

Policy Brief

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Highlights

- Employers place the highest importance on communication and English language skills, followed by time management skills, and problem-solving skills.
- University students and recent graduates obtained the lowest average scores in communication and English language skills and numeracy and mathematical skills.
- The greatest gap existed in communication and English language skills.

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YOUTH SKILLS FOR YOUTH EMPLOYMENT A POLICY PERSPECTIVE

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1. INTRODUCTION

In the context of the fourth industrial revolution (4IR), contemporary labour markets all over the world have become more competitive than ever. This is especially the case in many least developed countries (LDCs), such as Bangladesh, which have large pools of young workers entering their labour markets each year. Consequently, employers now demand that workers should have a wide range of skills that complement their education.

The Quarterly Labour Force Survey (QLFS) 2016–17 indicates that unemployment is the highest among youth with secondary level education (28 per cent) (BBS, 2018). The graduate unemployment rate in 2015 was 32 per cent, and it went up to 43 per cent in 2019 (BBS, 2018). The current educational system does not seem to include adequate technical and vocational skills, which may lead to better labour market results (Rahman et al., 2021). Moreover, 29.8 per cent of the youth are not in education, employment, or training (NEET) (BBS, 2018). The NEET rate among young women was more than five times higher than what is among young men—at 65.7 and 12.7 per cent respectively (ILO, 2016).

This implies that in Bangladesh, education is not empowering youth with the right skill sets which can be deemed employable in the job market. Prevalence of such high unemployment among youth implies that Bangladesh is being deprived of the productivity and potential of this large workforce.

This policy brief is based on a research study titled “Skills Gap and Youth Employment in Bangladesh: An Exploratory Analysis” and it has explored which skills are most highly demanded in the labour market of Bangladesh. The aim of this research study is to identify the skills required in the labour market of Bangladesh, so that resources can be invested in the development of such skills in order to increase earnings for workers and improve overall tightness of the labour market.

2. FINDINGS FROM SURVEY ON EMPLOYERS

In order to analyse the existing skills gap among youth in the labour market, an online survey was conducted in November 2021 where we collected responses from 100 major non-governmental employers from different sectors of the country to understand which skills they are looking for in potential employees. The survey respondents included HR managers, managers, executive directors and higher official in private sector companies and non-government organisations (NGOs) who are involved in the recruitment process.

More than 61 per cent of the employers said that communication skill is one of the most important skills that they expect to see from graduates. Problem solving skills and critical thinking skills were equally important skills, according to 46 per cent and 34 per cent of the respondents respectively. Other soft skills such as creativity (23 per cent), time management (21 per cent), teamwork and leadership (37 per cent) are also highly important for the recent graduates to possess. Among the hard skills, 20 per cent said that computer skills are important while 17 per cent said that technical skills and subject-specific knowledge are important skills they expect to see from the graduates.

From the survey, 93 respondents chose communication skills while 91 chose time management and 88 chose problem solving skills as the most important soft skills. Among the hard skills, 85 respondents ranked computer skills and 81 chose technical skills as the most important hard skills. Other hard skills—general knowledge, business skills and numeracy skills—were relatively less important skills according to the employers.

3. FINDINGS FROM SURVEY ON STUDENTS

In order to evaluate the proficiency of youth in various skills, an online skills assessment was conducted on 500 students and recent graduates from both public and private universities across Bangladesh. This online skills assessment consisted of 100 questions which tested six soft skills and four hard skills of the young participants.

Based on the ranking of the skills preference of the employers, an employability index was calculated. Each skill score was assigned a weight which was proportional to the skill preference ranking of the employers. Highly preferred skills were assigned a high weight, whereas less preferred skills were assigned a low weight. Due to this weighting, high scores in highly preferred skills would increase employability more than high scores in less preferred skills. The weights were also selected in such a way that the value of employability index ranged from 0 to 100, with 0 indicating the lowest employability and 100 indicating the highest employability.

In order to evaluate whether there was any gap in the skills demanded by the employers and the skills possessed by the university students and graduates, a ranking of the skills performance of university students and graduates was developed based on the average scores obtained by the university students and graduates against each skill that was tested through the online assessment. The skills gap was calculated by subtracting the skill performance ranking of the university students and graduates from the skill preference ranking of the employers (Table 1).

Based on the calculations, it was found that the greatest skill gap existed in communication and English language skills, since the skill preference ranking of the employers for this skill was the highest, but the skill performance ranking of the university students and recent graduates for this skill was the second lowest. Gaps were also uncovered in time management skills and problem-solving skills. It is important to note that gaps were observed in the top three most highly preferred skills by the employers. However, skill surpluses were observed in teamwork and leadership skills, critical thinking skills, creativity, computer literacy, and business skills, since the skills performance ranking of the university students and recent graduates for these skills was higher than the skills preference ranking of the employers. In case of numeracy and mathematical skills, it was observed that there was neither any skills gap nor any skills surplus, as the skills performance ranking of the university students and recent graduates was equal to skills preference ranking of the employers.

Table 1 Skill Preference of Employers, Skill Performance of University Students and Graduates, and Skills Gap

Skill	Average Values	Ranking		
		Skill Preference of Employers	Skill Performance of University Students and Graduates	Skills Gap (Preference–Performance)
Communication and English skills	31	1	8	-7
Time management skills	53	2	3	-1
Problem solving skills	45	3	5	-2
Teamwork and leadership skills	55	4	2	2
Critical thinking skills	49	5	4	1
Creativity	64	6	1	5
Computer literacy	44	7	6	1
Business skills	43	8	7	1
Numeracy and mathematical skills	24	9	9	0
Employability index	42			
Overall skills gap				0

Source: Authors' calculations based on survey data collected as part of the study.

4. POLICY RECOMMENDATIONS

In light of the findings of this study, a set of recommendations are put forward for policymakers. These recommendations have been divided into four groups, based on the role of each relevant stakeholder in reducing the skills gap in the labour market of Bangladesh.

4.1 Role of Government

In order to provide improved learning opportunities, government should invest in education and training for the youth. It should collaborate with private sector and should invest in improving the public educational institutes so that a greater number of students from low-income households can avail quality education. Government should include skills-based curricula and put more importance on practical and real-life situation than theory. The government should also design skill development curriculum, such as TVET (technical and vocational education and training), based on the market demand.

4.2 Role of Educational Institutions

A comprehensive reform of the education system is required for students to develop soft skills besides hard skills. To promote learning, course content must be revised on a regular basis. Educational institutes should address the gap between recruiters demand and expectation from the graduates and the

skills the graduates actually possess. Based on employers' inputs, educational institutions may also align their curriculum with market demands, ensuring that students get better equipped and prepared for the job market. Short courses on diverse skills, including soft-skill development, must be organised to boost the job market relevance of education. Teachers should encourage and motivate students to participate in discussions during class lecture, to improve their communication skills. All educational institutes should include career counsellors to help students identify their strengths, learn to prepare curriculum vitae (CV) and job applications, and engage in entrepreneurship from an early age. When it comes to making the transition from college to job, the youth should be educated on all of the options accessible in the market. Furthermore, collaboration between industry and academia could help reduce school-to-work transition time. Job fairs can also be organised so that effective interaction between graduates and employers may inform future job seekers about the skills that are in demand in the upcoming labour market. Exposure to potential occupations and their criteria will assist students in preparing for their careers.

Teachers should acquire information and communication technology (ICT) related skills in order to help their students to be more skilled in basic computer operation and technology because it is believed by the graduates, current students and employers that digital skill development or ICT training courses should be prioritised. Computer and internet connectivity

should be expanded, particularly in rural regions. Programming and coding can be taught in the classroom to boost the chances of getting work in the fast-evolving manufacturing and service industries, where there is dearth of qualified workers.

4.3 Role of Employers

Companies can arrange trainee programmes for the graduates to make them ready to work. They also need to create a positive work environment for all, especially for women, and encourage innovation among employees. Active learning can be stimulated by arranging trainings, seminars, workshops, for the young graduates and employees. This will help improve soft skills like communication skills, networking skills and leadership skills. Technical and vocational training can be provided by the employers to upskill the young individuals. Many big tech companies such as Google, Facebook, and Amazon now offer short online training courses which are specifically tailored to the needs of their own companies. Prospective job applicants may take such short online training courses, improve their skills, and increase their employment opportunities. By the same token, companies from beyond the tech industry should also follow suit and introduce tailor-made short online training courses for young job seekers. Training materials must be updated to reflect the current state of the industry and high-skilled trainers should be recruited to provide training related to that specific field of work. Moreover, employers may collaborate with training institutions to encourage youth NEET to participate in skill-development programmes. Skills-development programmes should be

updated to mirror the fast-paced nature of technological progress. Training for the informal sector needs to be strengthened as well.

Moreover, equal employment opportunities should be provided to eligible candidates. Employment should be based on merit, and entry-level job experience requirements should be lowered to ensure that young applicants have a fair shot in the employment market. Moreover, companies can hire students either on a part time basis, or during their semester break so that students can learn practically and have an understanding of the operations of the companies and make decisions about the kind of career they want to build.

4.4 Role of University Students and Recent Graduates

Students should take personal initiatives to develop their fundamental writing and critical analysis skills with extra-curricular activities. They can also take some online courses to improve their skills in a particular field of knowledge. Students may also practice writing in English journals, newspaper articles, or even webpages to improve their English writing skills. From an early age, young people should be exposed to new business concepts and taught the skills necessary to establish and manage a firm. In this regard, schools should not propagate social stereotypes about academic disciplines, and should encourage good students to study commerce and business subjects. Besides, aspirant young entrepreneurs should be given with financial assistance through access to financing from financial institutions and government incentives.

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ABOUT THE STUDY

This policy brief is based on the research study titled “Skills Gap and Youth Employment in Bangladesh: An Exploratory Analysis” implemented by the Centre for Policy Dialogue (CPD) in collaboration with Friedrich-Ebert-Stiftung (FES) Bangladesh.

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