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WANTED:  
Energized,  
Career-Driven  
Youth



Unemployed Young Adults Will  
Drive Tomorrow's Business Success



ManpowerGroup™

“With less experience and fewer skills than many adults, young people often encounter particular difficulty accessing work. The global youth unemployment rate, which has long exceeded that of other age groups, saw its largest annual increase on record in 2009; at its peak, 75.8 million young people were unemployed.” — United Nations “World Youth Report,” 2012

## Introduction

As a series of demographic and economic shifts intensely converge, creating what ManpowerGroup identified the “Human Age,” a range of population groups are being alienated from work opportunities in the global economy. Young workers are most affected and have been labeled a lost generation of workers. (See <http://manpowergroup.com/humanage/>) Ironically, this same population is tomorrow’s workforce and the key to sustaining a competitive enterprise over the long-term. But companies worldwide must aggregate the right tools, mindsets and job training alliances to ensure that young and promising talent is enterprise-ready and will succeed over the long-term in an increasingly complex economy.

In the Human Age, economic success and failure is increasingly being determined by how companies and individuals strategically acquire and develop economically relevant skills.

“The world is on the cusp of entering a new reality in which human potential itself will become the major agent of economic growth.”

— Jeffrey A. Joerres, ManpowerGroup Chairman and CEO

“We are entering the era of unparalleled talent scarcity, which, if left unaddressed, will put a brake on economic growth around the world, and will fundamentally change the way we approach workforce challenges.” — Jean Charest, Premier of Quebec

# The Youth Employment Challenge

## Why They Can't Find Jobs

High rates of youth unemployment represent both widespread personal misfortune for individuals and a lost opportunity for critical national and global economic development. Unemployment in youth has been shown to have lifelong effects on income and employment stability, because affected young people start out with weaker early-career credentials, and show lower confidence and resilience in dealing with labor market opportunities and setbacks over the course of their working lives.



The number of young people, who are having difficulty entering the workforce and establishing themselves in sustainable careers, is rising in nearly all countries and regions.

Today youth have difficulty in the labor market because of identifiable—and remediable—deficits. They lack the skills, information and connections that will place them in entry-level, career-oriented jobs.

ManpowerGroup offers a framework and rationale for business investment and action, to help create innovative, effective, and sustainable solutions for employing more young workers.

Below, ManpowerGroup identifies specific actions, informed by our own 64 years of experience in the World of Work that employers can take now. On their own initiative, and in partnership with schools, vocational institutions, and other engaged stakeholders, employers play a key role in helping young people reach their full human potential and contribute to enterprises and societies.

The recent economic crisis has had a disproportionately long-term effect on young people. According to the International Labor Organization's *Global Employment Trends for Youth, 2011 Update*, the global youth unemployment rate rose from 11.8 to 12.7% between 2008 and 2009, the largest one-year increase on record. From 1998 and 2008, youth unemployment increased by 0.2%, or by about 100,000 persons per year; but from 2008 to 2009 it increased by 5.3%, or 4.5 million persons, in a single year. By the end of 2010, an estimated 75.1 million young people were unemployed. (UN *World Youth Report 2012*)

At the same time, the labor force participation rate for young people continues spiraling downward: after declining from 53.8 to 50.1% between 1998 and 2008, it fell to 48.8% by 2011. (ILO *Global Employment Trends for Youth 2011*).

Challenges related to youth unemployment intensify in the developed world. In Spain, a majority of youth (51.4%) were unemployed late in 2011, and the figure was nearly as high in Greece (46.6%). The youth unemployment rate in Portugal was 30.7%, and in the UK 22%. (*The Economist The Jobless Young: Left Behind 2011*).

In the developing world, high youth unemployment minimizes the potential for national economic transformation and security, as high numbers of economically frustrated youth may contribute to social instability. Developing regions with markedly high youth unemployment rates include North Africa, the Middle East, Southeast Europe and the Russia region.

## Why Youth Fare Worse than Adults

For more than a decade, evidence has been accumulating to show that unemployed youth follow a different more problematic trajectory than unemployed adults. The youth challenge persists in good economic times and worsens during economic downturns—as youth participation rates in the global economy are falling relative to adult participation rates, and youth unemployment rates are consistently 2–4 times higher than adult unemployment rates.

In contrast to the 12.6% global youth unemployment rate for 2010, the United Nations Economic and Social Council ([www.unesco.org](http://www.unesco.org)) reports that the global adult unemployment rate was only 4.8% that year. While the adult rate has already begun to decline from its 2008–2009 peak, youth unemployment has fallen only marginally, by 0.1%. The ILO estimates that youth unemployment represents nearly 40% of total global unemployment.

Consequentially, many young people face significant obstacles to obtaining decent work and thriving in starter jobs. In a downturn, young people are often the first to be laid off, making it still harder for them to consistently advance their skills and experience.

Consequently many young people end up facing extended periods of unemployment, or significant under-employment in jobs that fail to offer career opportunities.

Many factors prevent and delay youth from entering the workforce, including:

*A lack of information, networks and connections among youth, especially youth from families lacking significant social capital.* Many young people lack knowledge of what the world of work is actually like, and have not carefully considered their own career choices. They have not used school time and resources to prepare appropriately for realistic career paths. They lack informal networks and connections that traditionally source job leads and career-planning tips. And they do not know how to navigate the workforce to identify and pursue available jobs or to find and use the most relevant training resources.

*A lack of skills relevant to the workplace.* Even young people who have pursued a course of study with a specific career in mind often find themselves with general or theoretical knowledge that does not prepare them for actual tasks they will encounter in a job. Schooling that doesn't align with employers' needs and expectations is partly at fault. Young people also lack specific opportunities to creatively improve how they cooperate, communicate and think—skills that will enable them to focus on the needs of an enterprise.

*A lack of experience and credentials that build employer confidence in potential young hires.* Many employers are skeptical about young people's ability to apply even relevant school-based skills to the practical challenges posed by the workplace. They also question whether youth social skills and work ethics will prevent them from being productive. As a result, they are reluctant to invest resources in training young people when more experienced adult workers are available for hire.

*A lack of available jobs suited to entry-level skills.* In some labor markets, especially in the developing world, the number of young people seeking work and the level of local economic activity is disproportionate. Most available work may be in informal or underdeveloped industry sectors. There may be a severe shortage of locally available jobs that are entry-level but that lead to meaningful careers.

## Consequences of a Lost Generation

The most important consequences of youth unemployment extend beyond the impact of temporary labor market fluctuations. The experience leaves a permanent imprint on both individual life outcomes and on the development of a nation's workforce.

Scholars say that young people who have difficulty integrating into the world of work suffer lifelong psychological scarring that diminishes their resiliency and ability to thrive in a dynamic and demanding workplace.

A 2007 study by the Prince's Trust ([www.princes-trust.org.uk](http://www.princes-trust.org.uk)), *The Cost of Exclusion*, cites evidence of long-term impacts of youth unemployment: every 3 months of unemployment at age 22 is associated with an additional 1.3 months of unemployment between age 28 and 33. Persons who experience 26 months of unemployment before age 22 typically earn USD \$1,400–\$1,650 less than their peers at age 26, and \$1,050–\$1,150 less at age 30. A similar study recently cited in *The Economist* suggested that men who experience a year of unemployment before age 23 will earn 23% less than their peers 10 years later, and 16% less 20 years later.

Extended unemployment also contributes to poverty and its lifestyle deficits—cognitive, health, nutrition and psychological issues. Chronic unemployment relates to criminal behavior. As youth age and raise families, their own failure to accumulate economic and social capital projects this vicious cycle on children.

*“Men who experience a year of unemployment before age 23 will earn 23% less than their peers 10 years later, and 16% less 20 years later.”*

High rates of youth unemployment also represent a wasted resource for developing economies. A limited number of employed youth restricts the inputs available for urgently needed growth and makes it harder for developing countries to realize the benefits of labor-intensive growth strategies. Developing countries pass through a unique demographic window where the youth population is maximized before birth rates begin to fall into a more developed economy's pattern. A country's success or failure in realizing the economic potential of young people during the low dependency ratio period can make the difference between sustained and faltering long-term development.

Underemployed youth are a fiscal challenge. The Prince's Trust 2010 update to *The Cost of Exclusion* estimates that youth unemployment costs the UK economy more than \$247 million per week in benefits payments and lost productivity, not including the costs of youth-associated crime—another \$37 million per week. The study calculates that the lifetime cost of educational underachievement for today's 17–24 year olds will be \$35 billion.

## Young People as a Talent Resource

Today's economics demand urgent solutions to boost job creation and to improve young people's access to those jobs. But the solutions developed must be self-sustaining. In this way they will add



to a growing bank of tools and strategies that can help address both cyclical downturns and long-term structural challenges, and that can improve school-to-work transitions and ensure more youth are engaged in decent work.

In laying out the case for business initiatives to improve youth employment outcomes, it is important to articulate a value proposition to employers that can anchor sustained policy and sustained investment.

### Addressing Urgent Talent Shortages

Today, relatively high unemployment coexists with widespread recruitment challenges faced by employers, globally. With excess workers in the aggregate, the distinct labor markets for specific skill sets are highly segmented, and many employers are having difficulty finding individuals with the right skill sets to implement their planned outcomes and goals.

For example, according to Business Europe (Executive Committee, 2/16/2012, “*Creating Opportunities for Youth*”), there were 24 million unemployed persons in the European Union in the first quarter of 2011. But at the same time, employers reported 2.2 million vacancies, including more than a million in Germany and 450,000 in the United Kingdom.

ManpowerGroup undertakes periodic surveys of businesses across the globe, to identify recruitment trends and challenges faced by employers. (See Box 1, right) The results consistently indicate that, even during seasons of high unemployment, significant numbers of employers are having difficulty finding employees with the skills that they need. Key skills shortages are distributed among a diverse and sometimes surprising range of occupational groups. Globally, in 2011, the five hardest-to-fill positions were Technicians, Sales Representatives, Skilled Trades Workers, Engineers, and Laborers.

## MANPOWERGROUP’S TALENT SHORTAGE SURVEY

In 2011, Manpower expanded its sixth annual Talent Shortage Survey not only to gauge where employers are having difficulty filling available positions, but also examine why organizations are facing a lack of talent and what they are doing to mitigate these challenges. ManpowerGroup surveyed nearly 40,000 employers across 39 countries and territories during the first quarter of 2011.

The results reveal increased difficulty in finding the right talent in the wake of global economic recovery and limited effort to systematically fill the gaps. There were notable regional variances.

- ManpowerGroup research reveals that across the globe, one in three employers (34%) was having difficulty finding appropriately qualified staff—the highest level since 2007. In the U.S., the proportion was 51%. In Japan, the proportion was 80%, the highest in the world.
- Employers in India, the U.S., China and Germany report the most dramatic surges in reported talent shortages compared to the previous year. In India, the percentage of employers indicating difficulty filling positions jumped by 51 percentage points from 2010 to 2011.
- Nearly one in four employers say that environmental/market factors play a major role in the talent shortage—employers simply aren’t finding anyone available in their markets. Another 22% of employers say their applicants lack the technical competencies or “hard” skills needed for the job, while candidates’ lack of business knowledge or formal qualifications is the main reason identified by 15% of employers.

In the first quarter of 2011, the 10 hardest-to-fill positions globally were:

- |                          |  |
|--------------------------|--|
| 1 Technicians            | 6 Managers/Executives                                |
| 2 Sales Representatives  | 7 Accounting and Finance Staff                       |
| 3 Skilled Trades Workers | 8 IT Staff   |
| 4 Engineers              | 9 Production Operators                               |
| 5 Laborers               | 10 Secretaries, Personal & Administrative Assistants |

See: ManpowerGroup Research Center (<http://www.manpowergroup.com/research/research.cfm>)

Global demographic trends suggest that skills shortages will continue to worsen in the coming decade, becoming acute for many specific industries and skill sets. The World Economic Forum's 2011 *Global Talent Risks Report* identified aging workforces as an acute skills issue in both developed and developing countries. As older, skilled workers retire, there are not enough younger, replacement workers in the pipeline to sustain the skills base needed for emerging business opportunities.

These talent shortages represent a real and emerging constraint on the ability of businesses to seize available economic opportunities. They represent a potential long-term threat to the viability of many enterprises. And yet, the response by employers to this challenge is lagging: according to ManpowerGroup's 2011 Talent Shortage Survey. Employers globally are concerned that current candidates' lack the employability skills needed to fill skilled positions, yet only one employer in five is using training and development to fill the gap. Only 6% of employers are working with educational institutions on work-relevant curricula that can fill knowledge gaps.

More aggressive recruitment, including increasing the geographic and demographic diversity of recruitment sources, is part of the solution, but competitive recruitment of diminishing talent resources will only raise prices for a limited pool of skilled workers. The fundamental problem is systemic, due to the range of new skills continually being demanded by the global economy.

Businesses can no longer simply rely on the labor market, or a bidding competition, to ensure access to required talent. Employers must understand how manufacturing talent to their own requirements is critical to sustaining their long-term growth.

The bottom line for youth employment is that companies' proactive talent management strategies must include recruiting potentially trainable workers, including young people, and investing in training these individuals in the specific skills needed to deliver a business strategy.

In many cases the cost of this investment can be better leveraged if businesses are able to work with candidates whose skills closely match their requirements. ManpowerGroup created the concept of a Teachable Fit Model (See Box 2 on page 6) as an analytical tool for evaluating jobs and identifying and ranking candidates with skills related to, if not precisely matching, an employer's requirements.



*The World Economic Forum's 2011 "Global Talent Risks Report" identified aging workforces as an acute skills issue in both developed and developing countries. As older, skilled workers retire, there are not enough younger, replacement workers in the pipeline to sustain the skills base needed for emerging business opportunities.*



## MANPOWERGROUP'S TEACHABLE FIT MODEL

Unemployment is persistently high, yet organizations worldwide report difficulty filling key positions. So the immediate problem for employers is not the number of potential candidates, but a talent mismatch: there are not enough sufficiently skilled people available in the right places at the right times. As employers seek increasingly specific skills and combinations of skills, the right person for a particular job is becoming much harder to find.

Employers must recalibrate their mindsets to consider candidates who may not meet all job specifications, but whose capabilities can be filled in a timely and cost-effective way. Training is vital. A commitment to reskilling and up-skilling current and potential employees will enable organizations to expand the available pools of talent, ensure that their workforces continue to be appropriately skilled, and keep employees engaged in their work.

ManpowerGroup believes that the key to success with this new mindset is the ability to identify candidates with a “teachable fit” for available positions. ManpowerGroup’s “teachable fit” analysis focuses on four questions:

- What capabilities are essential to performing the job?
- Which skills and competencies are teachable in an efficient way?
- Is there adequate time and money to develop these capabilities in the candidate?
- And do candidates have the capacity (both motivation and capability) to develop them?

Smart organizations are already adopting this approach, but typically in a limited and non-systematic way. As economies recover and more Baby Boomers retire, the challenges of building a sustainable talent pipeline are only going to increase.

See: ManpowerGroup Research Center (<http://www.manpowergroup.com/research/research.cfm>), *Teachable Fit: A New Approach to Easing the Talent Mismatch*, May 2010

## Realizing the Potential of Young Workers

For businesses that take a strategic approach to building and accessing young talent, the potential rewards are substantial: younger workers represent an asset to firms in their capacities as consumers, influencers, innovators, and tech-savvy employees.

### • Consumers

Millennials, born between 1978 and 2000, greatly influence each other while shopping, as their opinions and decisions are publicized through social networks and real-time messaging technology. Opinions are shared and collectively discussed—broadening the saleability or unpopularity of a particular brand, product or service. As employees, young adults provide businesses with direct insight into the tastes and preferences of their peers and in turn promote their employers’ products and services.

### • Influencers

As companies seek to more proactively manage their reputations online and with social media, they make themselves an attractive and challenging workplace for young people. Social and communication networks affect the reputation of companies as millennials reporting on their experiences with a company are easily spread that way. The past year has seen dramatic examples in how youth issues and opinions spread virally, to rally a movement against an individual or institution.

### • Innovators

In the rapidly evolving global marketplace, the ability to innovate continuously is a key driver of business success. Fast Company recently reported on the world’s 50 most innovative companies. Their top three

innovators were Apple, Facebook, and Google. These companies also reported excellent financial performance. All three employ youthful workforces: the average age of Apple employees is 33; at Facebook the average age is 26, and at Google it is 31.

- **Technology-Savvy Employees**

New media literacy and virtual collaboration are needed in the future workforce. Millennials were the first generation raised with complete immersion in new technology. Online video technology, blogs, podcasts, and collaborative software are productivity enhancers if used effectively.

## THE POTENTIAL OF YOUTH

“Young people bring energy, talent and creativity to economies that no one can afford to squander. Around the world, young women and men are making important contributions as productive workers, entrepreneurs, consumers—as members of civil society and agents of change. What our young people do today will create the foundations for what our economies will do tomorrow.”

— *Youth Employment: A Global Goal, a National Challenge*, ILO, 2011

## Creating Business-Driven Solutions to the Youth Employment Challenge

Each generation has a positive responsibility to take affirmative steps to prepare the next generation for successful economic participation. Employers’ responses to rising youth employment should align with their long-term growth and innovation strategies, and in securing their access to talent for future economic needs. Their long-term success is contingent on creating and securing future talent resources. The only way to build this pipeline is to partner with government, educators, civil society, and young people themselves.

The recommendations outlined below can be implemented now, by businesses on their own initiative to help realize the potential represented by young people. Adopting these recommendations will also help improve young people’s ability to find work and establish dignified careers.

### Investments to Improve Information Resources for Youth

Many young people stumble in their initial career steps due to poor information about the world of work, leading to poor choices about education and careers. High quality career guidance helps youth make better-informed decisions about their future, related to selecting academic/vocational programs, completing high school, and education and work.

However, most career guidance programs suffer from poor funding, under-qualified instructors, and lack of access to timely and relevant labor market information. Guidance needs to begin earlier, in the lower-secondary level (ages 13–15).

Employers can partner with schools to improve the quality and delivery of career services for young people as they are making important decisions about their future.

## SOLUTION ONE

### Participate in Career Guidance Programs for Youth Still in School.

One of the simplest and most direct things that employers can do is partner with schools and vocational institutions to increase young people's exposure to the World of Work. They can volunteer as classroom visitors and deliver courses such as those developed by Junior Achievement ([www.ja.org](http://www.ja.org)). (See Box 3, below.) They can provide speakers and participants for related activities such as career days and job shadowing. For many youth, business leaders can serve as role models and as an inspiration to set more ambitious goals for themselves.

Without waiting for the implementation of more ambitious curricula reform agendas, employers can use their influence to encourage schools to adopt courses that help young people navigate the job-search process and build key employability skills relevant to the workplace. They can advise on the importance of these programs in contributing to the success of entry-level workers, consult on the selection of off-the-shelf curricula, and assist in designing new curriculum content.

*“One of the simplest and most direct things that employers can do is partner with schools and vocational institutions to increase young people’s exposure to the world of work.”*

### Box 3

## JUNIOR ACHIEVEMENT AND MANPOWERGROUP

Junior Achievement is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs.

Junior Achievement programs are delivered by volunteers who include business leaders in their local communities. In the United States, Junior Achievement programs reach more than 4 million students per year in more than 176,000 classrooms, thanks to 178,000 volunteers.

ManpowerGroup is a longstanding partner with Junior Achievement in promoting entrepreneurship, work readiness, and financial literacy skills among young people. Jonas Prising, ManpowerGroup's President of the Americas, is chairman of the Junior Achievement USA board of directors.

During the 2010-2011 school year, 227 ManpowerGroup classroom volunteers presented Junior Achievement programs to 7,000 students in the United States. Over the past three years Junior Achievement's work-readiness Success Skills curriculum has been given to more than 45,000 students in 20 countries.

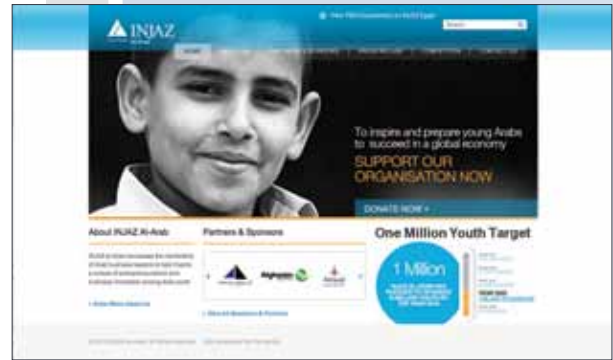
*For more information, see: [www.ja.org](http://www.ja.org)*

## SOLUTION TWO

### Support Information Projects That Provide Career and Labor Market Information for Young Job Seekers.

Internet, mobile devices, and social networking technology provides young people with more transparent access to labor market information while it maximizes the recruitment reach of employers. According to the 2011 *Source of Hire Report* by CareerXroads ([www.careerxroads.com](http://www.careerxroads.com)), Internet job boards are the source of about 25% of new hires among surveyed businesses (principally U.S.-based large and multinational corporations). Most job board hires result from responses to posted openings rather than resume searches. According to a separate CareerXroads' report, a leading goal of hiring managers surveyed is to migrate Internet-based recruitment from job boards to social networking or more structured pools of potential applicants.

Employers have an opportunity to reach beyond the job-board model while still working proactively with emerging job information services and platforms popular with youth, such as mobile phones/texting and smart phone-based applications, in order to connect with young people more efficiently. Employers can also cooperate with special programs and initiatives that are designed to give youth a deeper understanding of overall career trends and opportunities. (See Box #4, right, to learn about a sophisticated information project in the Arab world). By using these channels and transparently specifying the qualifications required for their positions, employers can help youth learn about job options in the local economy, the avenues for pursuing those jobs, and the skills and experience necessary for obtaining them.



[www.injazalarab.org](http://www.injazalarab.org)

## INJAZ AL-ARAB'S ARAB YOUTH PORTAL

INJAZ al-Arab ([www.injazalarab.org](http://www.injazalarab.org)) is the Arab-world affiliate of Junior Achievement. Its goal is to help inspire a culture of entrepreneurialism and business innovation among Arab youth.

ManpowerGroup is currently collaborating with INJAZ to help build an Arab Youth Portal (AYP), a future online platform for the delivery of e-learning and job matching to promote youth employability and entrepreneurship. The AYP will also serve as a powerful social network to connect youth with each other, with mentors, and with potential sources of capital, in order to combat youth exclusion in the Arab World.

INJAZ operates in 14 countries in the Arab World, reaching 200,000 Arab youth annually. Thousands of private sector volunteers, including hundreds of CEOs from leading Arab companies, have worked with university and high-school students to help them develop 21<sup>st</sup> century skill sets.

## SOLUTION THREE

### Promote a More Positive Image for Vocational Education.

A major and specialized new messaging initiative, with the credibility of employers behind it, is needed in the area of vocational education.

ManpowerGroup's Talent Shortage Surveys consistently include technicians and skilled trades positions among the most acute skills shortages around the globe. Yet in countries as diverse as India, Mexico, and the United States, vocational education programs serve only a small minority of secondary students and are often perceived as an inferior and low-status alternative to an academic education.

Young people, especially those disenchanted with an academic education and in danger of dropping out of school, need to understand the high demand that exists, and the competitive salaries available, for skilled and well-prepared vocational and technical personnel. Young people can be inspired by a vision of vocational career paths that include entrepreneurship and small business formation based on technical and trades expertise, as well as the possibilities for academic re-entry in technical, engineering, and other Science, Technology, Engineering and Math (STEM) programs at a later career stage.

Employers have an important role to play in improving the profile of vocational education for young people. They can cultivate as speakers and school visitors those employees whose careers illustrate the positive possibilities of vocational and technical work. They should adopt HR policies that proactively advance and promote vocational and trades positions. Suggested policies include: building vocational and technical workers into leaders through mentoring; promoting continuing education with certified credentials; using former effective employees as consulting mentors.

There are very large differences between countries in the percentage of secondary students who are on a vocational track. In Australia and Germany, vocational students make up the majority of secondary students; not coincidentally, these countries have extensive curriculum offerings well aligned with the needs of the business community, and are very successful in moving young people from school to work.

By encouraging more students to enter vocational education in countries where it is not a widespread choice, employers can expand career opportunities for a more diverse range of young people, help address their own skills shortages, and stimulate greater attention and improvement to the vocational education system.

### Investments to Improve Youth Access to Work-Relevant Skills Training

The provision of skills has been the responsibility of educational and vocational training institutions and is too often detached from practical applications in the workplace. While employers have a role to play as curriculum advisers and advocates for better work preparation in schools, aligning skills training initiatives with real work opportunities is expedited through the creation of demand-driven, training-to-employment programs.

#### Partner with Demand-Driven, Training-to-Employment Programs

Training-to-employment programs focus training narrowly and intensively on the requirements of specific, available jobs, and include a post-training placement component based on prior hiring commitments from employers. These programs can help employers rapidly address skills shortages and efficiently expand access to work opportunities for individuals unable to obtain these jobs on their own.

Training-to-employment programs can be organized and managed by workforce intermediaries like ManpowerGroup, by governments or NGOs, or by employers themselves. The model is not limited to disadvantaged or nontraditional workers, but has been effective in reskilling experienced workers who may need help in moving to related fields in response to changes in an industry.



ManpowerGroup has extensive experience in creating and partnering with successful training-to-employment programs. (See Box 5 right, on our TechReach initiative.) Several key factors determine the success of these programs:

- They must be demand-driven, i.e. oriented to filling specific needs and actual vacancies for local employers, and must prepare individuals for those specific, available jobs.
- They must be based on a firm employer commitment to articulate its skills requirements to trainers and to work with program graduates.
- Post-employment counseling and mentoring are important to help new workforce entrants retain jobs acquired through training-to-employment programs.
- Programs benefit from repeated engagement with experienced employer partners who can participate in program design and the specification of skills requirements, and who have acquired confidence in this recruitment channel.

The demand-driven, training-to-employment model is also relevant globally and has succeeded in many developing countries.

In the Middle East and North Africa, regions whose youth unemployment rates are among the highest in the world, ManpowerGroup is working closely with the Education for Employment Foundation ([www.efefoundation.org](http://www.efefoundation.org)), a regional NGO with a proven and effective training-to-employment model for youth. (See Box 6 on page 12.)

## MANPOWERGROUP'S TECHREACH PROGRAM

Over the past decade, ManpowerGroup has undertaken an initiative across North America to create and successfully implement best-practice examples of demand-driven training-to-employment initiatives. One program, TechReach, has been replicated in more than 50 North American metropolitan areas.

A typical TechReach project identifies an industry sector with a real skills shortage, a group of available, potential job candidates, and an effective training and support program that will help these candidates make the transition to rewarding careers with a future. ManpowerGroup acts as the project manager, working with employers to identify and analyze job opportunities, with recruitment sources to identify and assess candidates, and with additional partners, as needed, to create and deliver appropriate training and provide counseling support for participants.

Graduates are placed into entry-level positions with local employers and provided with post-placement support, coaching and counseling to help them succeed, and to ensure retention on the job.

TechReach combines all the necessary elements to assist those individuals most in need of finding rewarding employment, including coaching, counseling, and mentoring to help new workers understand and adjust to the requirements of the workplace.

TechReach began as a focused program to help employers address the IT skill shortages of the 1990s. Over time ManpowerGroup expanded the program to other sectors where employers were having difficulty meeting specific recruitment goals. The program has impacted more than 25,000 people and placed more than 16,000 of them in sustainable jobs.

An early study of TechReach by the Center for Corporate Citizenship at Boston College discusses the innovative design of the program, and some of the hands-on aspects of building partnerships and improving candidates' employability.

<http://www.caseplace.org/d.asp?d=567>



## THE EDUCATION FOR EMPLOYMENT FOUNDATION

The Education for Employment Foundation (EFE) is a highly respected NGO that develops tailored training programs for unemployed youth in the Middle East and North Africa, directly linked to local job opportunities. It operates in Morocco, Tunisia, Egypt, West Bank/Gaza, Jordan, and Yemen and is exploring expansion into other countries in the region.

EFE works with its employer-partners to secure job commitments ahead of training. They focus on sectors of the economy that offer solid growth potential but lack appropriately qualified personnel. EFE works alongside employer-partners to recruit unemployed youth and train them in the specific skills they need to succeed in that job.

EFE recruits students through local NGOs, professional and community organizations, advertisements and postings at university campuses. EFE starts with state-of-the-art curricula and then tailors their programs to local needs. Courses are highly interactive to encourage learning by doing, and most run for one to three months. Program graduates are placed directly into jobs for which they were trained.

*ManpowerGroup is working with EFE to build its organizational capacity and scale its operations. ManpowerGroup has supported EFE's initiatives by providing additional assessment and training resources, IT infrastructure for project management, and support for senior staff development.*

EFE's training programs include:

- Accounting
- Banking
- Construction Project Management
- Land Surveying
- Sales
- Textile Merchandising
- Teaching
- Workplace Success Professional Skills
- Entrepreneurship Training

ManpowerGroup is working with EFE to build its organizational capacity and scale its operations. ManpowerGroup has supported EFE's initiatives by providing additional assessment and training resources, IT infrastructure for project management, and support for senior staff development. We have provided media and brand-building services and helped senior staff network in global forums, in order to expand EFE's access to donors, funders, and potential employer-partners.

EFE is currently scaling up to serve tens of thousands of young people in Morocco and Tunisia under grants from the MasterCard Foundation, the World Bank, the U.S. State Department, and other global and regional donors.

*For more information, visit: [www.efefoundation.org](http://www.efefoundation.org)*

ManpowerGroup has made a significant investment in training tools that we use with our associates and within our training-to-employment programs. These include more than 6,000 online courses in our Training and Development Center (See Box 7, right) and a variety of work-readiness curricula such as our “Finding a Job is a Job” course (See Box 8, right).

Demand-driven, training-to-employment is a proven and effective model for assisting workforce entry and helping young people acquire relevant credentials. Employers can help expand opportunities for youth, and increase their own access to qualified recruits, by identifying and participating in training-to-employment initiatives undertaken by governments, educators, and NGOs. By doing so they can:

- Build capacity for organizations managing training-to-employment programs, by sharing executive experience and advice
- Contribute to their own training and other resources, and improve the alignment of training with their own specific job requirements
- Provide clear, skills-based specifications of the requirements of their available positions, and information on the number and timing of available openings
- Commit to hiring program graduates, either directly, under a temp-to-hire arrangement, or as interns
- Make training-to-hire partnerships a formal and ongoing part of their recruitment strategy

Box 7

## MANPOWERGROUP'S TRAINING AND DEVELOPMENT CENTER

As the skills required to succeed in the world of work change faster than ever before, people need quick and easy access to training—when and where they need it.

ManpowerGroup's Training and Development Center (TDC) provides:

- Access to more than 6,000 online courses covering computer, business, leadership, and technical skills demanded by employers.
- A convenient way for anyone to update and increase their skills online—24/7.
- Free training and development for all ManpowerGroup associates, consultants, and employees.

Many courses are aligned with recognized industry certification examinations and are eligible for college or continuing professional education credit.

The efficiency and work-relevance of TDC courses makes it easier to align training with an employer's specific, emerging task requirements. TDC courses can be used in training-to-employment, mentoring, and other youth development programs to rapidly up-skill candidates and build bridges to specific employment opportunities.

ManpowerGroup has provided TDC training to more than 11 million people worldwide.

See: [www.manpowertdc.com](http://www.manpowertdc.com)

Box 8

## MANPOWERGROUP'S "FINDING A JOB IS A JOB" CURRICULUM

ManpowerGroup has created a workshop called “Finding a Job is a Job,” which teaches young people how to assess their own skills and interests, use a variety of resources to identify potential job opportunities, and pursue a job search from effective networking to a successful interview.

ManpowerGroup provides the curriculum and trains local instructors to deliver workshops in a variety of youth employability projects across the globe.

## Investments to Improve Youth Access to Work Experience

To succeed in the workplace, young people need to acquire not only skills, but the experience that demonstrates to employers that they are capable of applying those skills to practical business tasks.

### Create and Engage With Programs that Build Young People's Work Experience

Prior work experience is positively associated with an individual's ability to obtain permanent work at a later date. One study found a 10–13% improvement in long-term employment outcomes after 2 years for individuals who accepted short-term jobs as a stepping stone out of unemployment. Another study found that temporary work was an especially effective tool in improving labor market outcomes for long-term unemployed persons and others seen by employers as bad risks.

Such work is a superior alternative, to accepting an extended period of unemployment. A series of internships, project work, temporary work, etc., can be structured in a low-risk, low-stakes way, giving young people easy access to these opportunities without requiring long-term commitments from employers or creating dead-end jobs.

A 2012 report by Caden Co. to the European Commission highlights a potential role of private employment services in finding initial work experiences for young people with limited skills and experience. These services can broker a series of short-term work experiences that increase young peoples' chance of finding a full-time job.

These short-term experiences also fit well into summer or semester-long intervals in a young person's ongoing education, so that work experience can be combined with or alternate with education, and can influence study and training choices.

ManpowerGroup has found that helping young people build a portfolio of progressively challenging work

experiences is a highly effective way of building their skills and employability over time. Our Summer Youth Programs (see Box 9, on page 15) help disadvantaged youth get off to a good start in the workplace, while a similar strategy of exposure to work has proven effective in workforce re-integration of people who are chronically unemployed (see Box 10, on page 15).

*ManpowerGroup has found that helping young people build a portfolio of progressively challenging work experiences is a highly effective way of building their skills and employability over time.*

A study by the staffing industry trade association (CIETT) and the Boston Consulting Group, focusing on European labor markets, identified clear impacts from temporary work experiences on individuals' long-term re-employment prospects. Before engaging in agency work, 34% of applicants in Sweden had prior full-time work experience; after completion of agency work 85% obtained full-time jobs. In Switzerland, the pre- and post-agency work employment numbers were 47% and 71% respectively. And in France, the experience of agency work raised participation in full-time work from 11% to 66%.

The implication for employers is that even if they are not prepared to hire additional full-time personnel, they can substantially contribute to the employability of young people by pro-actively participating in initiatives that provide them with short-term employment experiences and credentials. These may include summer or term-time internships, and the identification of appropriate project work or seasonal work for short-term employment.

## MANPOWERGROUP SUMMER JOBS PROGRAM

For nearly a decade, the Department of City Development in Milwaukee, WI has engaged ManpowerGroup to interview and select candidates for internships with city government departments.

Our Milwaukee program provides candidates with coaching during their internship, and instruction on topics such as financial literacy, effective resume writing, and finding and obtaining their first full-time job.

The internship itself serves as an important credential for the candidate's subsequent job search. Internship graduates are prepared to successfully enter the World of Work with, among other assets, a letter of recommendation, a well-written resume, marketable job skills and professional references.

The internship program serves more than 170 disadvantaged youth in Milwaukee each summer.

ManpowerGroup's summer jobs program in Milwaukee is typical of many such programs undertaken by individual ManpowerGroup regions across North America and the globe.

## MANPOWERGROUP PLACEMENT PROGRAM FOR FRENCH GOVERNMENT EMPLOYMENT SERVICES

ManpowerGroup's assistance to the French government's unemployment program focuses on hard-to-serve candidates including long-term unemployed persons and disconnected youth. Many of these individuals lack the skills and basic confidence needed to present themselves to an employer.

This placement program envisions the path to durable employment as a series of progressive steps. The first, essential step in the program is to secure a rapid return to some-any-kind of work. This may include a very basic, short-term temporary assignment. This is a key step in improving candidates' confidence and motivation and, in the beginning, to establish a portfolio of relevant work experience for them.

But this first step is followed by ongoing support as the individual makes a definitive transition to career-oriented work. This placement program connects long-term unemployed persons with a personal Manpower Employment Advisor. The Employment Advisor works with the candidate through several short-term jobs and transitions. They provide the candidate with access to labor market information and help them research job options and construct a realistic career plan.

The program serves about 5,000 persons per year, and more than 65% are successfully placed in long-term employment.

## Investments to Improve Both Skills Development and Work Experience for Youth

Under the best circumstances, it is possible to integrate both skills-building and experience-building components simultaneously into employment programs for young people. The classic examples are dual-track apprenticeship systems that divide a student's week between classroom learning and time in the workplace. These programs tend to depend on government policy and a well-developed school-to-work system, but their powerful lessons can also be applied to the design of on-the-job training and mentoring programs for young new hires.

### Engage With “Dual” Training and Work-Experience Programs

Five countries in Europe have youth unemployment rates markedly below European and global averages. While most European countries have youth unemployment rates in the 20–30% range, Austria's rate in the 3<sup>rd</sup> quarter of 2011 was 7.3%; Germany's was 8.6%; the Netherlands 7.6%; Norway 8.8%; and Switzerland 7.2%. (Business Europe, 2012) These countries seem to have essentially escaped the global pattern of high youth unemployment. It is worth identifying what they do and whether it can be emulated.

These countries share a strong vocational education system that serves a majority of secondary students (and therefore avoids the stigma of vocational tracking in many countries) and that combines classroom-based training with workplace-based apprenticeships over a period of several years.

Dual-track systems involve close coordination between employers and schools and a focus on relevant skills, since classroom training during part of each week is directly related to students' workplace apprenticeships during the rest of the week. Students have access to a wide range of programs reflecting the actual needs and opportunities in the economy. Their apprenticeships give them direct exposure to the requirements of the workplace and a certification that is respected by employers.

At the conclusion of the program, even if participants are not directly hired to full-time status from their apprenticeship, they bring industry experience and a valued credential to their job search. And in the longer term, completion of a vocational secondary education track does not affect their eligibility for admission to a university.

According to an ILO study young people who go through combined classroom and workplace training are 30% more likely to get a job than those who have only a classroom education; those who take part in programs that

combine in-classroom and workplace training and other services are 53% more likely to find work than those with classroom-based training alone.

Although these programs represent the “gold standard” for helping young people transition into careers, it may be unrealistic for employers in other countries to replicate the German/Austrian/Swiss apprenticeship system nationwide, and not all careers are suitable for a formal apprenticeship model. However, the significant success of that model in reducing youth unemployment and facilitating workforce entry should inspire employers to create and engage with similar dual-training initiatives wherever feasible.

### Commit to Hiring, Training, and Mentoring Youth

Companies that invest in training and mentoring young people on the job will make better use of candidates that are realistically available and will benefit from a base of loyal employees with career and promotion potential. On-the-job training and mentoring can also be one element in a more comprehensive strategy for better responding to emerging talent shortages and finding innovative ways to source, develop, and manage the talent necessary for sustaining long-term business objectives.

Companies need to lean forward, take a calculated risk, and open their doors to inexperienced young job candidates. They need to invest time



## THE WORLD ECONOMIC FORUM'S TEN YOUTH PROGRAM

The TEN Youth Program emerged from a collaboration between the WEF Global Agenda Councils on Emerging Multinationals and on Youth Unemployment. The concept is intuitive but powerful: in each of the major cities where they have operations, leading and emerging multinational companies commit to hire, train, and mentor 10 unemployed young people.

Eligible TEN Youth candidates are first-time job seekers, high school or college graduates between the ages of 18–24, who are reliable, hard-working, adaptive, and have demonstrated ability as a self-starter. Candidates have an interest in developing a specific and marketable professional business competence. Companies commit to hiring these young people as full-time employees in career-track positions, providing them with 3- to 6-months of training and at least 2 years of formal mentoring.

These young people are to be employed in specific functional areas of the company where they can acquire valuable corporate-world skills and build long-term careers. The goal is for these young people to continue their careers in the companies that have mentored them. The program has set a target of an 80+% retention rate. Even if they leave for another firm, they will leave with a marketable business competence that enhances their career prospects elsewhere.

The TEN Youth initiative is an opportunity for multinational corporations to leverage their vast capabilities and resources to meet the global challenge of youth unemployment. The program will help participating enterprises acquire loyal and productive young employees at a fair wage, develop a non-traditional approach to recruitment, and improve their capacity to systematically mentor and train talent.

It will expand opportunities and facilitate career development for youth. And if emerging and established multinationals can “lean forward” on this challenge, their supply chain and channel partners might well be inspired to follow.

With this program, ManpowerGroup acts as a trusted advisor, helps with outreach to new companies, explaining the program, the commitments involved, and the expected benefits for all participants.

*For more information, or to join the TEN Youth pilot initiative, please contact Global Agenda Council managers Lyuba Nazaruk at [lyuba.nazaruk@weforum.org](mailto:lyuba.nazaruk@weforum.org) or Tanya Milberg at [tanya.milberg@weforum.org](mailto:tanya.milberg@weforum.org).*

*Five countries in Europe have youth unemployment rates markedly below European and global averages. While most European countries have youth unemployment rates in the 20–30% range, Austria's rate in the 3rd quarter of 2011 was 7.3%; Germany's was 8.6%; the Netherlands 7.6%; Norway 8.8%; and Switzerland 7.2%.*

— *Business Europe, 2012*



and effort to develop and train these young people, and to make the long-term commitment to develop both general workplace competencies and specific enterprise skills. They need to engage their best employees as mentors to young talent.

Most mentoring research has focused on career outcomes for the mentee and has found a positive relationship between the presence of a mentor and career outcomes. Mentored individuals receive more promotions and earn higher salaries than their non-mentored counterparts. In addition to these instrumental outcomes, mentees report more job and career satisfaction, career commitment, and greater expectations for advancement than those without mentors.

A key benefit of mentoring is retention, which is key as turnover costs can be significantly high. That's one reason why organizations include mentoring programs as part of their business objectives.

When mentoring programs are coupled with good training programs that develop enterprise-level skills and work experience, young people have the strongest possible platform for launching successful careers. (See Box 11) ManpowerGroup, through its engagement in the WEF, is providing advice and implementation support to the program, and reaching out to potential corporate participants.

## Investments to Address a Shortage of Career-Oriented, Entry-Level Jobs.

In certain labor markets, the prevailing level of economic activity is simply not sufficient to generate enough entry-level, career-oriented jobs for young people. In Egypt, more than 1 million young people enter the workforce every year. In these circumstances, employers can engage in investments and adaptive strategies that will help improve the labor market environment for young people.

### Invest in Entrepreneurship Education in Schools, Colleges, and Vocational Institutions.

One important strategy for expanding the number of available jobs is to expand the number of job creators. Promotion of entrepreneurship is an indispensable component of regional economic development. Promotion of youth entrepreneurship in particular can directly impact potential young business-starters themselves, while spreading positive employment impacts among their peers and their communities.

According to data from The World Bank's Enterprise Surveys (<http://www.enterprisesurveys.org>), small scale entrepreneurs (5–19 employees) are the primary engines of job growth in developing countries. In the 106 countries studied, small businesses, which represented 55% of all businesses, had an annual employment growth rate of 18.6%, compared to a rate of 8.1% for medium businesses (20–99 employees), and -0.1% for large businesses (more than 100 employees). (International Finance Corporation, *Assessing Private Sector Contributions to Job Creation*, 2012.) Small businesses generate significantly higher rates of employment growth than larger businesses in many key emerging economies, including Indonesia, Nigeria, South Africa, and Mexico.

ManpowerGroup is engaged in multiple projects to promote entrepreneurship education (See Box 12, on page 19) and to implement effective entrepreneurship programs (See Box 13, page 20).

Instruction in entrepreneurial skills offers a potentially transformative impact on the work and career focus of young people. Most obviously, it can help entrepreneurial-minded young people to start and succeed in their own businesses, contributing to employment solutions for the community as a whole. But even those workers not destined to start their own business will acquire a deeper understanding of what it takes to make a business succeed. Young people will have more to offer in the workplace if entrepreneurial training can provide them with greater financial and business literacy, a stronger focus on the needs of the enterprise, and an understanding of the need for initiative and creative problem solving disciplined by teamwork and cooperation. And many individuals who are not ready to launch their own business right out of school may be inspired by this training to explore entrepreneurship opportunities later in their career, based on additional skills acquired on the job.

Box 12

## MANPOWERGROUP AND MICROSOFT — BUILD YOUR OWN BUSINESS CURRICULUM

ManpowerGroup and Microsoft Corporation are collaborating to support youth employability and entrepreneurship globally, with an initial focus on joint projects in the Middle East and Africa.

ManpowerGroup is participating in the development and deployment of a significant new entrepreneurship training tool by Microsoft, the “Build Your Own Business” training course.

The program, developed in partnership with the International Youth Foundation, is specifically designed for micro and small enterprises; aimed at potential young business-starters, it is an interactive, DVD-based training course that includes an introductory module on self-assessment to help students target the skills they most need to build. Substantive training modules include market research, business planning, marketing, accounting, life skills and governance and ethical business practices.

The training is available in multiple languages and is free of charge to youth-supporting NGOs in order to encourage the creation and replication of entrepreneurship training projects.

*For more information, see a description of the Microsoft entrepreneurship curriculum and program by William S. Reese, President and CEO of the International Youth Foundation: [http://blogs.technet.com/b/microsoft\\_on\\_the\\_issues\\_africa/archive/2012/02/13/building-your-own-business-a-new-curriculum-helps-young-people-find-success.aspx](http://blogs.technet.com/b/microsoft_on_the_issues_africa/archive/2012/02/13/building-your-own-business-a-new-curriculum-helps-young-people-find-success.aspx)*

## SHANGHAI NBS

ManpowerGroup has created an assessment for entrepreneurial skills and aptitudes that is a key component of the Shanghai government's New Business Starters program.

The Shanghai municipality makes a substantial investment in training, access to capital, and tax benefits to promote business startups by new entrepreneurs. To maximize the return on these limited resources, the municipality sought a reliable way to identify which applicants had the most promise as potential entrepreneurs.

In response, ManpowerGroup developed its *New Business Starters* assessment. The NBS assessment profiles relevant cognitive skills, personality traits, and life experiences to accurately select individuals with the highest potential to succeed in the training and in business, and to identify requirements for remedial training. Validation of the assessment showed that high-scorers are 2–3 times more likely than low scorers to succeed in the program.

The success of the program in Shanghai led to its replication in Tianjian. To date 45,990 candidates have been assessed in Shanghai, and 22,660 in Tianjian. In 2011 alone, about 33,640 candidates were assessed in both cities, and that volume of activity is expected to continue in the future.

The assessment is also being considered for other Chinese cities and for incorporation into other ManpowerGroup youth entrepreneurship programs around the globe, both to identify candidates for limited entrepreneurship training and to diagnose remedial training needs for entrepreneurial candidates.

*For more information, go to <http://www.careerharmony.com/Resources01.html> and download the .pdf for the Shanghai Municipal Bureau of Labor and Social Security*

While business' hard-skill requirements are diverse and evolving, the promotion of key attitudes associated with high-performance in the workplace provides a clear and universal benefit, both to young people themselves who will be more able to contribute on the job, and to employers looking for stronger performance by new hires.

Employers can encourage the adoption of entrepreneurial curricula in schools, consult on the development of curricula, articulate the benefits for work-readiness, serve as instructors and visitors in entrepreneurship courses, and incorporate this content into their own in-house training.

*Young people will have more to offer in the workplace if entrepreneurial training can provide them with greater financial and business literacy, a stronger focus on the needs of the enterprise, and an understanding of the need for initiative and creative problem solving disciplined by teamwork and cooperation.*

Employers can support young entrepreneurs in a variety of ways. They can commit to purchasing goods and services from small—and medium—size enterprises including youth-owned businesses. They can provide mentoring services and business advice to youth-owned businesses. And they can endorse entrepreneurial initiatives by their own employees when their career development makes them ready to go out on their own, providing marketing opportunities and mentoring support as appropriate.

## Conclusion

The rationale for employer initiatives to promote youth employability is simple: businesses that can strategically source, manage, and create needed talent for the long-term will be able to seize emerging economic opportunities, while those that fail to address this challenge will be outperformed by their competitors. Individuals who are given access to learning opportunities and who can cultivate the right skills will thrive in the labor market and contribute to employers.

Employers have a direct interest in making investments that will improve young people's ability to succeed in the World of Work. These investments can take many forms, ranging from volunteering in schools by individual executives to engagement of the firm in training-to-employment or work experience programs.

ManpowerGroup has identified four key barriers to youth employability:

- Lack of information, networks, and connections
- Lack of relevant employability skills
- Lack of experience credentials, and
- Lack of available entry-level jobs with career potential

We also identified five groups of solutions that can be adopted by employers:

- Provide career guidance to youth and participate in information systems and programs
- Engage with training-to-employment programs for youth
- Engage with apprenticeship and experience programs
- Commit to hiring, training and mentoring young people
- Promote youth entrepreneurship and entrepreneurship education

And we offered a number of examples of these solutions in action.

This Insight paper presents a range of integrated public-private sector initiatives focused on improving the employability skills of youth. In all world regions it's clear that employers are needed to lead initiatives that unleash youth potential in the workplace. ManpowerGroup urges all employers to step up and make a difference.