be placed on different participants and unrealistic expectations can lead to a decrease in trust, which will erode the programme's chance of success. The types of roles usually found within a mentoring programme include: the mentoring programme coordinator (often an human resources manager), mentors, mentees and mentoring coaches. If the mentoring programme spans a number of different organizations, there may also be an oversight committee. Where the mentoring programme spans multiple organizations, memoranda of understanding will need to be developed and agreed on by mentoring partners.

Depending on the purposes (in the examples below, a training centre works with multiple companies for student development), some suggested roles and responsibilities include:

The Mentor Programme Coordinator

- Develops and oversees implementation of the mentoring programme, which includes marketing materials, giving presentations to targeted workplaces, ensuring a presence at skills development institutions, organizing events development, leading recruitment and preparing reports on progress;

- Undertakes and oversees participant screening, training, matching, support and supervision, and recognition;
- Develops and manages relationships with schools, training centres, and non-governmental organizations;
- Plans and implements recognition activities for programme participants; and
- Oversees programme evaluation activities.

The Mentor

- Follows the mentoring programme policies and procedures;
- Commits to spending a minimum of eight hours a month with the mentee;
- Communicates with the mentee weekly;
- Agrees to attend mentor trainings, as required;
- Acts as a resource and coach/role model;
- Develops an agreed action plan with the mentee, outlining the aims of the mentoring, and monitors progress;
- Creates a positive relationship and open communication;
- Helps the mentee to identify problems and guides her towards solutions;
- Refers the mentee to others when she does not have answers or when the mentee needs exposure or needs to practice new skills;
- Provides information, guidance and constructive comments; and
- Supports, encourages and critically assesses performance.

Step 4. Determine mentee and mentor selection criteria

1. Consider the ideal characteristics for a mentor given the purpose of the mentoring programme;
2. Identify draft criteria for selecting mentees, taking into account the purpose of the mentoring programme;
3. Seek feedback and approval on the mentor and mentee selection criteria from key stakeholders, employers and workers.

Once the purpose of the mentoring programme has been determined and the roles and responsibilities identified, it is essential to define the mentor and mentee criteria. Depending on the purpose of the mentor, criteria may include:

- Facilities manager;
- Good communication skills;
- Access to different work functions;
- Experience working with the company for a number of years.

Different mentor criteria for a career advancement mentoring programme might include having:

- A management position or management experience;
- Good communication skills;
- Good planning and problem-solving skills;
- The ability to expose mentees to a range of management/coordination experiences.

Defining the criteria will help the mentor programme to identify the most appropriate individuals to participate. It is important to reflect on the ideal characteristics of a mentor, given the purpose of the mentoring programme, when developing your criteria.

Mentee criteria are determined by the purpose of the mentoring programme. It might include criteria for vulnerable groups, women, mentee interest in the industry, existing worker leadership attributes, and existing worker interest in new technical skills. Sometimes criteria also include level of schooling, though this is not always appropriate when targeting disadvantaged groups which may have experienced disrupted schooling, but sometimes the level of schooling is necessary.

Step 5. Develop matching protocols

1. Draft the matching protocols based on the purpose of the mentoring programme;
2. Identify a process so that a mentor or mentee can change the individual she has been matched with if problems occur;
3. Decide if there will be a general induction and meeting for all those participating in the mentoring programme.

The mentoring criteria might have been developed for mentors and a group of mentees, yet there needs to be a process to decide which mentor will be paired with which mentee. Usually, the mentor programme coordinator is responsible for pairing mentors and mentees, based on factors such as the mentee's desired work area, the closeness of the workplace to the mentee's home, the mentor's language skills, the gender, personality and ability of both. There should always be an option for a mentor or mentee to change their mentoring partner if there is a personality clash or another issue arises.

Sometimes mentors and mentees are brought together for a general induction where they meet and can individually nominate a preferred mentor and mentee. When the mentoring programme is about career advancement, the organization might nominate the mentor.

Step 6. Establish a mentor programme oversight committee

1. Identify senior individuals from key stakeholders, employers and workers who can steer the committee and provide leadership;
2. Determine the role and responsibilities of the committee and draft the invitations to join.

The committee should monitor the mentoring programme and review its success against the stated purpose. The committee should also provide leadership for the mentoring programme, and, if the programme involves a number of organizations, they should be represented on the committee. It is therefore important to identify the roles and responsibilities of the oversight committee.

Step 7. Prepare a communication strategy

1. Develop a communications strategy based on the overall purpose of the mentoring programme;
2. Highlight mentee group characteristics (unemployed youth, rising stars, young women, etc.);
3. Identify roles for high-level industry champions to encourage other industry leaders to become involved;
4. Develop materials and current information on the programme for the champions and to publicize the programme.

The communications strategy presents the purpose of the mentoring programme, and its outcomes and successes, and helps to widen interest in the programme. The communications strategy should also celebrate the individual successes of mentees and the dedication of industry mentors. A communications strategy will help to secure the long-term viability of the programme, particularly where the efforts of mentors and mentees are celebrated. High-level industry leadership support for the programme should also be acknowledged through the communications strategy. High-level leaders can act as champions to encourage other industry leaders to become involved in the mentoring programme. These high-level industry champions will need to be supplied with materials and current information on the programme.

Step 8. Design and conduct mentor training

1. Identify the skills, including soft skills, that will form part of the mentoring programme;
2. Use the tool to develop a training course to write the mentor training programme.

There are some key mentoring skills, such as active listening, building trust, guiding the development goals and, in the case of a skills development mentor programme, some on-the-job training skills. The training programme needs to be designed to provide future mentors with skills in facilitating and building relationships with mentees, including the different stages of the mentoring relationship, such as:

- Building the relationship;
- Sharing information and setting goals;
- Working to meet the goals; and
- Closing the mentoring relationship.

Additionally, the mentor will need training in supporting soft skills development and in understanding the lesson plan, so that any learning activities which the mentee may wish to undertake on the job can be structured and included in the mentoring programme.

Step 9. Evaluate the mentor programme

Once the mentoring programme is underway, it is important plan mid-term and end-of-programme evaluations. Evaluation questions can be developed based on the:

- Purpose, scope and learning outcomes identified earlier during the mentoring programme's development;
- Success indicators;
- Roles and responsibilities;
- Mentee and mentor criteria;
- Matching protocols;
- Feedback from the oversight committee, mentors and mentees;
- Review of the effectiveness of the mentor training programme and the communications strategy; and
- An analysis of best practice examples within the mentoring programme.

Some example questions include:

Are the strategy and direction meeting the purpose, scope and learning outcomes identified in the first step of the project? Are the right industry representatives volunteering to become mentors?

Is the mentoring programme being implemented as effectively as possible? Are the right roles and responsibilities defined? Are the mentor and mentee selection criteria correct?

Does the mentoring programme achieve the intended outcomes and meet success indicators?

Are employers/supervisors seeking to become involved in the mentoring programme?

Are the mentees being employed or advancing in their career (depending on the purpose of the programme)?

Step 10. Gather and share good practice examples

When monitoring and evaluating the mentoring programme against success indicators, identifying good practice examples to share with mentors and mentees helps to strengthen the skills and outcomes of the programme. Mentors should be given the opportunity to come together and discuss what they find is working well for them. These examples can also be shared through the communications strategy. Sharing good practice examples can also be an opportunity to celebrate the time and effort the mentors are investing in the programme and to honour excellent performance.



Istanbul International Center for Private Sector in Development (IICPSD)

IICPSD supports the private sector and foundations to become transformative partners in development through research, advocacy for inclusive business, facilitation of public-private dialogue and brokering partnerships. IICPSD, established in 2011 in partnership with the Government of Turkey, is one of UNDP's six Global Policy Centers. It leads UNDP's global work on private sector and foundations and supports UNDP's offices all over the world.

One of the key thematic areas of IICPSD is private sector-led skills development. IICPSD identifies and documents successful examples of private sector-led or PPP-based skills generation initiatives for generating knowledge and facilitating the transfer of expertise and know-how among the practitioners and the business world. The center has conducted two studies on inclusive business approaches to skills design and delivery, consisting of 5 case studies from Turkey and 12 from India, deriving significant lessons and insights from field-tested models. "How the Private Sector Develops Skills: Lessons from Turkey" report was featured in the 2015 Human Development Report – "Rethinking Work for Human Development."

IICPSD also contributes to the private sector involvement in skills development through transforming the studied good practices and lessons into actionable guidelines and toolkits to foster the business-led initiatives. The center further facilitates global, regional and local multi-stakeholder partnerships in skills development, especially within the framework of South-South Cooperation, to improve employability of the disadvantaged and create sustainable employment.



Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), established in 1978 as the main socio-economic organ of the Organisation of Islamic Cooperation (OIC), is mandated to undertake research on various issues of concern to the OIC member countries, and facilitate technical assistance in order to support the efforts of its member countries to address the existing challenges and strengthen the cooperation among themselves in the concerned areas.

One of the substantial working areas of SESRIC is building resilience through increasing employability, employment and entrepreneurship ecosystem while enhancing competitiveness and productivity of the private sector and industry. In this regard, the Centre works with its partners on major initiatives such as the Skill Development for Youth Employment (SDYE), Employment, and Entrepreneurship Development (SEED) for Inclusive Growth in order to enhance job and livelihood opportunities in its member countries through increasing public-private partnership and supporting the private sector in skills development.

Through the Vocational Education and Training Programme for OIC Member Countries (OIC-VET), SESRIC works with partners, including private sector representatives, to support and enhance the opportunities for individuals especially the disadvantaged in the member countries to develop their knowledge and skills and give them a future where all they can enjoy a life of prosperity and dignity. The Programme focuses on increasing accessibility and raising the quality of VET, and provides an opportunity for organizations involved in VET to build OIC partnerships and exchange best practices.

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