

IMPROVEMENT OF YOUTH INSERTION ON THE LABOUR MARKET THROUGH SOCIAL PROGRAMS DEVELOPED BY UNIVERSITIES AND THE BUSINESS ENVIRONMENT

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Abstract

From an economic point of view, young people represent a very special category, as they are the future and their integration in society, in general, and on the labour market, in particular, should become a priority for every country.

There are remarkable times we live in, unemployment among young people reaching an all-time high, as many of them struggle to find their first workplace. In Romania also, the youth unemployment is a key problem, as more than 23.60 percent of the Romanians with ages below 25 are unemployed. Our paper will try to address this problem, with interest in pointing out methods of reducing the gap between young people and employers, being aware of the fact that, on the one side, the employers should adapt their recruitment practices to have more success in hiring young petitioners and, on the other side, that young people should improve their professional insertion abilities in order to have success on a more competitive labour market that is unable to make concessions.

Key words: youth employment, unemployment, companies' involvement, internship, curriculum

JEL Classification: J24, J64

1. Introduction

World Bank Group President Jim Young Kim states that "a good workplace can transform the life of a human being, but the jobs that matter can change entire societies, promoting the prosperity and fighting against poverty" [13].

The need to have a career arise as an important need of any evolved man, youth implicitly and awareness of this need is increasingly present in the Romanian society as a result of the development which the labor market has experienced in the recent decades. Adaptation of the young people to the society requirements, to the needs that different organizations have in terms of their skills is becoming increasingly important. Youth rush to get professional success can lead often to failure, this being caused by the lack of information or by the misinformation about what is professional success and about the skills necessary to achieve this goal.[9]

The world is facing a worsening youth employment crisis: young people are three times more likely to be unemployed than adults and almost 73 million youth worldwide are looking for work. A new generation of young workers is defined, confronting with a dangerous mix of high unemployment, increased inactivity and precarious work in developed countries, as well as persistently high working poverty in the developing world. [18]

There are numerous reasons at the basis of this exceptional situation, ranged according to the reporting unit: the educational system, the employers and the young people themselves are responsible for the difficult transition from education to the work market. An increasingly visible reason is the young people's lack of relevant skills for the job; thus, the necessity of helping people build these competencies compulsory for employment appear to be more and more obvious.

This paper seeks to describe the difficult situation youth must face on the labour market, trying to point out the business environment translating its intentions into actions and attracting more young people in their companies.

2. Young people and the labour market

The employment as well as the unemployment rate gives an image on the young people managing themselves on the labour market. During the last years, the youth confronted with a rapid regress in employment and, simultaneously, with an unemployment growth. In 2010, the employment rate on this segment of age was 24.3 percent, decreasing constantly to reach 23.5 percent in 2013, with an unemployment rate of 23.6 percent. Dissimilarities with

the rest of the population are high, the age segment between 25 and 64 registering, in 2013, an employment rate of 67.2 percent and an unemployment rate of 5.9 percent.

In the European Union, the youth unemployment rate is continuously growing, above other age segments, and reaching 23.20 percent. In Romania, the gap remains at the same alarmingly high level, with an unemployment rate among young people of 23.60 percent in 2013, as compared to only 5.90 percent for the other age segments.

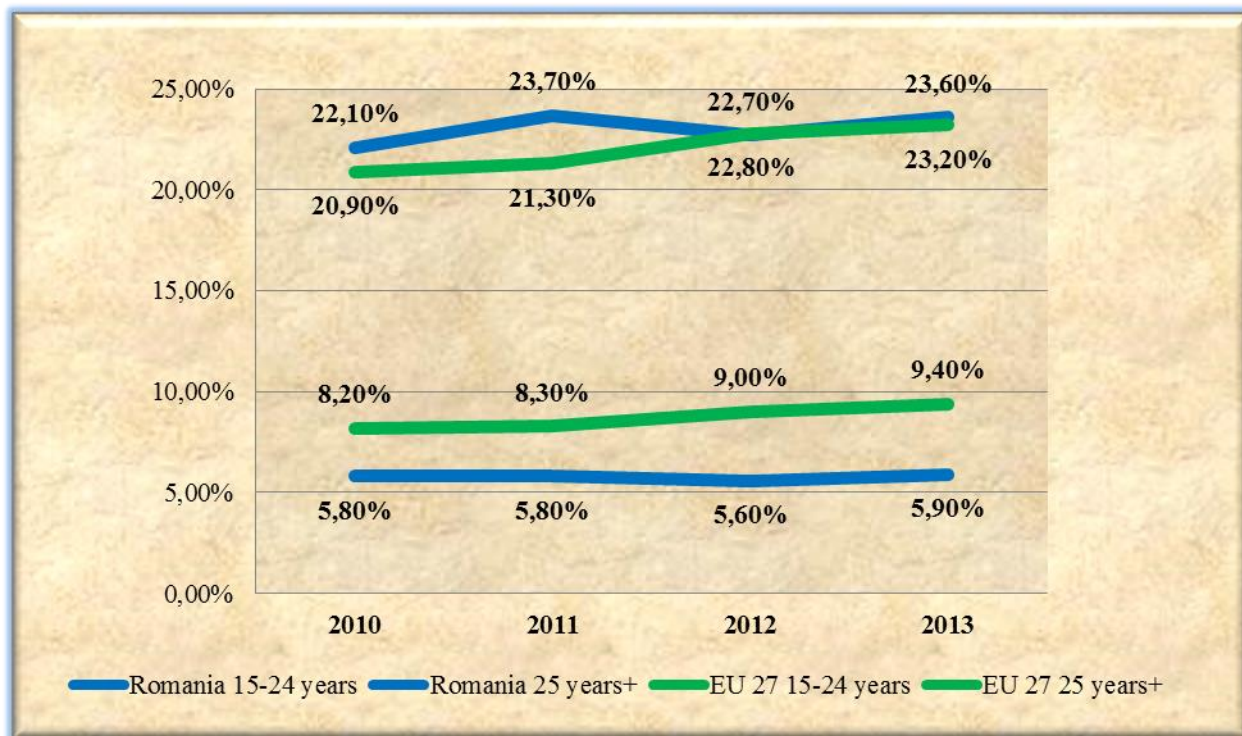


Figure no. 1 Trend of the unemployment rate in Romania and EU 27, on age groups

Source: http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_ifs/data/main_tables

As compared to general unemployment, the youth unemployment rate is very high at a European level, as well as in Romania, where the unemployment rate for the population with ages between 15 and 24 is over three times higher than the general unemployment.



Figure no. 2 Youth unemployment growth vs. general unemployment in Romania

Source: http://epp.eurostat.ec.europa.eu/portal/page/portal/rss/ess_feeds/romania_ro

These employment and unemployment rate values among youth are the result of many factors, counting the fact that young people are less educated and more inexperienced as compared to older workers, workforce decrease, such as

deterioration of skills and work experience, having a long-lasting impact on the young people's means of insertion on the labour market. [4]

3. Benefits of hiring young people

Young people represent our society greatest resource, as they stand for passion, determination and ambition, individuals with these qualities being essential for any business. Here are some of the many benefits associated with hiring youth [10]:

- they bring new perspectives and ideas to the workplace, sharing them and giving suggestions as to how a business could manage these ideas effectively;
- they are eager and willing to learn, being open to experts' coaching and mentoring them;
- they are enthusiastic, energetic and physically active;
- they are creative, adaptable, open-minded and learn quickly; youth are interested in skill and knowledge-building opportunities, they thrive of being able to apply their creativity and rapidly adapt to meet new challenges;
- they are not afraid of technology and change, moreover, youth embrace change, choosing the opportunities and the challenges that change brings;
- they are a wealth of knowledge; youth are very knowledgeable as a result of being constantly plugged into the internet. If there is something that they do not know, they know how to find it;
- they are comfortable in a diverse workplace, as they have grown up in a diverse culture, they have a strong sense of individuality and welcomes it in others;
- they represent the future of business; by using the knowledge that youth bring to the workplace to help customize products or services, companies can increase or expand their business opportunities.

4. Benefits and importance of linking the business environment to the educational system

A problem that every young man faces when searching a job is that, in most cases, experience is required, something that one cannot have without a job. The solution for escaping this vicious circle seems to be the acquirement, during studies, of a vast extra-curricular experience; the employment process is facilitated when information on internship programs are sought and exploited, as well as on practice, workshops and meetings confronting the companies with young people eager to enter the labour market. [5]

The Guardian listed a series of qualities employers are looking for when facing a higher education graduate. The list mentions: entrepreneurship spirit, the need for the graduate to have "a global mindset", which means understanding different cultures and having as friends students from other countries. A special attention is on the foreign languages, mainly on the vocabulary specific for the industry in which youth seek a job, as well as on the practical experience gained during studies [25]. Graduate Recruitment Bureau co-founder Dan Hawes says that "students should see their first day of faculty as their first day of work and think about the abilities one would need in three or four years, at graduation, and make everything possible to acquire these abilities until that moment". [21]

A study conducted by McKinsey underlines that an important reason for which young people are not able to acquire skills requested by employers is that the education providers, youth and employers do not have a common background, living in "parallel universes", so to speak. This idea is supported by data showing that, when the question whether graduates are ready for the work market is raised, in Europe, 74 percent of education providers were confident that their graduates were prepared for work, but only 38 percent of youth and 35 percent of employers agreed. [7]

Christian Tour Marketing Manager says that, "unfortunately, the public educational system is rather more theoretical than practical; subsequently there is a difficulty in taking the youth as such, because, even if they have good product knowledge, they have to learn to persuade and that is something that the Romanian public education doesn't teach" [22]

Such gaps can be explained in that the business environment does not often interact with the educational environment. In order to improve the students' perspectives on being hired, the education providers could collaborate more closely with the employers as to insure that they provide learning that actually help the students to prepare for the labour market. The employers cannot wait for the right applicants to show up at their doorsteps, but should join forces with the providers to design curricula that fit business needs, up to making their own employees available as trainers. They might also consider increasing the availability of opportunities for practical learning.

An example of productive partnership comes from China, where an average of 2000 companies work with the largest institute of automotive training – CVTH (China Vocational Training Holdings). Therefore, the CVTH database, combined with students' surveys, allows matching the graduates with the workplaces, three months after graduation, an employment rate of 80% being reported, the others choosing either to continue studying, or a change of industry.

With an acknowledged mission in maintaining a "partnership with academic institutions to better educate millions of students, for a smarter planet and more competitive IT workforce [16], IBM launched the IBM Academic Initiative [23], including a network of 30.000 partnerships between IBM and top universities to support curricula development in domains as Big Data, Analytics, Cloud Computing, Security and Social Business. Recently, IBM

announced 28 partnerships with business schools and universities to help students prepare for the 4.4 million jobs to be created worldwide until 2015[24], to be able to better manage the massive databases. [19]. With these partnerships, IBM helps extend and launch new curricula, providing students with business knowledge and IT skills for intensive data carriers, with universities having access to the newest Big Data and Analytics technologies, hardware, curricular resources, project-based case studies, presentations and university awards for a more rapid development of the curricula.

As employers ask more and more frequently work experience from candidates, the system exposing the young people to the work environment is critical for improving the passage from education to the workplace. [3]

Often, confusions appear when talking about apprenticeship programs and internship, as there are a few differences between them, each having its characteristics.

Apprenticeships are traditionally associated with blue-collar industries such as construction or manual labour. This has changed in recent years and apprenticeships in professional services are on the rise.

Applicants generally wish to pursue a career in their chosen apprenticeship sector. Apprenticeships last for an extended period of time. This could be a year or two.

Apprenticeships are a type of formal training, monitored by the government, at the end of which students gain a qualification.

Apprenticeship appears to be a chance to learn and earn on the job, providing a route to a career, as lots of people stay with their employer after completion of the training. [12]

In France, there is an apprenticeship program at a national level for young people with ages between 16 and 25 years, having no other condition for admission. The program alternates the practical and theoretical trainings and includes a work contract with duration from one to three years, concluded between the student, the training centre and the employer; the costs are financed by means of an apprenticeship tax credit paid by the member company, who pays as well the monthly salary of the apprentice. In 2012, the program was counting almost 420,000 apprentices, 30 percent of the students receiving a workplace with the company after the completion of training, the graduated registering, as well, a better job placement rate. [7]

Internships last for a shorter period of time. This could be just a few weeks.

Internships are best suited to people who are not sure of which profession they want to go into, giving people a chance to explore different career options, to gain experience and improve their CV.

Sometimes internships are offered as a ‘probation period’ for a full time position and, even if the intern doesn’t gain any formal qualifications at the end of the internship, there is a chance of being offered a job.

Internships are less formal and are traditionally office based.

Even if internships are not often paid, some can be. Some offer a basic wage, or cover travel and lunch expenses.

Internships come with advantages for both the companies, being regarded as instrument for delivering candidates with potential, and for young students, as an opportunity to test the corporate environment [11]:

- Students:
- gain knowledge support necessary to take the best decisions after graduation;
 - are getting familiar with the corporate rules and regulations, getting acquainted with a company’s structure and its career advancement policies;
 - benefit from mini support and training programs;
 - depending on their skills, can receive small projects meant to help them exercise certain abilities.

For companies to organize internship stages for students represent a real investment in the future with minimum costs, as true talents are recruited among young people.

The chance to work as an intern for a company operating in a domain of interest is a major benefit because youth have the advantage of mixing theoretical knowledge with practice and their insertion on the work market is eased. Many of those having followed an internship enter the work market with a different opening and understanding, getting the young people ready to perform within the company even from the beginning. The practical experience adds interaction with a multicultural environment, which makes youth more open-minded, more flexible, being able to adapt more easily to employers’ requirements. [14]

5. Conclusions

Young people count among the most underprivileged groups on the labour market. Many youth struggle with the transition from education to workplace, being hard for them to find support on the work market, as the European Union has the highest unemployment rate worldwide, excepting for the Middle East and North Africa, exceeding 20 percent in 11 of the last 20 years. [7]

Employers’ involvement and that of relevant social partners is very limited in what concerns planning the academic education, the relations between universities and employers being very weak. Difficulties occur when talking about the relevance of the higher education in front of the requirements of the work market [15]:

- The system is not connected to the needs of a dynamic labour market;

- The absence of comprehensible matching between university studies and work market criteria, based on competences;
- Absence of methodical studies and analysis on the connection between the academic training offer and work market demands;
- Insufficient development of partnerships with the economic and social environments.

Nowadays, companies want young and well-trained employees, which is not possible. That is why the business environment must integrate with its offer on the labour market, the universities must train young people as well as they can; the academic curricula must be better adapted to present reality and the learning must have a formative and not an informative character, with more practice stages. [20]

Improvement of the collaborations between employers and education is a way of responding to the remarks made systematically to the educational system on the lack of training of the graduates to meet their job requirements, most employers considering that young graduates don't have the fundamental skills and abilities allowing them to be hired. [1]

Measures of improving the student abilities for being hired include extending the business-education activities, such as work experience, on spot visits, mentorship, employers' presentations, pretend interviews and entrepreneurship activities. [8]

Involving companies in the educational process can have numerous positive effects, including training for work, developing the skills necessary in the workplaces, improving competences, attitudes and behaviours at the workplace and improving the young people professional insertion.

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