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Strengthening Skills Recognition Systems: Recommendations for key stakeholders

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Acronyms and abbreviations

ACCA	Association of Chartered Certified Accountants
ASEAN	Association of South East Asian Nations
BIBB	Bundesinstitut für Berufsbildung (Federal Institute for Vocational Education and Training, Germany)
BRICS	Association of five major emerging national economies: Brazil, Russia, India, China and South Africa
CEDEFOP	European Centre for the Development of Vocational Training
COTVET	The Council for Technical and Vocational Education and Training (Ghana)
CV	curriculum vitae
CVDC	Consortium de validation des compétences (Skills Validation Consortium, Belgium)
CVQ	Caribbean Vocational Qualification
DGET	Directorate General of Employment and Training (India)
DIHK	Deutsche Industrie- und Handelskammertag (Association of German Chambers of Industry and Commerce)
EU	European Union
EVC	Erkennen van Verworven Competenties (Recognition of Acquired Competences, the Netherlands)
HR	Human Resources
IBSA	Innovation and Business Skills Australia
ICA	International Compliance Association
ILC	International Labour Conference
ILO	International Labour Organization
ILOSTAT	ILO's central statistics database
IOM	International Organization for Migration
ISC	Industry Skills Councils (Australia)
IT	Information technology
ITC	International Training Centre
JQS	Joint Qualification Certificate (France)
MC	Master Craftsperson
NIBA	National Insurance Brokers Association (NIBA)
NEET	(young person) Not in Education, Employment or Training
NGO	Non-governmental organization
NQF	National Qualifications Framework
NSSO	National Sample Survey Organisation (India)
NSDA	National Skill Development Agency (India)
NVTI	National Vocational Training Institute (Ghana)
OECD	Organization for Economic Cooperation and Development
PIAAC	Survey of Adult Skills
PES	Public Employment Services
PLAR	Prior Learning Assessment and Recognition
RPL	Recognition of prior learning
QAA	Quality Assurance Agency for Higher Education (United Kingdom)
QCTO	Quality Council for Trades and Occupations

QPIB	Qualified Practising Insurance Broker
SAQA	South African Qualifications Authority
SME	Small and Medium Enterprise
SSC	Sector Skills Council
SSTC	South-South and Triangular Cooperation
TVET	Technical and Vocational Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
VPL	Validation of Prior Learning
WDA	Workforce Development Agency (Singapore)
WEF	World Economic Forum
WSQ	Workforce Skills Qualifications (Singapore)

Foreword

The ILO has prepared this set of Recommendations on strengthening skills recognition systems, as countries seek strategies to enhance the employability of workers and the productivity of enterprises. The ILO conducted extensive research and case study analysis of the potential impact of such systems on labour markets[1], leading to the identification of lessons learned, good practices and key messages. They have been elaborated in this publication to provide guidance to key stakeholders, in particular ILO constituents, in the design implementation and or upgrading of skills recognition systems.

The set of Recommendations guides the reader through the processes: conducting a needs analysis; securing stakeholder support; making the system work; raising awareness; and measuring output and impact. It highlights key challenges, expectations of users and financing among other important issues.

I am grateful to Jiří Braňka, Research Associate, who worked in the Skills and Employability Branch of the ILO in 2015, and author of this document. I would also like to thank to Olga Strietska-Ilina and Natalia Popova for their guidance and support throughout the drafting process and to ILO other colleagues – Michael Axmann, Laura Brewer, Paul Comyn, Jean Duronsoy, Cornelius Greg, Meike Klüger and Yadong Wang – for their feedback.

For the production of the case studies, on which the research bases its findings and recommendations, we would like to express our gratitude to our colleagues from ILO field offices, especially to Ashwani Aggarwal, Patrick Daru, Christine Hofmann, Nisha, Carmela Torres and Fernando Vargas, and to external collaborators - John Yaw Amankrah, Partha Sarathi Banerjee, Elenice M. Leite, David Lythe, Cécile Mathou, Olga Oleynikova, Francesco Panzica Hoosen Rasool, Catherine Vaillancourt-Laflamme and Xiaojun Wang - for their involvement in in the case studies. Our special thanks go to Anita Amorim from the Partnerships and Field Support Department (PARDEV) of the ILO, whose support was crucial for the successful completion of the case studies.

We would like to pay special tribute to the following for the support they provided and the knowledge they shared: Anna Platonova from the International Organization for Migration (IOM); Jessica Erbe and Mr Sepehr Shanin from the Bundesinstitut für Berufsbildung (BIBB); Miguel Peromingo from the World Association of Public Employment Services (WAPES); Ewart Keep from the University of Oxford; and Demmi Paris from Innovation and Business Skills Australia (IBSA).

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[1] Braňka, J. (2016), Understanding the potential impact of skills recognition systems on labour markets: Research Report, Geneva.

1. Background

Skills recognition systems aim to acknowledge skills acquired through different learning contexts. Recognition systems work as enablers and facilitators of dialogues between individuals and employers, which may result in hiring, wage growth or career progress. They also facilitate dialogue between individuals and education and training providers. They open new learning pathways and make the learning process more efficient.

Skills recognition systems are often promoted and supported by public authorities, which influence these dialogues. Governments provide frameworks and regulations to ensure compliance with objectives laid down in education, employment and other relevant policies (See Figure 1 on the role of government in the skills recognition dialogue).

Figure 1.   Skills recognition dialogue
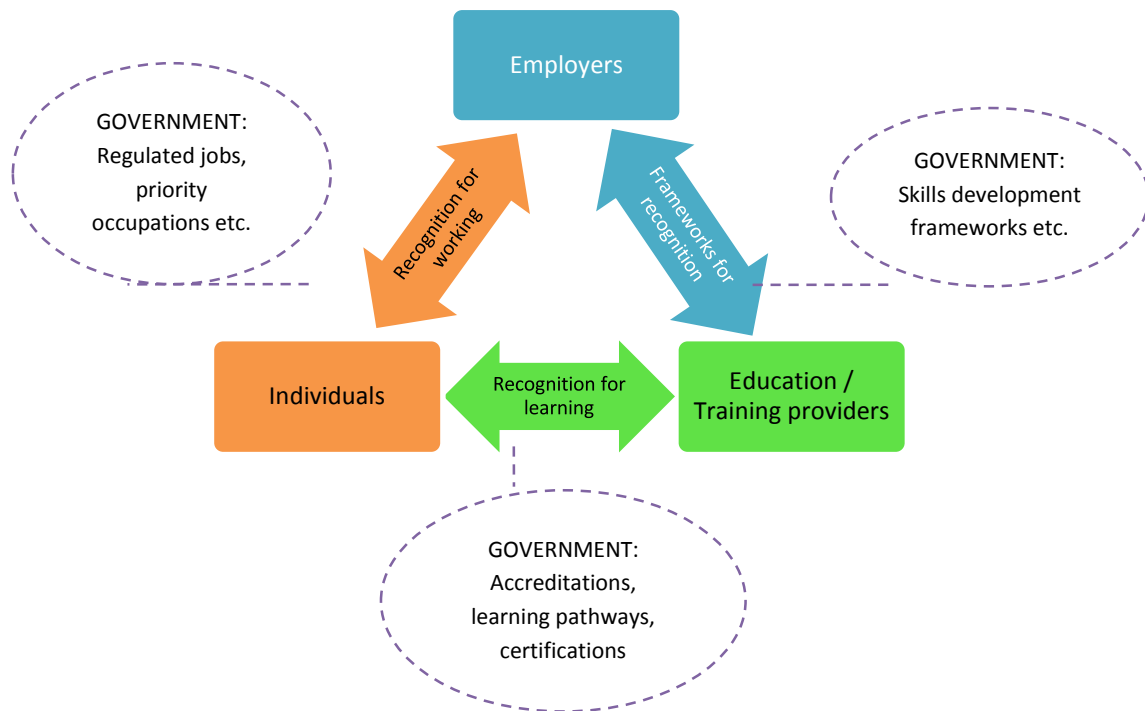
Source: Braňka, J. (2016), "Understanding the potential impact of skills recognition systems on labour markets: Research report", Geneva.

Skills recognition systems emerge at sectoral, national, regional and global levels. They benefit individuals, who then may be able to find jobs that better match their skills or open new career, education or training pathways. For those with low or no formal qualification, or those who obtained their qualification outside of the country where they work, recognition systems can make a critical difference in securing that first job or using the skills they possess. These systems can also bring benefits to employers who can more readily find the skilled personnel they need and the economy as a whole, by addressing issues of unemployment, underemployment and social inclusion.

The recognition process

The recognition process itself has two major components. The first consists of the assessment of documents that demonstrate acquired skills - such as qualifications and training certificates, but also portfolios (self-assessments), CVs and letters of recommendations. The second consists of a direct assessment of skills through work/activity observation, interviews or testing against agreed standards.

The recognition process is supported by specific services, such as the provision of information, advice and assistance in identifying the focus of recognition (towards which skills set/qualification) and the right provider, as well as assistance in the preparation of the necessary documentation.

There are several possible outcomes from the skills recognition process: the skills are recognized fully, partially or not at all. In the case of partial recognition, the provider issues a document certifying the recognized skills. Further guidance may be provided on how to use the skills certificate obtained; how to better document evidence of the skills; ways to develop the individual's skills portfolio appropriately; or even on further training to obtain full certification (Aggarwal, 2015). The objective of assessment is not only to award a qualification but also to steer the candidates' personal and professional progress, and to provide them with the tools to do that (Paulet, 2013).

Issuing a formal document or certificate must ultimately be recognized by those who can use them, value them and are willing to pay for them – i.e. the employers. The real recognition of skills takes place on the labour market. It is their practical value that makes the difference – in hiring, career and skills development pathways, promotion and remuneration (See Figure 2 on the process and outcomes of skills recognition).

Figure 2. Skills recognition process and outcomes
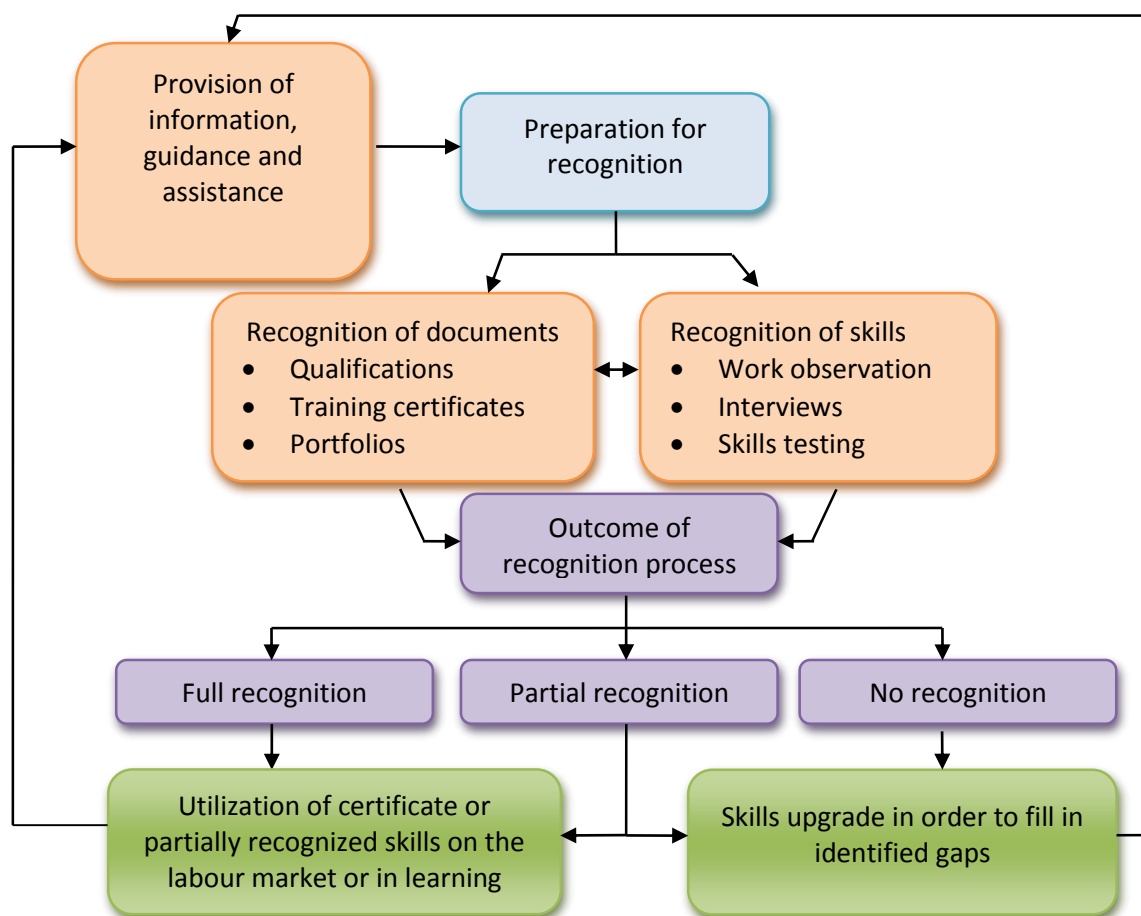
Source: Branka, J. (2016).

Labour market acceptance of skills certified through recognition systems is influenced by the way these systems are designed and implemented. Key challenges include:

(i) identifying needs of their users;

(ii) understanding the skills recognition environment and engaging its stakeholders;

(iii) ensuring quality, transparency and accessibility of the service provided;

(iv) reaching out to users and stakeholders; and

(v) monitoring and the evaluating skills recognition impact. (See Figure 3).

Recommendations and good practice examples provided are drawn from extensive literature review and case studies in the research project.[2]

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[2] Braňka, J. (2016), "*Understanding the potential impact of skills recognition systems on labour markets: Research report*", Geneva.

Figure 3.   Key challenges in development and implementation of skills recognition systems

2. Conducting a needs analysis

Determining the needs and expectations of individuals, employers, governments and training providers is the essential first step (See Figure 4).

Figure 4.   Expectations of employers, public authorities, individuals and training providers

EMPLOYERS:

- Address their skills shortages
- Improve efficiency of hiring and HRM
- Increase productivity
- Creating safer and healthier workplaces
- Increase staff motivation
- Comply with regulations that affect employees and/or business
- Promote staff skills

INDIVIDUALS:

- I want a job (of my choosing)
- I want to utilize my skills
- I want to be paid better
- I want my skills to be formally recognised
- I want to study more
- I want career progress

TRAINING PROVIDERs:

- Identifying training needs
- Better focus training provision
- Increase the public's interest in training

GOVERNMENTS:

- Increase competitiveness and economic growth
- Reduce unemployment and improve the match between supply and demand on the labour market
- Promote social inclusion and equity
- Improve the labour market situation of migrant workers
- Improve coherence between education, training and migration policies and status of TVET
- Support lifelong learning
- Improve employers' and workers' confidence in and buy-in of skills development policies
- Support transition from the informal to the formal economy
- Ensure quality and safety for certain occupations

As any other service, skills recognition systems must have clear purpose and linkage to identified needs. These purpose and linkage must be stated in its mission. In addition to that, identification of these needs must be confirmed by system stakeholders.

Figure 4 shows that there is a variety of possible needs to answer. In reality, they are often interlinked and addressing one of them may address several others. We must however bear in mind that it should be tested whether an identified need can truly be answered by skills recognition system.

How does this translate into an approach to different user groups, and who exactly are individual users (target groups) of skills recognition?

Good practice: Individual users of skills recognition services

In its widest sense, we speak about any individual that is interested in assessing and certifying his/her skills. Many existing recognition systems actually build on wide frameworks that encompass hundreds or thousands of qualifications or skills sets. Skills recognition in this widest sense usually follows policies that support life-long learning (LLL). National systems for recognition of prior learning (RPL) and National qualifications frameworks (NQFs) are typical examples of approaches taken to support the LLL.

Specific sub-groups may be identified as key end-users for whom the recognition system should provide its services.

The private-owned initiatives (for example the case study in the Australia financial sector) often target members of professional bodies, aiming at improving their prestige, competitiveness and value on the labour market.

Public-owned initiatives may select key users in relation to a specific policy (see Figure 4 for details). Such policies usually attempt to improve labour market outcomes for disadvantaged individuals, such as:

- Migrant workers
- Persons employed in the informal economy or with no formal skills assessment
- Low skilled people
- Unemployed
- Persons with disabilities

Source: Braňka J. (2016)

RECOMMENDATION:

Assessing needs of potential users should build on existing surveys and data sources to understand the situation and challenges of the labour market and education system. However, in most cases this is not enough. National statistical surveys, data on graduates from administrative records, surveys of migrant workers, and focus groups can all be used to supplement information that is more readily available.

Figure 5.   Identifying the roots of the problem
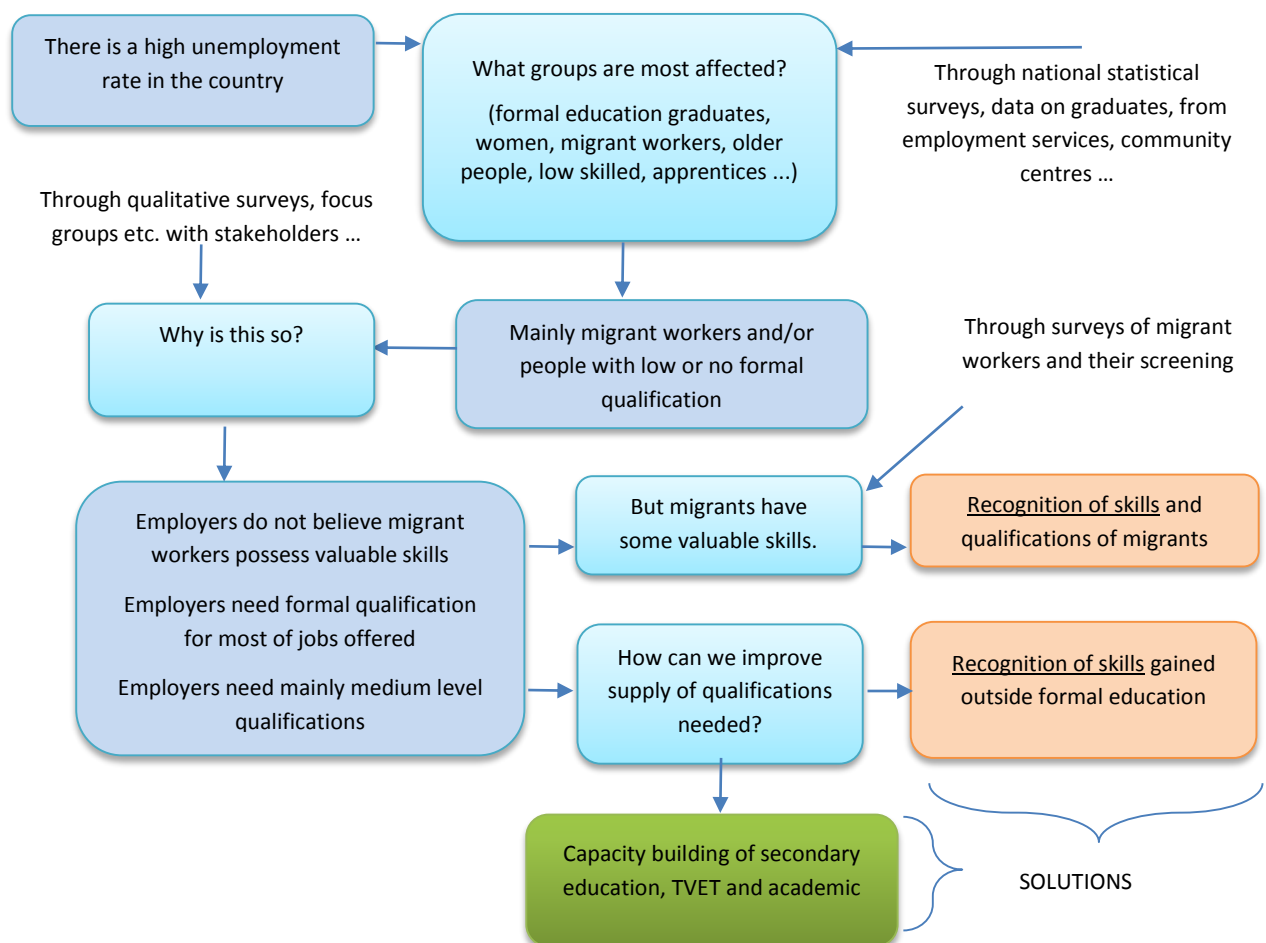
In this simplified case, a twofold potential for skills recognition has been identified with the use of several methods. It is important to note that key stakeholders must participate in the identification of problems, causes and solutions.

Figure 6. **Example of multiplicity of objectives: Belgium and India**

Belgium	India
The strategic objective of the system was two-fold: to ensure the social integration of all citizens, especially those without formal qualifications; and to enhance the employability and mobility of workers, employed or unemployed. The skills validation scheme was initially targeted primarily at individuals who did not hold any kind of formal qualification. But other priorities emerged: to assist employers to hire better-suited candidates; to better manage employees' career development and to optimize their training plans and to better match labour market supply and demand; better coordination between public stakeholders, i.e. public employment services (PES), guidance services, and training centres; sharing common standards; improving mobility between training providers and more efficient use of available funds (as training pathways can be more targeted or shortened).	The Government of India sees the Recognition of Prior Learning (RPL) as a possible step to enhance the employability, mobility and income of informal workers who have acquired and honed their skills on the job mostly under the guidance of more experienced peers. The RPL objectives are set as follows: Opening up education, career advancement and growth opportunities. Provide a basis for structuring procedures and criteria for RPL implementation, monitoring and evaluation, including resourcing and quality assurance. Support social inclusion efforts, by providing access to those currently excluded from the formal sector due to lack of skills recognition and certification. Establish the connection between increased skills, certification and wages.

Source: Mathou, C. (2015. and Banerjee, P. (2015).

As Chapter 3 will illustrate, impact of skills recognition system significantly relies upon stakeholder support, which can be significantly strengthened by answering needs of multiple stakeholders.

> RECOMMENDATION:
>
> Consider wider challenges that may be addressed by the skills recognition and link different needs of labour market, social policy, migration, competitiveness and others. By doing so, they may transform narrow skills recognition into a holistic system which answers both economic and social needs and also strengthens stakeholder support.

In many cases, recognition practices are already in place. Often, their effectiveness is not sufficient.

> RECOMMENDATION:
>
> Consider existing recognition arrangements, assess their appropriateness and, functionality and if necessary, improve them to achieve better impact of skills recognition.

When it comes to social benefits, stakeholders should be aware of the importance of distinguishing between short-term and long-term needs, objectives and impact of skills recognition systems.

Many systems primarily address current or anticipated labour market challenges (such as reducing skills mismatch). Skills recognition systems increase the supply of "visible" skills on the labour market and by doing so, they should empower individuals who will possess more skills that employers can utilize and pay for.

Some evidence shows that even in developed countries, low-skilled jobs account for a significant (if not dominant) share of job openings (Cedefop, 2012; Frey and Osborne, 2015; Schipani, 2012; Schmid, 2015). But in these jobs, opportunities to utilize certified skills are often minimal. In order to secure a ready supply of labour, employers have ensured in many cases that jobs have been designed in such a way that skill requirements are limited, and the work has been broken down into simple tasks that can be repeated by staff without substantial training (Keep and James, 2010).

> RECOMMENDATION:
>
> Be aware of the distinction between short-term and long-term needs and objectives of skills recognition where the ultimate objective is not only to help an individual to find a job, but to empower him or her by opening new career and learning pathways and stimulate him or her to follow them.

Summary of recommendations

While identifying needs and setting of objectives of skills recognition systems, it should:

- Assessing needs of potential users should build on existing surveys and data sources to understand the situation and challenges of the labour market and education system. However, in most cases this is not enough. National statistical surveys, data on graduates from administrative records, surveys of migrant workers, and focus groups can all be used to supplement information that is more readily available;
- Consider wider challenges that may be addressed by the skills recognition and link different needs of labour market, social policy, migration, competitiveness and others. By doing so, they may transform narrow skills recognition into a holistic system which answers both economic and social needs and also strengthens stakeholder support;
- Consider existing recognition arrangements, assess their appropriateness and functionality and if necessary, improve them to achieve better impact of skills recognition;
- Be aware of the distinction between short-term and long-term needs and objectives of skills recognition where the ultimate objective is not only to help an individual to find a job, but to empower him or her by opening new career and learning pathways and stimulate him or her to follow them.

3. Securing stakeholder support

The key to a successful skills recognition is buy-in and support from the major stakeholders including: employers' representatives, networks of career counsellors, employment services and workers' associations.

Many skills recognition systems aim at awarding an individual a formal qualification, which is a result of formal assessment of skills acquired in non-formal and informal learning contexts. To be valid, the "qualification" must be a good proxy for skills, recognized by employers.

Figure 7. **Importance of qualification?**
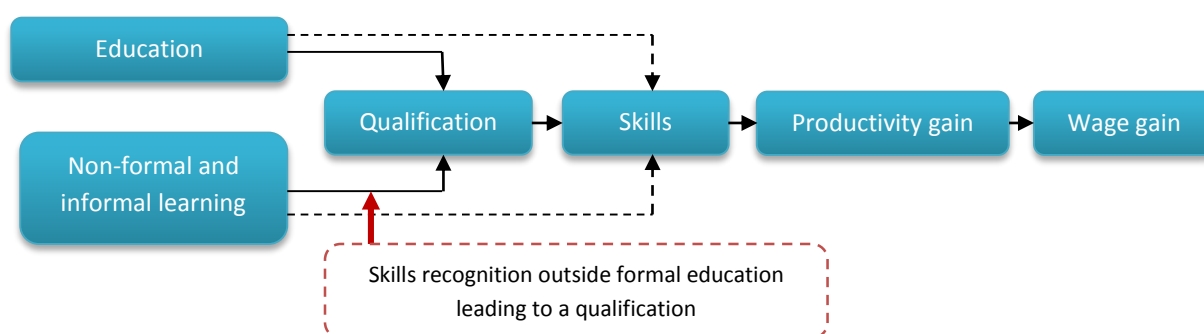
Source: Author, based on Keep (forthcoming)

Given the fast pace of change in technologies and work organization, skills needs are rising and changing constantly. An academic qualification signals to employers that an individual has intrinsic qualities that are often more valuable in the workplace than hard, occupational-specific skills. But does higher level of the educational attainment lead to better labour market outcomes? Not necessarily. In countries with a large informal economy, for example, there is often a scarcity of formal jobs - and those who successfully obtain qualifications may find it difficult to make good use of them.

> RECOMMENDATION:
>
> Thoroughly assess the country, society and skills development environment, including the importance of a formal learning system and of qualifications. This context has a profound influence on Skills recognition system.

There is also a sectoral context: in some cases, qualifications simply matter less for employers. If a sector does not require a highly formalized acquisition of certified skills, qualifications are not as important.

Skills recognition seems to play an important role in the manufacturing industry, construction sector, IT and safety and security sectors - but also in the financial, health care and education sectors. On the other hand, it is much less valued in service sectors, especially those where the job turnover is high and there is a large pool of candidates to choose from. In the case of clerical and administrative jobs, even formal qualifications as proof of recognized skills are not necessarily needed.

Understanding the extent to which employers use skills recognition certificates in recruitment and HR management under what circumstances is essential.

> RECOMMENDATION:
>
> Analyse the sectoral context and human resource development strategies of employers – what matters for them in terms of skills assessment and certification, what are their hiring practices and what value do they place on skills recognition certificates? In the end, they are the most important users of skills recognition systems.

Engaging stakeholders

To boost the capacity, awareness of, and confidence in skills recognition requires interaction, information exchange and cooperation amongst stakeholders.

It is necessary to carefully consider the strategy, especially in countries or sectors where the skills policies and measures are not developed. What can be reasonably expected from existing stakeholders?

> **Major stakeholders of skills recognition systems**
>
> - Employers' representatives
> - Workers' representatives (trade unions)
> - Financing / governing authority
> - Other ministries / authorities involved
> - Training providers

Who are they and what capacity do they possess? Is there a body that can push the skills recognition agenda forward, such as a national training authority or sector skills councils? Or is it necessary to stimulate development of new ones?

Stakeholders often have apprehensions, misunderstandings or mistrust in objectives and outcomes of skills recognition systems. Lack of support and cooperation of stakeholders may lead to lack of sources, capacities and scope of skills recognition.

> RECOMMENDATION:
> 1. Carefully map existing and potential stakeholders
> 2. Analyse their priorities and needs
> 3. Gain their trust and support and
> 4. Involve them in design and implementation of the skills recognition system.

Good practice: Stakeholder involvement in the Netherlands

In 2000, a national working group (ministries, social partners) on Validation of Prior Learning formulated a broad vision on VPL and the implementation process. VPL had to bridge the gap between the education supply and the demand on the labour market side.

Three groups of stakeholders have key responsibilities for VPL (Validation of prior learning):

- Providers of VPL - When registered in the Quality Code for VPL, any organisation may offer VPL-procedures that can lead to a formal Ervaringscertificaat. This registration process entails a number of steps concerning the quality of the process offered, the quality of involved staff, the independence of the organisation.
- Formal education and training sector - Any official VPL-procedure results in an Ervaringscertificaat. This certificate describes value of someone's skills portfolio. The candidate can use this report to ask the exam committee of an institute (school, university, training institute) either to access a learning programme, to obtain exemptions or to receive a full certificate/diploma.
- Private sector - In almost all sectors, recruitment and selection of personnel is increasingly also covering target groups without the formal requirements. VPL is also used to address formative issues such as retention of personnel or outplacement (from 'work to work') and employability. The role of the private sector is related to activities such as financing and raising awareness within sectors and companies or acting as VPL-providers.

Source: Duvekot, R. (2015).

Training providers face administration burdens, logistical challenges and possible conflict of interest (See the example of Belgium).

Spotlight on engaging training providers: Belgium

Validation centres are first and foremost training providers. Centres get compensated for organizing the validation sessions from public funds set aside for the validation scheme, but the procedure does not generate profits. In order to prevent windfall, public authorities calculated the amount of subsidies to cover exactly the costs related to validation. However, validation centres often need to mobilise additional resources, often by using their own funds, to be able to provide guidance to candidates before and during the validation process.

Organizing validation was initially experienced as cumbersome, due to administrative burdens as well as logistical challenges (e.g. candidates not showing up for the test). For training providers, validation could even be perceived as competing with their core business (providing training). In addition, the centres' management contracts and their performance indicators focus on the provision of training rather than the number of validation procedures carried out.

Source: Mathou, C. (2015).

Trade unions are another important stakeholder, yet there is little evidence of their involvement (Allais, 2015).

Spotlight on engaging trade unions

The case study on the RPL in the Netherlands confirmed strong involvement of trade unions in the development of the whole system. In Belgium, trade unions had initial apprehensions concerning the RPL, especially the risk that "failure to pass the validation test could lead to downgrading (de-qualification)". Nonetheless, as a part of sectoral agreements in Belgium, trade unions supported the skills recognition approach. The skills recognition approaches for migrant workers in the UK also involved trade unions, as they became strongly interested in improving migrant workers' labour market outcomes (employment, wages etc.).

Source: Branka, J. (2016).

Engaging employers and their representatives – from the design of the system and assessment methods to implementation is imperative. Many employers fear that skills assessments will not maintain sufficient quality standards, will be cumbersome and lead to requests for pay rises without adequate increase of work productivity.

Spotlight on engaging employers

In Australia, skills recognition is one of the tools/measures implemented by the Industry Skills Councils (ISCs) - independent, industry-led non-profit sectoral bodies. Industries are strongly involved in the definition of aims and priorities of skills recognition approaches. Skills recognition is seen as an important tool to enhance labour market mobility, in which ISCs cooperate closely with training organizations and employers directly.

In Germany, employers (through professional bodies like the German Association of Chambers of Industry and Commerce) strongly participated in defining priorities for the migrant workers' skills recognition approach and design. The views of employers (and individuals) were important in improving processes and supporting services of the approach.

In Belgium, priority occupations to be covered by the RPL system were chosen also on the basis of employer's knowledge of their respective sector. Employer representatives are actively involved in the Consortium via the ad hoc Commissions working on the elaboration of the validation standards (COREF). Individual employers are provided information on the skills validation scheme via direct contacts with PES consultants. In Brussels, Actiris consultants can inform employers about the certificates that could match their skills needs.

In South Africa, skills recognition is driven by analytical inputs from sectoral bodies - SETAs - that develop Sector Skills Plans (SSPs), identifying scarce skills occupations (skills shortages) and pivotal skills (top 10 scarce skills occupations) in their respective sectors. The SETAs are responsible for registering and funding learnerships, apprenticeships and skills programmes. As delegated quality assurance bodies, they conduct provider accreditation. They also monitor the training and assessment process and learner progress.

In the Netherlands, the Training and Development Funds set up by the social partners (industrial branches, trade unions, and employers' organizations) participate in the design of assessment methods.

Source: Branka, J. (2016).

As the OECD Migration Outlook 2014 noted, "Ultimately, however, it is up to the employer to accept the… (recognized)…. skills and qualifications as "equivalent." Validation and recognition procedures must, therefore, involve employers. Indeed a feature of many of the most successful … measures is precisely strong employer involvement" (OECD, 2014).

Employers may not value formal recognition of skills in low-skilled jobs in the industry, accommodation and catering, agriculture, construction or retail sectors because they are able to train workers on-the-job quickly and efficiently; there is substantial pool of candidates available; and turnover in these jobs is high.

An interesting practice in this regard may be the development of sectoral skills/competence development models, which makes it easier to understand the required skills by level, and by jobs. Such an approach has been developed for example in the United States:

Figure 8.   Sectoral competence model in Hospitality, Tourism, and Events Industry (US example)

So the critical factor in developing a successful skills recognition system is the understanding of what skills (visible = certified) allow an individual to achieve, within the context of country, sector and HR management at company level (see Figure 13).

Figure 9. ***How to focus skills recognition***

UNDERSTANDING THE RECRUITMENT PROCESS
- What does the recruitment process look like for different occupations and different sectors?
- What is the value of qualification or skills certificate in proving the value of a job seeker to an employer?
- What role does evidence play in different stages of the recruitment process?

THE DEMAND FOR SKILLS
- What jobs are available?
- In which sectors?
- What skills and qualifications are needed?
- What career pathways are available from these jobs?
- What HR strategies do employers have?

TO TARGET GROUPS
- What qualification and skills do they possess?
- What is the reason they have problems in proving or using their skills?

HOW TO FOCUS SKILLS RECOGNITION
- Needs of specific user groups
- How to approach specific groups of employers
- What qualifications and skills to recognise
  (Also with some ideas to …)
- How to design recognition process
- How to promote the skills recognition

Special attention should be paid to stakeholder support and cooperation in case of recognition of skills of migrant workers. Much can be done in the country of origin to secure better labour market outcomes for migrant workers through skills recognition.

Good practice: Cooperation of stakeholders in case of Italy-Egypt migrant skills matching project

In 2005, Italy signed an agreement on employment with Egypt in order to set norms and regulations for the management of Egyptian labour mobility towards Italy. The Italian Government granted Egypt an annual average quota of 8,000 workers allowed to enter the Italian labour market. An Addendum to the abovementioned agreement allowed the Egyptian Ministry of Manpower and Emigration to carry out the process of assessing and selecting the potential migrants. The Egyptian Administration became responsible for the drafting of the list of "certified" workers, to be published, through the IMIS informative system, on the pages of the Italian Ministry of Labour website.

Source: Panzica, F. and Popova, N. (2015).

RECOMMENDATION:

In the case of recognition systems of migrant workers, close cooperation of stakeholders and institutions from both (all) countries involved is an important step.

Summary of recommendations

While setting the skills recognition system in its wider context and approaching stakeholders, it should:

- Thoroughly assess the country, society and skills development environment, including the importance of a formal learning system and of qualifications. This context has a profound influence on skills recognition system.
- Analyse the sectoral context and human resource development strategies of employers – what matters for them in terms of skills assessment and certification, what are their hiring

practices and what value do they place on skills recognition certificates? In the end, they are the most important users of skills recognition systems.

- Carefully map existing and potential stakeholders; analyse their priorities and needs; gain their trust and support; and involve them in design and implementation of the skills recognition system.
- Trade unions are important contributors to and partners of skills recognition system. To strengthen their interest, it is vital they understand the potential benefits for their members, such as better labour market outcomes (job security, skills transferability, higher wages, better contracts, career progress). Among other things, trade unions can market skills recognition among their members.
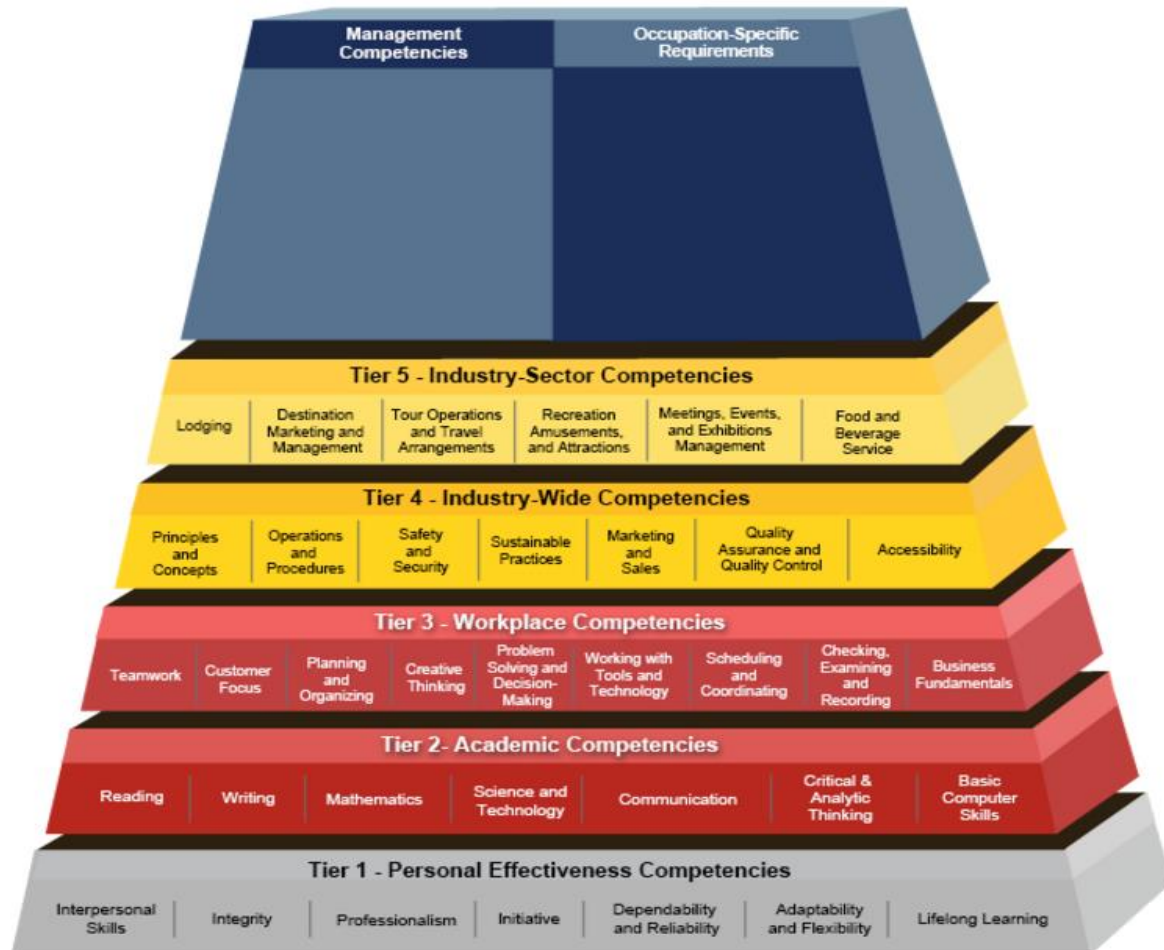- Engaging employers is key – from the design of the system, assessment methods and implementation. Apprehensions and mistrust of employers will lead to failure of the recognition system. Employers' representatives are also critical in marketing of skills recognition; they may even provide services for the assessment itself.
- In the case of recognition systems of migrant workers, close cooperation of stakeholders and institutions from both (all) countries involved is an important step.

4. Making the system work

Making the system work for users requires trust based on quality assurance, cost effectiveness and accessibility.

Finding the right balance between robust assessment methods whilst encouraging individuals to use the system is critical. This requires a consensus amongst all stakeholders and recognition providers on the assessment criteria.

Linkage between the recognition system and formal education and training systems, and use of the same assessment tools and methodologies for formal as well as non-formal and informal learning is optimal. But the differences in learning contexts and learners' characteristics makes this difficult (Aggarwal, 2015).

Good practice: Methods applied within nationwide systems for recognition of prior learning

Portfolios are by far the most frequently accepted methodology in documentation, followed by declarative methods, and simulations/evidence extracted from work. But when it comes down to assessment, tests and examinations become the most accepted methodology *(European Commission; Cedefop; ICF International (2014).*

In the French-speaking part of Belgium, anyone aged over 18 years, who has acquired professional experience but does not hold a corresponding diploma or certificate, has the right to get his/her skills recognised on the basis of a validation test. The test involves a professional jury at an accredited validation centre. Candidates are placed in a professional situation typical for a given occupation. All centres use standardized assessment procedures. If successful, the candidate is awarded a Skills Certificate – an official document recognised by the three French-speaking governments, certifying the mastery of skills that are part of a specific occupation *(Mathou,C. 2015).*

In the Netherlands, the recognition process consists of the following stages: (i) identification or listing of competencies in a portfolio; (ii) accreditation and evaluation (usually via observation on the job or by means of a criteria-based interview); (iii) development (action plan of skills upgrading); and (iv) implementation (in an organization or for an individual). *(Duvekot, R. 2015.).*

RECOMMENDATION:

Find the right balance between sufficiently robust assessment methods while encouraging individuals to use the system requires the involvement of employers' and workers' representatives and those that will provide the recognition service (e.g. training providers).

Skills recognition systems often operate at two levels ("governing/financing authority" and "recognition authority"). Most systems have established a "Recognition Authority" – a body that has the responsibility of fulfilling the objectives of the system. It may be an existing public authority, a newly created one for the purpose of the recognition system, or a professional or sectoral body.

Range of skills recognition authorities	
Skills recognition for insurance brokers in Australia	The National Insurance Brokers Association (NIBA)
RPL in Belgium	Consortium de validation des compétences (CVDC)
RPL in the Netherlands	Kenniscentrum EVC
Skills recognition and development system in Singapore	Singapore Workforce Development Agency
Skills recognition through informal apprenticeships in Ghana	The Council for Technical and Vocational Education and Training (COTVET)
Skills mismatch and skills recognition in South Africa	Quality Council for Trades and Occupations (QCTO)
Global skills recognition for engineering graduates (The Washington Accord)	The International Engineering Alliance

Source: Branka, J. (2016).

These authorities certify qualifications, provide information and coordinate with other stakeholders, and are often a first point of contact for potential applicants. Generally there is a network of "recognition providers" under these recognition authorities. These recognition providers should be certified; it is vital to monitor their work to ensure quality of service provided.

Good practice: Quality assurance in the South African assessment system

The assessment system is made up of the following processes and procedures:

STAGE ONE: Approval of Assessment Quality Partners

STAGE TWO: Accreditation of Assessment Centres

STAGE THREE: Monitoring of Assessment Quality Partners (AQPs)

STAGE FOUR: Quality assurance of external integrated summative assessment through:

- Moderation of examination question papers
- Moderation of internal assessment
- Monitoring the conduct of assessments
- Moderation of external assessment

Source: Rasool, H. (2015).

In the case of international - bilateral or mutual - skills recognition systems, the quality and reliability of the assessment has an added challenge, i.e. the necessity to map and bridge differences in curricula across countries, particularly formal recognition of qualifications of migrants.

Good practice: Assessment process of different nursing curriculums, Norway and the Philippines

Detailed steps of the assessment included:

1. Development of country profiles on the basis of desk reviews and validation of these profiles by team of nursing sector consultants
2. Validating field missions in Norway and in Philippines, including face-to-face interviews and focus groups with stakeholders
3. Analysis of comparability of qualification frameworks
4. Curriculum mapping using a "Education comparability tool" (ECT)

Education comparability tool (ETC)

5. Validation of the gap analysis
6. Report on the assessment
7. Dissemination of results

Source: Vaillancourt-Laflamme C., dela Rosa J. (2015).

RECOMMENDATION:

Bring assessment methods as close as possible to specific user groups. For example, develop capacity for pre-migration skills assessment of migrant workers in their home countries. Possible steps include the creation of a network of offices that provide links to stakeholders and employers in destination countries and build their capacity for:

- identification of suitable candidates,
- skills assessment and
- provision/organization of training, as necessary.

The skills recognition process at the sectoral level has its own specific characteristics. It may, in fact, include both the recognition of prior learning of both nationals and migrants alike. But in many cases, the key feature of this approach is its link to training. While in other systems skills upgrading is often an option, the skills recognition at sectoral level usually requires – or recommends – further training in order to obtain formal certification.

Accessibility

Access to skills recognition services requires a network of skills recognition providers; an insufficient number of competent skills recognition professionals acts as a barrier to implementing and scaling up the service (Aggarwal, 2015). Training and certification programmes for recognition of professionals and organizations must be developed and regularly updated.

Examples of recognition providers

In Ghana, skills of graduated apprentices are recognized through a collaborative effort by Business/Trade Associations - through exhibitions, trade shows and trade fairs. Semi-informal recognition may also be done by clients and customers and also through competitions. The Ghana Tourism Authority (GTA) in collaboration with the Traditional Caterers Association and the Ghana Chop Bars Operators Association periodically organise cooking competitions at regional and national levels to give recognition of skills in the sub-sector *(Amankrah, J. 2015).*

In Germany, skills recognition for migrant workers regarding occupations falling under dual system is secured through trade chambers. For regulated occupations, such as doctors, the recognition is provided by institutions operating on federal state level *(Branka, J. 2015).*

In the Netherlands, any organisation may offer VPL-procedures that can lead to a formal Ervaringscertificaat. This registration process for a provider entails a number of steps concerning the quality of the process offered, the quality of involved staff, the independence of the organisation *(Duvekot, R. 2015).*

In Brazil, provision of recognition services varies significantly by context and provider. For example, accrediting federal system of Certific Net encompasses three groups of members: accrediting institutions (38 Federal Institutes of Technical and Technological Education); eligible entities for skills certification purposes (such as public and private schools, unions, enterprises, NGOs); associated organizations in areas concerned to the Net, such as education, metrology, standardization and/or inspection (including the Inmetro). Certific Net has initially defined more than 30 skills profiles in areas as construction, tourism, electricity, music and fishing; it has also accredited a few Federal Institutes and Senai for supplying these certifications *(Leite, E. (2015).*

In French-speaking part of Belgium, the scheme is implemented by a Consortium bringing together the five most important public sector training providers in French-speaking Belgium *(Mathou, R. 2015).*

In China, Vocational Skill Assessment is an activity for assessing a worker's vocational skills based on national occupational standards and conducted by assessment organizations approved by the government. These assessment organizations are set up by industries, associations and local governments. There were more than 9,000 public occupation skill testing stations in China in 2014 *(Wang X., Dong J., Tao L. and Zeng Y. 2015).*

Existing institutions that can be entrusted with providing recognition services include:

- Training providers
- TVET schools
- Universities / colleges
- Trade chambers
- Professional associations
- Public employment services
- Career guidance centres
- Sectoral bodies
- Regional or local authorities.

The ways in which skills recognition systems are financed influence their labour market outcomes. The perceived value of skills recognition vs. associated costs, long term sustainability and extension of skills recognition system cannot be solely dependent on public financing. A cost-sharing model presents its own challenges.

We are reminded that skills recognition systems target a wide range of objectives: not only direct labour market value for users but also long-term objectives including reduced unemployment, prevention of skills waste, support for lifelong learning, social equity and poverty reduction.

The investment not only takes the form of direct costs, but also of time and effort. Many systems therefore cover 100 per cent of costs for individual users. In many cases, full coverage by public funding is unavoidable even in the long term – when they involve disadvantaged groups, such as low-skilled, unemployed, low-income or migrant workers, who may benefit the most from skills recognition but lack sufficient resources to pay for it. If skills recognition is intended to contribute to social equity, making it accessible to disadvantaged groups is of prime importance. See Figure 10 and the following box on good practice for alternative financing mechanisms.

Good practice: Funding of skills recognition

In Belgium, the system is funded by means of subsidies granted by the three French-speaking governments. Public funding has been maintained at a stable level since the inception of the scheme. However, while the number of candidates seeking to have their skills validated has steadily increased over time (on average, an annual 10 per cent increase), this has not been matched by a corresponding increase in the funds available (*Mathou, C. 2015*).

In the Netherlands, the role of the private sector in VPL (Dutch system for the recognition of prior learning) is related to activities such as financing and raising awareness within sectors and companies or acting as VPL-providers. Training funds often finance agreements on VPL. Both employees and employers pay a small amount of their income to these sectoral funds, which were originally set up to support educational initiatives for employees. In addition, private sector institutions may, like public institutions, offer VPL if they are registered as a VPL-provider with the Knowledge Centre and adhere to the quality code *(Duvekot, R. 2016).*

In relation to the skills recognition of employees, some industrial branches, trade unions and employers' organizations have combined their efforts and started Training and Development Funds (O&O-fondsen), to support educational initiatives for employees. These funds are also used for the evaluation of personal competences of employees *(IOM, 2013).*

In Germany, the unemployed and jobseekers may receive financial support from the PES. This applies both to skills recognition (especially in the case of recognition of foreign qualifications) and to subsequent training - if it is recommended.

In Ghana, The National Vocational Training Institute (NVTI), which is responsible for system aiming at recognition of skills of informal apprentices, receives funding from the government for staff salaries and other running cost of NVTI staff to execute their mandate. However, beneficiaries of skills recognition systems pay fees to NVTI which constitute part of their internally generated fund to support skills recognition activities *(Amankrah, J. 2015)*.

In India, the sectors chosen for RPL implementation were agriculture, healthcare, gems and jewellery, all implemented through their respective Sector Skill Councils (SSC) and fully funded by the National Skill Development Agency (NSDA). RPL in the construction sector was due to be implemented through the Directorate General of Employment and Training (DGET) from available funds in the Building and Other Construction Workers' (BOCW) Welfare Fund *(Banerjee, P. 2015)*.

In Russia, the comprehensive system of assessing and recognizing competences and qualifications under the National Qualifications Development Council made up sector sub-systems that is self-financed from the costs covered by candidates who want to have their competences and qualifications validated *(Oleynikova, O. 2015)*.

In South Africa, funding remains a challenge for the system. There is a shortfall in the QCTO funding resulting in inability to implement its programmes and develop its staff component to be fully operational; need to use the DHET infrastructure, policies and systems under a Memorandum of Agreement (MOA) and delegating some of its functions to the SETAs, the National Artisan Moderation Body (NAMB), and other bodies; and in insufficient budget to pay for all qualification and standard- generating processes *(Rasool, H. 2015)*.

Figure 10.   Ways of financing of skills recognition

BY AN INDIVIDUAL

Payment in instalments
Access to subsidized loans

Employer – individual cost sharing

SKILLS RECOGNITION COSTS

- Facilitation
- Guidance
- Translation
- Assessment
- Adaptation periods for partial recognition
- Training

BY PUBLIC FUNDING DIRECTLY
Direct funding of skills recognition participants

BY AN EMPLOYER
Direct cost coverage
Levy funding

Cooperation of recognition authority and other stakeholders such as PES

Tax reductions
Targeted programmes for skills upgrading/ development in the workplace

BY PUBLIC FUNDING INDIRECTLY
Including skills recognition within other public skills/employment policies such as active labour market policy

RECOMMENDATION:

Develop a cost sharing model, bearing in mind long term sustainability, capacity of the service providers and accessibility of the service for disadvantaged groups. Full public funding for disadvantaged groups will address access and improve labour market outcomes.

Summary of recommendations

While securing quality and availability of a skills recognition service, it should:

- Find a right balance between sufficiently robust assessment methods while encouraging individuals to use the system requires the involvement of employers' and workers' representatives and those that will provide the recognition service (e.g. training providers);
- Bring assessment methods as close as possible to specific user groups. For example develop capacity for pre-migration skills assessment of migrant workers in their home countries. Possible steps include the creation a network of offices that provide links to stakeholders and employers in destination countries and build their capacity for:
  - ➢ identification of suitable candidates,
  - ➢ skills assessment and
  - ➢ provision/organization of training, as necessary;
- Develop a strong network of certified recognition providers, building on cooperation with stakeholders. Develop capacity for certifying and manage the network at the level of recognition authority;
- Develop a cost sharing model, bearing in mind long term sustainability, capacity of the service providers and accessibility of the service for disadvantaged groups. Full public funding for disadvantaged groups will address access and improve labour market outcomes.

5. Raising awareness

The challenge of awareness (or the lack of it) resonates in most analyses of skills recognition, resulting in low participation despite strong evidence of needs and benefits. Awareness raising must cover the full range of stakeholders including individuals, employers, career counsellors, public employment services, and recognition service providers.

In the majority of cases users do not know about skills recognition at all, are not aware of its benefits or do not realize that the skills learned and knowledge obtained in informal and non-formal settings can be formally recognized.

Although the benefits of skills recognition for users – both individuals and employers – are widely accepted, involving them in recognition process is not straightforward. The challenges are threefold:

(i) How to secure active participation of employers in the development and implementation;
(ii) Lack of institutional capacity and
(iii) User awareness and understanding about methods, processes, outcomes and benefits of the recognition system.

The real recognition of skills lies with employers, who either accept or reject recognition certificates. Many skills development systems, including national frameworks, are built with employers. However, the awareness rate of the recognition system decreases the smaller the size of the company. In Singapore, despite its well-promoted and established skills development system WSQ, particularly small establishments may never even have heard of it.

Figure 11. WSQ awareness rates in 2012 by company size (per cent)
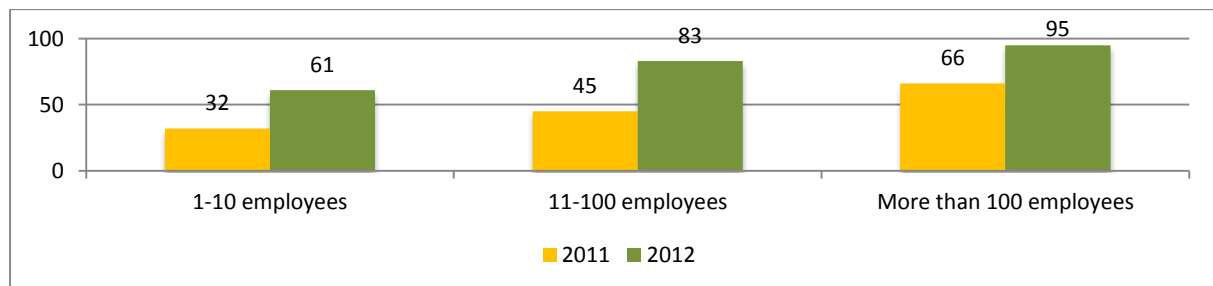
Source: WDA, 2015.

The challenge of SME awareness is particularly evident in the case of migrant workers, whereby SMEs face higher information-related obstacles in foreign recruitment compared with bigger firms. Cumbersome and lengthy immigration procedures limit migrant recruitment in SMEs, where uncertainty about the length of time and administrative steps required to obtain a work permit for a migrant worker translate into costs and planning difficulties (Desireo and Schuster, 2013).

RECOMMENDATION:

Focus especially on SMEs, as there is the biggest untapped potential for using skills recognition service particularly for migrant workers. Better communication with chambers and associations that represent mostly SMEs (for example on regional or local level) may enhance their awareness and interest in using this source of skilled labour.

Key information that needs to be channelled to users of the system includes: "... *publicizing what is RPL, whom to contact, the process, estimated costs, timeframe, eligibility requirements and assistance available",* and the importance of *"counselling and facilitation support"* (Aggarwal, 2015).

For individuals, the extent and quality of marketing, information support, guidance and other services are essential. Easy access to this information inspires participation. The focus of awareness should be on:

- Presentation and marketing;
- Practical skills recognition examples: from all levels: individual, organisation and system;
- Information, websites etc., in multiple languages;
- Cooperation with representatives of the most relevant target groups, such as migration guidance centres, employment services, chambers of commerce, professional associations etc.

RECOMMENDATION:

Strengthen cooperation with organizations that are in touch with the most relevant target groups, such as migration guidance centres, employment services, chambers of commerce, professional associations etc.

The responsibility for awareness raising lies with the recognition authority itself, the network of recognition providers, but also the stakeholders – employers' and workers' representatives, PES, career guidance, educational and training providers and others. The provision of information, advice and guidance on the benefits, opportunities and procedures of skills recognition is important to ensure the success of validation.

Good practice: Reaching out

In Belgium, PES are the primary channel for reaching individual users. Jobseekers have been the main target group of the scheme since its inception. Validation centres also provide information to anyone interested in the scheme. Prior to registering for a test, guidance is provided to candidates to assess their chances of success. Other ways to reach potential users include the Consortium website, the diffusion of information material, targeted emails to jobseekers, and media campaigns. As part of the Year of Competences in 2013 (2013, Année des compétences), a number of initiatives promoted the various ways in which citizens could have their competences recognized. One of the outcomes was the creation of an online portal providing information about all types of validation procedures in French-speaking Belgium *(Mathou, C. 2015).*

In the Netherlands, information and guidance practitioners in the Netherlands are raising awareness of the potential of VPL for users and stakeholders. They are well informed about validation initiatives and practices since they work at all levels of stakeholdership and in every domain of the learning and working systems to which they need to link people (their customers) *(Duvekot, R. 2015).*

In South Africa, the occupational learning system is a relatively new innovation. A number of marketing and communications activities are being undertaken to keep stakeholders informed about occupational qualifications development and assessment processes: (i) national road shows are held in all nine provinces; (ii) a website has been developed providing vital information; (iii) a management information system has been installed;(iv) a marketing and communication strategy has been developed; (v) QCTO participates in major exhibitions and produces a range of printed materials *(Rasool, H. 2015).*

In Germany, a new website, "Recognition in Germany", has been developed in order to provide a one-stop-shop information centre, focusing mainly on individual users - but also on employers and stakeholders likely to influence the system. For individual users, it provides information that can help them to understand the recognition process and to orientate themselves. As its main target group are foreign nationals, the website is constantly improving its availability in other languages – another proof that the use of labour market data (in this case information on countries from which migrant workers mainly come to Germany) are an important source that shapes the skills recognition system and thus increases the probability of its positive impact. Currently the website is available in nine languages, and also in a simpler German language for those who have some – but limited – knowledge of German. The website also provides information on success stories of people going through the recognition process and how it improved their chances of finding better jobs: It also provides guidance related to working in Germany, indicating ways of how to find counselling providers, information on legal matters and on the recognition procedure itself, and, most importantly, information on occupations covered and on authorities that may provide the skills assessment. The website has recently produced a new app for Android, iOS and Windows devices. It is available in German and English as well as in the five major languages spoken by refugees (Arabic, Dari, Farsi, Tigrinya and Pashto) *(Branka, J. 2015).*

In Ghana, awareness is supported through meetings, workshops, stakeholder consultations, exhibitions, trade fairs and participation in graduation ceremonies for the recognition of skills of graduated apprentices *(Amankrah, J. 2015).*

In Brazil, building awareness of skills recognition is done in several ways. Skills recognition focusing on health and occupational safety – one of strongest drivers in Brazil – is promoted by organizations dealing with working conditions, labour inspections and related regulation. When there is a public need for skills recognition as a tool for securing of higher quality service and products (such as in the health care) or as a tool for combating unemployment and informality, government, recognition providers and employers promote it together. There is also a strong promotion to encourage

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In many countries, the private sector informs, promotes and raises awareness about validation opportunities (e.g. in Spain, Bulgaria, Iceland, Turkey and the Netherlands). In Iceland, private

companies often motivate their employees to participate in validation, allowing for flexibility in their working hours during the validation process (IOM, 2013).

Examples from case studies show that a good communications strategy should be developed for both employers and individuals, which reflects their needs and expectations and takes into account the most effective ways in which they must be approached.

RECOMMENDATION:

Develop a communication strategy for different audiences, selecting appropriate tools, media, content and detail.

Success stories highlighting the benefits of skills recognition can also raise awareness among users. For individuals, the German website *Recognition in Germany[3]*; for employers the Manitoba *WPLAR website[4]* may serve as an interesting examples.

RECOMMENDATION:

Showcase stories of individuals and of employers, bringing concrete examples on how they use skills recognition, for what purpose and with what outcome. Share these through multiple fora.

Summary of recommendations

While securing quality and availability of a skills recognition service, it should:

- Focus especially on SMEs, as there is the biggest untapped potential for using skills recognition service particularly for migrant workers. Better communication with chambers and associations that represent mostly SMEs (for example on regional or local level) may enhance their awareness and interest in using this source of skilled labour.
- Strengthen cooperation with organizations that are in touch with the most relevant target groups, such as migration guidance centres, employment services, chambers of commerce, professional associations etc.;
- Develop a communication strategy for different audiences, selecting appropriate tools, media, content and detail;
- Showcase stories of individuals and of employers, bringing concrete examples on how they use skills recognition, for what purpose and with what outcome. Share these through multiple fora.

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[3] http://www.anerkennung-in-deutschland.de/html/en/success_stories.php
[4] http://wplar.ca/case-studies

6. Measuring output and impact

Most systems have some form of monitoring, but very few conduct a regular impact assessment of their activities. There is weak capacity for impact assessment and limited knowledge of relevant tools and methodologies. This situation is often linked to the scarcity of labour market information in the country as a whole.

A good understanding of available data, tools and indicators for measurement and interpretation and reliability of gathered information are key. The systems should provide information on outputs as well as on impact:

Figure 12.   Outputs and impact of skills recognition system

OUTPUT	IMPACT (OR OUTCOME)
Result of an activity incorporated in the recognition system, such as the number of participants, the share of employers involved, level of awareness, etc. It can be measured more easily and it is directly linked to the performance of the recognition system.	Positive change or influence on users that can be measured, such as an increase in earnings, improved skills matching, and the effective addressing of skills shortages. Soft indicators, such as the increased self-esteem of individuals, also matter. Measurement of impact is more difficult, and care needs to be taken when interpreting indicators – there are strong external factors that also influence the impact.

Lack of information on outputs and impact results in lack of awareness, confidence and demand for the service.

RECOMMENDATION:

Be aware that lack of information about performance and impact of skills recognition weakens awareness, trust and demand for the service.

Measuring outputs

Data for measuring output include:

- Number of candidates undergoing the skills recognition process;
- Number of candidates obtaining the skills recognition certificate;
- Stratification of these candidates according to various characteristics, which demonstrate trends in demand for skills recognition.

The number of candidates (as well as the percentage of successful ones) is gathered from recognition providers. Scores – or even hundreds – of institutions may provide recognition: specialized providers, professional bodies, training providers, higher educational institutions, chambers of commerce and others. Therefore, establishing comprehensive data collection system to reliably inform skills recognition systems is complicated.

The monitoring may be based on the tracking of recognition participants (prior and after the recognition procedure), or on sample surveys of users. Establishing a database should include important indicators, such as:

- user profile (age, gender, existing formal qualifications and/or further training, employment status, professional experience; Certificate targeted);
- number of users;
- number of recognition processes organized;
- number of certificates awarded;
- duration of the recognition process (by certificate, by sector);
- success rate (by occupation, sector);
- number and follow-up of users' complaints;
- cost of recognition tests, of the scheme in general;
- reasons for which individuals opt for recognition procedure;
- awareness rates;
- agreements for qualification recognition.

RECOMMENDATION:

Develop and maintain a database on participants of skills recognition process. Discuss with stakeholders what should be tracked within the database. In addition, build the capacities of the stakeholders to use the data for policy-development.

Good practice: Indicators from the monitoring system and their interpretation, Germany

The success rate of individuals undergoing the recognition process: the figure now stands at 96 per cent, compared to the previous year of just 76 per cent, which represents a tremendous improvement. Given the perceived difficulties for migrants (related to understanding and orientation in the recognition scheme), this indicator is quite important for measuring the impact of recognition arrangements.

List of occupations and number of successful recognition procedures for them: this indicator can be used for assessing whether the recognition system is really effective in areas in which it is expected to help – skills mismatch, labour shortages, etc. Again, the case of Germany shows the high relevance of the recognition outcomes and labour shortages: around 60 per cent of the successful recognitions were in occupations with the most significant bottlenecks, like health care occupations or other highly skilled jobs.

Reasons why individuals opt for the recognition procedure: 40 per cent claim that they want to increase their chances of finding a better job, and 33 per cent because it is mandatory for their occupation. Those who readily responded to the survey may be those who have the greatest confidence in the quality of the recognition process and its value on the labour market.

Source: Branka, J. (2015).

The following figure shows how to transform the data gathered from monitoring into skills recognition systems implementation

Figure 13.   Information gathered through monitoring and its value

Are we successful in stimulating demand and awareness of the system?	• Total number of applicants and its trend • Share of individuals/employers who are aware of the system and its benefits, and trends in these figures • How do users find us? Which channels do they use? • If they do not use the system, why not?
What are users expecting from the skills recognition process?	• Reason for which individuals applied for recognition • What will employers use recognition certificates for?
Who are our users?	• Countries from which most applicants come, language they search in; • Age and gender structure of applicants; • Employment status and qualification of applicants; • Size and sector of businesses using / demanding recognition.
What is their demand?	• Most desired occupations • Share of applicants for regulated and non-regulated occupations, and its trend; • Most required information
What are their experiences from the process?	• Success rate • Feedback on the process

RECOMMENDATION:

Following discussion with stakeholders, develop a set of indicators for measuring outputs of the recognition system Enrich the database by short surveys of participants, asking in particular about their expectations, experience and immediate outcomes of the recognition process.

Measuring impact

Measuring the impact of skills recognition is a complex and challenging task. The success of a skills recognition system may be observed years after its implementation. It is much harder to differentiate the impact of the system itself from the impact of other measures and policies - and from the impact of economic developments in general, which may either increase or offset its influence.

The process of identification of the impact consists of several steps: definition of impact; measurement of the impact; and assessment of the measurement.

Indicators of impact/outcome should signal how well the recognition systems have achieved their aims.

EMPLOYERS:

- Changes in share of (skills related) hard-to-fill vacancies and (opinion-based) assessment of employers on influence of skills recognition on it;
- Changes in share of accidents prior to and after recognition; self-assessment on staff productivity by employers;
- Self-assessment on staff motivation by the employers;
- Changes in share of workers complying with regulations;
- Self-assessment by employers; average length of the hiring process; average length of vacancy posted.
- Changes in establishments' spending on skills recognition

INDIVIDUALS:

- Self-assessment on productivity;
- Self-assessment of confidence, activation and motivation;
- Employment status prior to and after recognition;
- Job held prior to and after recognition, its link to recognition focus;
- The wage / salary prior to and after recognition;
- Training / education started after recognition, its link to recognition focus;
- Job held prior to and after recognition, its link to recognition focus;
- Acceptance of obtained skills recognition certificate by employers.

TRAINING PROVIDERS:

- Self-assessment of provider; number of new courses developed and marketed on the basis of skills recognition;
- Self-assessment of provider; number of participants of courses developed and marketed on the basis of skills recognition
- Changes in number of certificates and qualifications issued on the basis of skills recognition

ON GOVERNMENTS:

- GDP growth; company-level productivity growth; total sales and output growth; sectoral export growth; sectoral product growth;
- Growth of labour mobility (occupational, sectoral, territorial)
- Changes in unemployment rate total and/or for specific target groups (focused by skills recognition);
- Increases in skills and jobs matching for specific target groups (focused by skills recognition);
- Changes in hard-to-fill vacancies by employers;
- Changes in indexes on inequality; wage difference; poverty etc.;
- Comparison of migrant workers and nationals in terms of:
  - Employment status
  - Over-education / under-education

o Level of earnings
- Increased interest and enrolment in TVET;
- Increased participation in lifelong learning;
- Decreased level of informality for occupations / sectors targeted by skills recognition;
- Changes in share of persons with required certifications within these occupations;
- Changes in number of accidents or other issues related to these occupations.

> RECOMMENDATION:
>
> Design indicators for measurement of impact based on the needs of users. Think about indirect ways of measuring this impact. Specific behaviour or actions of stakeholders and users may also be considered as a proof of impact, such as demand for training related to assessment procedures or willingness of employers to pay for the assessment for their employees or job candidates.

The challenge of distinguishing between the influence of skills recognition and that of other factors is considerable, and in some cases impossible to tackle (especially in the case of needs on the government side). Despite this, many interesting and successful examples of such measurement exist. Very strong evidence can be found in private-driven initiatives. One of the key aspects of these initiatives on skills recognition is that they are emerging in selected sectors only – and often in those where there is a high concentration of multinational companies and thus also higher international labour mobility, such as IT, financial services, safety and security, health and social care, accounting or even engineering. The cases below provide good-practice examples on measurement and indicators of impact.

> **Good practice: Indicators of labour market impact measurement in accounting**
>
> The ACCA – the Association of Chartered Certified Accountants - is a professional body that offers the Chartered Certified Accountant qualification. This qualification has now more than 500,000 members and students in 170 countries, and is often considered as being equivalent to those countries' local qualification. An annual employer survey measures the impact and market recognition of the ACCA qualification. In its annual report 2012-13, the ACCA stated that its qualification was respected by 93 per cent of employers, and that 79 per cent of them believed that the ACCA qualification helped their business to grow.
>
> *Source: Branka, J. (2016).*

> **Good practice: Indicators of labour market impact in the IT sector**
>
> In March 2015, **a report on IT certification outcomes** by CIO.com and CompTIA (based on establishment survey) revealed that:
>
> - 65 per cent of employers use IT certifications to differentiate between equally qualified candidates;
> - 72 per cent of employers use IT certifications as a requirement for certain job roles;
> - 60 per cent of organizations often use IT certifications to confirm a candidate's subject matter knowledge or expertise;
> - 66 per cent of employers consider IT certifications to be very valuable -- a dramatic increase from the 30 per cent in 2011.
>
> *Source: Branka, J. (2016).*

IT is one of the sectors where skills recognition really matters, and it may also contribute to a growing demand for similar tools/approaches in other sectors. The skills recognition (certification) applies here

in a number of sub-sectors (in which case it is usually provided by some industry body), and there are also certifications related to specific hardware and software systems and their providers, such as Microsoft, Apple, Oracle, Sun, HP and IBM. Not only is the IT sector considered a leader in certification systems, but it also makes a significant effort to analyse their impact on employability, wages and company productivity.

Good practice: Indicators of labour market impact measurement in Denmark

The survey gathered data (by means of a questionnaire) from among those who had received this recognition (assessment), and it was supported by interviews with persons from each target group. The major findings were:

- Around 80 per cent of qualification holders were satisfied with the process, including the quality of the support, information provided and timeframe. The guidance professionals and employers expressed a similar degree of satisfaction;
- Seventy-six per cent of the respondents stated that they actually used the assessment certification. About half of them use it when applying for a new job to prove their skills. A quarter of them use it to get an admission to a degree study programme. Only around 5 per cent of respondents found the assessment not useful at all;
- The assessments seem to have a positive effect on the qualification holder's chance of finding relevant employment or continuing studies. Although other factors may be involved, it is clear that the situation of qualification holders significantly improved during the period after assessment - and at the same time, the qualification holders themselves found that the assessment has played a positive role;
- The best example is the summary of answers to a question that was put to the qualification holders: If you worked in Denmark prior to the assessment, how did your job match the qualification you gained in your home country before and after the assessment? As seen in the figure below, the assessment contributed to increased skills matching, although it is not clear whether the possible impact of other factors on the improvement of skills utilization was also taken into account.

Impact of skills recognition on participants in Danish User Survey, 2008
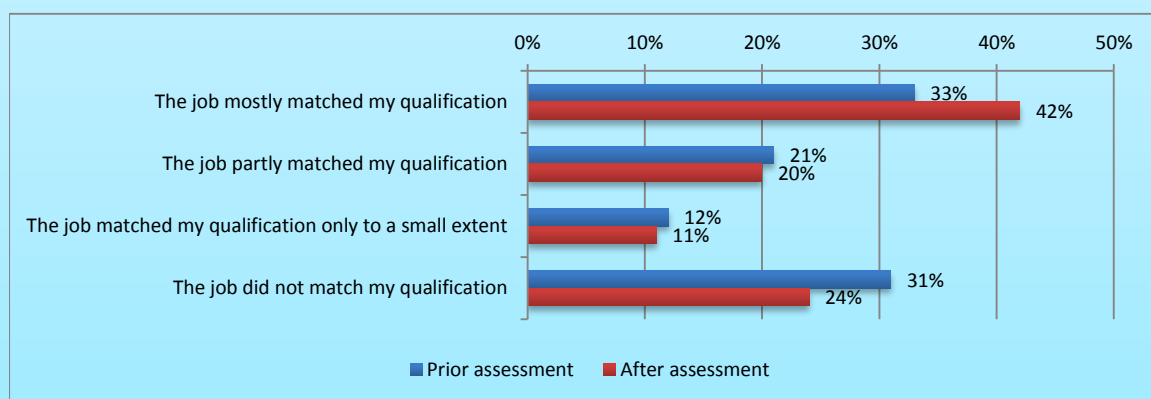
Source: *Niras Konsulterne (2008)*

A full impact evaluation of the system for the recognition of skills and competences of migrants in Germany is not available, although such research is being prepared. But information gleaned from the monitoring of the system – from surveys of employers and individuals that have experience with it – provides some interesting information on its impact.

Good practice: Indicators of labour market impact measurement in Germany

As regards the employers, the surveys' very important finding is that they are interested in recognition, and they actively search for relevant tools and information in the case of new employees. It is rarely used as a HR development tool. Also, two-thirds of the companies surveyed would be willing to support employees during their recognition procedure.

Moreover, **79 per cent of employers stated that recognition improved the workers' ability to perform more responsible tasks; 54 per cent stated it also led to a higher salary**.

Source: Branka, J. (2015).

An impact study carried out in Belgium provides a very interesting example. Impacts related to the use of Skills Certificates include:

- Impact at the individual level (motivation, training project, professional project);
- Recognition of the Certificates by training providers;
- Effective links between training providers;
- Impact of Certificates to further training pathways (e.g., duration shortened);
- Impact of Certificates in the area of guidance and career management;
- Impact on employment status;
- Effectiveness of the guidance process set up by validation centres.

Another interesting approach for measuring the impact of skills recognition systems may be based on the number (and share of) of recognition awards for regulated and non-regulated occupations. As the research suggests, one of the major drivers for skills recognition is occupational regulation; in this particular case, skills recognition is a prerequisite for anyone wanting to work in the areas covered by this regulation.

However, it is very important to look for evidence of the labour market value of skills recognition that is not affected by regulation. Only by looking at such examples may we ascertain whether skills recognition also brings a **competitive advantage** to those who have the certificate.

On the basis of existing examples, measurement is typically based on four sources: evaluation of participants after the recognition procedure; other types of administrative data, such as PES statistics; tracer studies; and employer surveys.

The most precise way to gauge the impact of skills recognition would be to conduct a survey or longitudinal study with a control group of participants, who have not had the opportunity of having their skills recognized, or assessing the participants prior to and after the recognition process. However, this kind of approach is rare.

> RECOMMENDATION:
>
> Design surveys or other types of data collection and information on which the indicators may be based. Objective and subjective types of information are important.

The methods and approaches that work best target the users of skills recognition systems directly; these may include conducting surveys on participants, including tracer surveys and surveys on employers (not general surveys, but those concentrating on their experience with skills recognition and the participants of the process). Existing surveys of this kind usually work with either hard evidence (reduced recruitment costs, time granted to find a new job, wage increases etc., prior to and after recognition) or more subjective assessments (increased self-confidence, enhanced teamwork), or a combination of both.

> RECOMMENDATION:
>
> Establish an impact assessment procedure as a regular part of quality assurance tool of the skills recognition system.

> RECOMMENDATION:
>
> Consider the long-term impact measurement. Establish regular tracer surveys that can provide information on impact 3 or 5 years after successful completion of the recognition procedure.

Methods for measuring labour market impact – despite their inherent difficulties - are a crucial component of any skills recognition system. Without reliable information on impact, it is impossible to determine what works and what doesn't. Figure 14 brings together the most important information needs that have been identified throughout the research.

Figure 14. Information needed and related indicators from the various standpoints of

… INDIVIDUALS

| Are recognition participants able to find jobs easier? | • Length and outcome of the job-seeking process before and after recognition
• Employment status prior to and after recognition |

| Are recognition participants able to get jobs in which they can take advantage of recognized skills? | • Job held prior to and after recognition, its link to recognition focus |

| Can we prove that motivation and self-confidence of individuals increased? | • Self-perception of individuals after successfully obtained recognition certificate
• Willingness of workers to apply for more demanding, higher-skilled jobs |

| Did the recognition help open new career or training pathways for individuals? | • Share of recognition participants starting new careers, getting promoted, starting new training not accessible without recognition. |

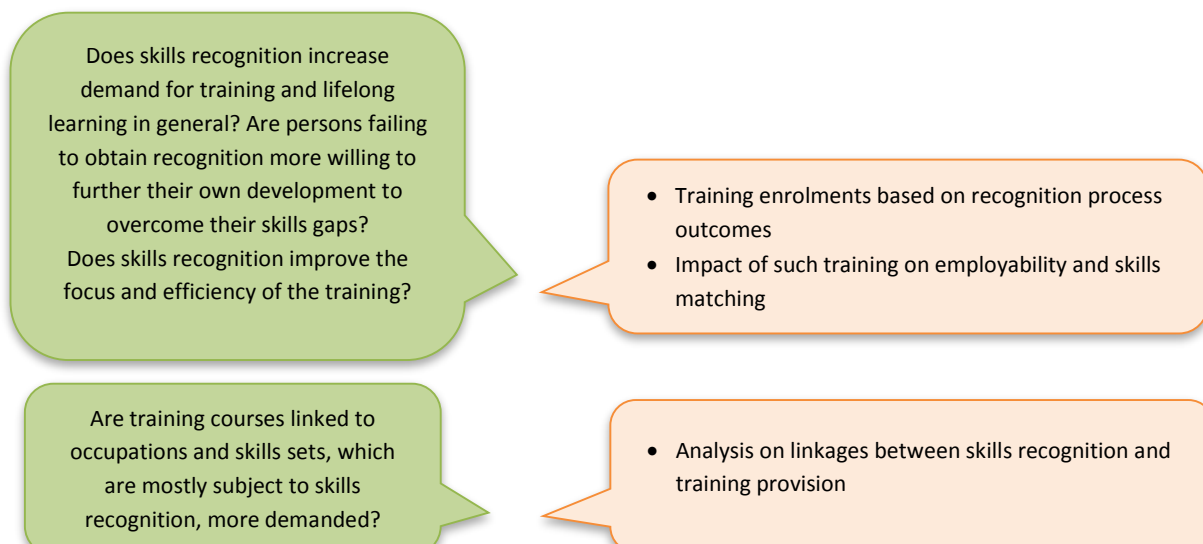| Did it have any impact on wages? Are individuals with recognized skills paid better? | • The wage / salary prior to and after recognition |

| Do individuals use recognition certificates and for what purpose? | • Assessment of individuals using recognition certificates |

| Does recognition help to find a formal job or start a new business? | • Share of individuals moving out of informality or starting a new business after having their skills recognized |

… TRAINING PROVIDERS

| Does skills recognition increase demand for training and lifelong learning in general? Are persons failing to obtain recognition more willing to further their own development to overcome their skills gaps? Does skills recognition improve the focus and efficiency of the training? | • Training enrolments based on recognition process outcomes
• Impact of such training on employability and skills matching |

| Are training courses linked to occupations and skills sets, which are mostly subject to skills recognition, more demanded? | • Analysis on linkages between skills recognition and training provision |

… EMPLOYERS

Did the recognition speed up the recruitment process, make it more effective and improve skills-job matching?

- Average length of the recruitment process
- Perceived effectiveness of matching

Did the productivity of employees increase? Can they work more efficiently and/or carry out more demanding tasks?

- Perceived productivity of employees
- Employees morale, teamwork
- Employees performance, ability

Did the recognition help to comply with safety standards and other regulations related to jobs and the workplace?

- Share of accidents prior to and after recognition
- Share of workers complying with regulations

Did the recognition increase the perceived value of the employer on the labour market? Did it help win more competition, as employers were able to demonstrate skills of their staff better?

- Perception of value of recognition certificates by employers in business relations
- Evidence of influence of recognition certificates on outcomes of selection procedures

Can skills recognition support the HR process, in terms of better promotion or wage increase decisions?

- Perception of employers on validity of recognition certificates in HR process

Can skills recognition help to reduce workers' turnover and increase the retention rate?

- Retention rate prior to and after skills recognition

How many employers use recognition certificates in the recruitment process, and what value do they attribute to them?

- Share of employers using recognition certificates in recruitment
- Assessment of weight of such certificates on recruitment decisions

Do employers support employees in going through the recognition process? How? And is it only workplace-related recognition, or not?

- Share of employers allowing employees to go through the recognition process
- Analysis of benefits employers provide in such a case, including cost payments

Is the recognition certificate used or asked for by career guidance counsellors and during the job-matching process carried out by the employment services?

- Information on utilization of recognition certificates in reviews/reports of activities of career guidance and employment services

Summary of recommendations

While measuring of outputs and impact of a skills recognition system, it should:

- Focus especially on SMEs, as there is the biggest untapped potential for using skills recognition service particularly for migrant workers. Better communication with chambers and associations that represent mostly SMEs (for example on regional or local level) may enhance their awareness and interest in using this source of skilled labour.
- Strengthen cooperation with organization that are in touch with the most relevant target groups, such as migration guidance centres, employment services, chambers of commerce, professional associations etc.
- Develop a communication strategy for different audiences, selecting appropriate tools, media, content and detail.
- Showcase stories of individuals and of employers, bringing concrete examples on how they use skills recognition, for what purpose and with what outcome. Share these through multiple fora.
- Be aware that lack of information about performance and impact of skills recognition weakens awareness, trust and demand for the service.
- Develop and maintain a database on participants of skills recognition process. Discuss with stakeholders what should be tracked within the database. In addition, build the capacities of the stakeholders to use the data for policy-development.
- Following discussion with stakeholders, develop a set of indicators for measuring outputs of the recognition system. Enrich the database by short surveys of participants, asking in particular about their expectations, experience and immediate outcomes of the recognition process.
- Design indicators for measurement of impact based on the needs of users. Think about indirect ways of measuring this impact. Specific behaviour or actions of stakeholders and users may also be considered as a proof of impact, such as demand for training related to assessment procedures or willingness of employers to pay for the assessment for their employees or job candidates.
- Design surveys or other types of data collection and information on which the indicators may be based. Objective and subjective types of information are important.
- Establish an impact assessment procedure as a regular part of quality assurance tool of the skills recognition system.
- Consider the long-term impact measurement. Establish regular tracer surveys that can provide information on impact 3 or 5 years after successful completion of the recognition procedure.
- Carefully interpret data and information gathered on impact. It is crucial to understand that any change that happened after recognition process may be attributed to other factors. Use control groups in surveys.

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