

Mapping the need for TVET graduates in times of Crisis

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In 2011, the National Centre for the Development of Technical and Vocational Training (CNDIPT) in partnership with National Research Institute for Labor and Social Protection (INCSMPS) undertook an employer survey on skills need as part of the *Anticipating skills needs for 2013 study*, financed within the ESF project *Matching the educational supply of vocational and professional training with the labor market demand (POSDRU/55/1.1/S/37932)*.

The employer survey was carried on a national representative sample of 3836 companies with at least 5 employees, covering all regions and counties of Romania aiming at identifying labor demand for TVET graduates, while also assessing skill gaps for new entrants on the labor market.

The findings of the survey pinpointed the difficulties companies had to cope with starting with 2009, the reduction in the total number of employees (-7.3% at national level) affecting all regions and concentrating in sectors such as: *production and supply of energy, gas, steam and conditioning air, real estate activities, constructions and manufacturing*.

According to the employer survey, job vacancy rate was 1.7% in August 2011, on a rising trend in *real estates, financial intermediation and insurances, hotels and restaurants, manufacturing, constructions and mining*. Noteworthy that sectors worst affected by crisis during the last years were now amongst the one where vacancies were on the rise. While this does not necessarily mean new jobs are created it shows also that a certain base-effect type of recovery is under way, albeit shyly. On occupation groups job vacancy rate was highest for *craft and related trades workers (3%), plant and machine operators and assemblers (2.5%) and skilled agricultural and fishery workers (1.8%)*.

Most of the vacancies available were open during the last three months (80%) and requested qualifications mainly provided by TVET system, the highest demand being for in *textile and leather, mechanics and constructions*. Recruitment difficulties were generated by occupations requesting TVET-type qualifications.

Most of the vacancies were still open due to the lack of adequate level of qualification of skilled workers and unattractive working conditions provided by companies. 64.7% of the companies investigated called personal profile of the candidates as the main reason behind the hiring decision while only 62.1% identified the technical skills portfolio of the candidates as prime in the selection process and in the subsequent hiring decision.

In the short run, investigated companies anticipated a rise in the demand for skilled personnel for all of Romania's regions with the bulk of it originating from sectors such as *health and social assistance and financial intermediation and insurances*. There was a bleaker view for *energy, gas and steam production and supply, water supply and waste management* as well as for *professional, scientific and technical activities* where it seems that forecasted demand for skilled labour will remain sluggish.

During the recession period of the last two years, companies' leaned towards a cautious behavior in the hiring process, including when taking graduates on board and this in spite of the existing facilities in the Unemployment Insurance Law (law no.76/2002). Only 12.2% of the investigated companies were positive when asked about the recruitment and hiring of graduates during the last 12 months. Most of the companies' selected TVET graduates and in a majority of cases declared themselves satisfied with the level of skills and knowledge of their newest additions to the workforce. However, those dissatisfied pointed out toward TVET graduates as being rather disappointing performers. Most of the new entrants on the labour market, displaying TVET-type qualifications were from the occupational groups belonging to *mechanics, trade-relate occupations* and *constructions*.

The findings of the survey are used by CNDIPT alongside forecasting results for its yearly planning exercises. The survey is also highly informative on issues such as company behavior in times of crisis. One of its chief finding, expected maybe, was that companies seem to favor a reduction of staff as strategy of first-resort, when faced with a downturn in the business cycle.

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