

DISCUSSION PAPER

HOW THE VIETNAMESE FIND JOBS

Vietnam General Department of Vocational Training

Hanoi, December 2011

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Research Institute of Vocational Training Science,

Vietnam General Department of Vocational Training

References of this study should be approved by the authors

FOREWORD

How the Vietnamese find jobs is the title of the research paper on labour market issues, conducted from August 2010 to October 2010, by researchers from the Research Institute of Vocational Training Science (GDVT). The research received technical support from officers of the Bureau of Employment and the Ministry of Labour, Invalids and Social Affairs (MoLISA) including Ms. Nguyen Thi Hai Van, Deputy Director, and Mr. Ngo Xuan Lieu, Vice Head of the Labour Market Division. The research also received technical advice from ILO international experts.

The funding for this research came from the EU funded Labour Market Project which was the focal point for the technical monitoring and support of the research. During the implementation process the researchers worked closely with officers of selected Departments of Labour, Invalids and Social Affairs (DoLISAs), as well as directors and staff of Employment Services Centres (ESCs) to organize interviews for jobseekers, employers and ESC staff members.

On behalf of the research team, we would like to express our sincere thanks for the cooperation of international experts, officers of the Labour Market Projects (ILO), the Bureau of Employment (MoLISA), officials of DoLISAs, staff of ESCs and other team members from the Research Institute of Vocational Training Science for helping to finalize this project.

ACKNOWLEDGMENTS

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For the research team,

Associate Professor, Dr. Mac Van Tien

LIST OF ABBREVIATIONS

EU	European Union
ESCs	Employment Services Centres
DoLISA	Department of Labour, Invalids and Social Affairs
ILO	International Labour Organization
UI	Unemployment Insurance
MOET	Ministry of Education and Training

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Part 1

INTRODUCTION TO THE RESEARCH ON THE WAYS WORKERS OBTAIN JOBS

I. BACKGROUND (Introduction/ justification for the research)

The Vietnamese labour market is at an initial stage of development. Performance of the labour market is perceived to have many short-comings – including limited matching of information on labour supply and labour demand.

The current domestic market experiences imbalances of labour supply and demand in both rural and urban areas. There are provincial disparities and imbalances among some occupations. The main causes include the gap in incomes and economic development levels across regions/areas. In addition, the imbalances may have been made more serious due to the limited matching of information on labour supply and demand. Jobseekers do not have full access to recruitment information, while employers do not make full use of intermediary institutions in the labour market.

The distribution of job information to jobseekers and applicant information to employers is still difficult for the following reasons:

- +Workers do not know about or have full access to the recruitment information necessary to find relevant jobs.
- +ESCs – private and public – have not always been effective in performing their role as a good bridge between labour supply and labour demand.
- +The system of public ESCs is underdeveloped. Labour market information remains inadequate and not regularly updated.

Due to the above mentioned limitations, both real and perceived, a proposal to conduct specific research on the jobseeking methods used by workers, and the short-comings and the challenges faced by public ESCs under management of DoLISAs, was put forth. The main goal of this research was **to prepare recommendations on how to develop a system of ESCs that effectively match the supply and demand of the labour market.**

II. OBJECTIVES

1. To understand job seeking methods of male and female workers
2. To understand the current organization, performance and challenges faced by public ESCs under management of DoLISAs¹ in order to identify the mechanism and ways of matching workers with employers through these ESCs
3. To recommend solutions for developing public ESC systems and improving the matching of labour supply and demand through these ESCs

III. RESEARCH METHODOLOGY, SCOPE AND RESPONDENTS

1. Methodology and scope of the research

In order to fulfil to the abovementioned objectives, fieldwork was conducted in five selected provinces/cities including Hanoi, Hung Yen, Nam Dinh, Binh Dinh and Can Tho. The researchers visited job transaction sessions run by public ESCs under the management of DoLISAs to directly interview jobseekers. Group discussions were organized to collect information from the ESC staff members of the five selected provinces. We also sent questionnaires by post to ESCs of other provinces to collect additional information. In addition, we conducted a sample survey of employers in the five abovementioned locations².

2. Respondents

2.1. Jobseekers at job transaction sessions – personal information, current economic activity and other information such as:

- + their expectations about jobs;
- + jobseeking methods and access to labour market information;

¹ Due to limited amount of time and budget allocated for this study, and for better data collection, the researchers only focused on the public ESCs managed by DoLISAs.

² Employers were randomly selected taking into consideration their business operation in different economic sectors. The researchers also gave priority to employers who recruit skilled workers in the manufacturing and services sector.

- + difficulties met during the jobseeking proces;
- + judgement on the effectiveness of jobseeking strategies.

2.2. Public ESCs to collect the following information:

- + performance of ESCs;
- + characteristics of their clients – registered jobseekers and evaluation by ESCs on the capacity of the jobseekers;
- + types of job introduced by the centres, jobs with high demand from the labour market, jobs with labour shortage/surplus;
- + partnership between ESCs and employers (contract to supply workers for employers);
- + current difficulties of the ESCs including infrastructure, human resources, and financial resources.

2.3. Employers to collect information on recruitment methods and requirements of the workers

IV. STRUCTURE OF THE REPORT

For easier referencing of the research findings, we present here the structure of the report including the key content:

Part 1: Introduction of the research on the ways workers obtain jobs

Part 2: Summary of main research findings and recommendations

Part 3: Results of the survey

The analysis of the field work was divided into three main parts:

A. Results of the survey on jobseekers

B. Results of the survey on public ESCs managed by DoLISAs

C. Results of the survey on employers

Part 2

SUMMARY OF RESEARCH FINDINGS AND RECOMMENDATIONS

I. MAIN RESEARCH RESULTS AND FINDINGS

1. Results from the survey on the jobseekers at job transaction sessions

At present, youth are the main jobseekers, particularly at job transaction sessions. Female youths are equally as active in jobseeking as male youths. Most of the jobseekers at job transaction sessions are skilled workers with some training. Graduates from colleges and universities account for 70% of all the jobseekers at job transaction sessions organized by public ESCs under the management of DoLISAs. 30% of respondents who attended the surveyed job transaction sessions were employed. This means that the youth not only want to find jobs but also have a need to change their jobs and undergo career development.

Jobseekers without training accounted for only 7%. Most of the jobseekers were trained in economics related fields such as accounting, finance, or business administration. Jobs related to these subjects are difficult to find because there is an oversupply of applicants. In addition, the capacities of applicants in these fields often do not meet the job requirements.

According to the survey, jobseekers attended job transaction sessions because of the availability of a variety of reliable and free recruitment information there. However, about 20% of the workers (not an insignificant number) said that they came to job transaction sessions because they did not know about other places to find jobs.

According to jobseekers, the most frequently used and effective way of finding employment is through relatives' and friends' connections. However, the respondents showed a positive attitude towards the prospect of finding jobs through job transaction sessions.

The jobseekers considered the biggest disadvantage of looking for jobs at ESCs the waiting time and high cost (for private ESCs). The jobseekers who used public ECSs managed by DoLISAs to look for jobs often had to wait for a long time both to be

interviewed and for the ESC to find them a job. In addition, the job requirements were often incomplete and confusing.

The biggest expectation of young jobseekers was finding a job relevant to their field of study and qualifications. Expectations about income and job promotion were not priorities for the jobseekers. Their expectations regarding income and salary ranked in the middle for most and reached higher levels in accordance with their qualifications.

On average, young jobseekers went to job transaction sessions once or twice. The number of times they registered for jobs at ESCs was approximately the same. This shows that their use of intermediary institutions for jobseeking is still limited. This might also show that they are not receiving the necessary services from these intermediary institutions and consequently give up on both the job transaction sessions and public ESCs managed by DoLISA.

The jobseekers did not highly appreciate the possibilities of finding jobs through mass media such as newspapers and the internet partly because the information provided was not regarded as reliable due to the common practice of re-posting by middlemen for higher fees and possible cheating.

Workers and graduates seemed to receive reliable information from their schools and through listings posted directly on an enterprise's premises. However, the information on these job vacancies is not widely available.

2. Results from the survey on public ESCs managed by DoLISAs

Jobseekers registered at ESCs were more diversified than those who attended job transaction sessions in terms of age group, living area, technical skill and field of training. Clients of ESCs have different features due in part to the geographic region and the economic development level of the province where the ESC is located.

In general, the quality of registered jobseekers was not high. Their skills and qualifications only met the basic requirements of small enterprises – not the common requirements of the majority of the other employers. The workers lacked legal knowledge about labour issues and the soft skills necessary to maximize their capacities at work.

The actual procedures for registering for jobs at ESCs were quite consistent and simple. Even though there were still short-comings, the computerized registration and application of management software was available at most locations.

Some ESCs have had initial success in using the software and applications to manage the profiles and information of jobseekers and employers. The posting of vacancies on websites is simple, however, these websites have not been popular with jobseekers or employers.

Data from ESCs shows that there is a surplus of labour in accounting, business administration and IT at the intermediate and college level. It should also be noted that even though it is difficult to find a job with these training backgrounds, many still choose to follow these courses of study as they know little about the market demand and perceive these jobs as easy. It can also be noted that there is a lot of competition for these posts and those registering may lack the qualifications and experience to be competitive.

3. Results from the survey on employers

Even though the number of jobseekers is much higher than the vacancies, most employers who attended job transaction sessions regularly could not recruit the quantity of the workers required. There was a gap between labour supply and the demand for workers with certain skills.

In the selected provinces, enterprises in the garment, textile, shoe and leather, seafood processing and electronic assembling sectors are facing serious labour shortages due to the low salary provided to the workers, poor working conditions and long working hours. Also, recruitment of highly skilled workers in technical jobs such as welding, electronics and construction machine operation is also difficult due to the limited supply coupled with the high demand of the labour market.

II. SUGGESTIONS AND RECOMMENDATIONS FROM THE RESEARCH TEAM

1. Solutions for the expansion and improvement of job transaction sessions

Based on the positive and noteworthy results of job transaction sessions, it has been suggested that this exercise should be replicated. Solutions to develop job transaction sessions include:

- + establishing satellite and online job transaction sessions and organizing mobile job transaction sessions in rural areas so that local workers have easier access to labour market information;
- + expanding and upgrading infrastructure and facilities of job transaction session venues so employers will have more space for meeting and discussion as well as displaying their products, marketing their trademarks and developing networks;
- + increasing the frequency of job transaction sessions to at least twice a month in big provinces/cities and once a month in small provinces, districts and communes;
- + disseminating information relating to the operation of job transaction sessions to jobseekers, employers and local authorities;
- + partnering with vocational training institutions, vocational intermediate training schools, colleges and universities to organize job transaction sessions.

2. Solutions for the improvement of public ESC performance and quality of service

- **Budget:** In order to improve effectiveness and quality of service, ESCs should be encouraged, through investment, to expand and upgrade infrastructure. They should also have more financial support for activities such as job transaction sessions and marketing. The budgets of ESCs should be increased to ensure that they have sufficient money to implement activities as planned.

- **Human Resources/Staffing:** ESCs should re-organize and assign work that enables the staff to utilize their full capacities. ESCs should also take steps to improve the technical skills of their officers such as:

- + trainings to standardize job counseling skills;
- + regularly scheduled technical trainings on job counseling, job induction and labour market information;
- + IT trainings covering relevant software and labour market databases;
- + learning opportunities and experience exchange among ESC staff.

In addition to using the government budget to recruit permanent staff, each ESC should find ways to provide a decent income for the job counseling staff. Fair salaries, bonuses, and other incentives would encourage the staff to improve their skills.

- *Labour market information – collection and matching:* ESCs should do the following:

- + be more proactive in establishing and developing relationship with employers;
- + implement solutions to encourage employers to provide recruitment information and long-term staff planning;
- + implement marketing activities to let employers and jobseekers know about the effectiveness and performance quality of ESCs;
- + collect information from employers on the shortage of skills and qualification of the new graduates that can then be given to training institutions and schools so that they can adjust their teaching methods to meet the requirement of employers;
- + cooperate with other public institutions (in particular local youth unions and women's unions) to understand the employment and labour situations of provinces.

Part 3

RESULTS FROM THE SURVEY ON THE WAYS WORKERS OBTAIN JOBS

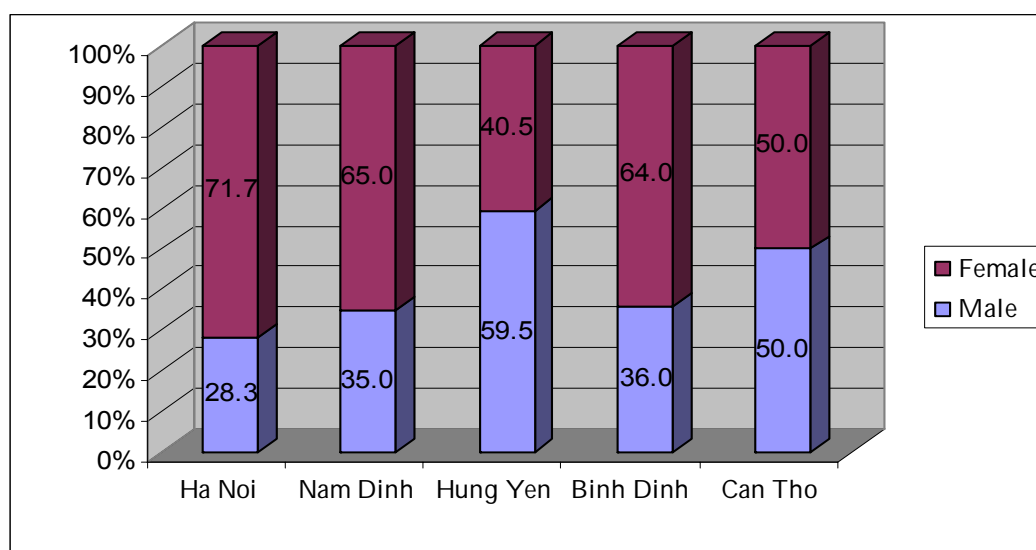
A. SURVEY ON THE JOBSEEKERS AT JOB TRANSACTION SESSIONS ORGANIZED BY PUBLIC ESCS MANAGED BY DOLISAS

I. CHARACTERISTICS OF THE JOBSEEKERS

1. General information

- *The jobseekers classified by sex:* Of the total 1,200 respondents, female jobseekers accounted for 59.5 % and the male ones accounted for 40.5%. The percentage of female respondents was 71.7% in Hanoi, 65.0% in Nam Dinh, 64% in Binh Dinh, 50.0% in Can Tho and 40.5% in Hung Yen. The survey results show that the share of female respondents in Hung Yen was lower than in other provinces partly because the job transaction session in Hung Yen was organized by the Technology Teaching University which has a much higher quantity of male students. Detailed information about the five selected provinces/cities is further illustrated in the following figure:

Figure 1: Jobseekers classified by sex (%)

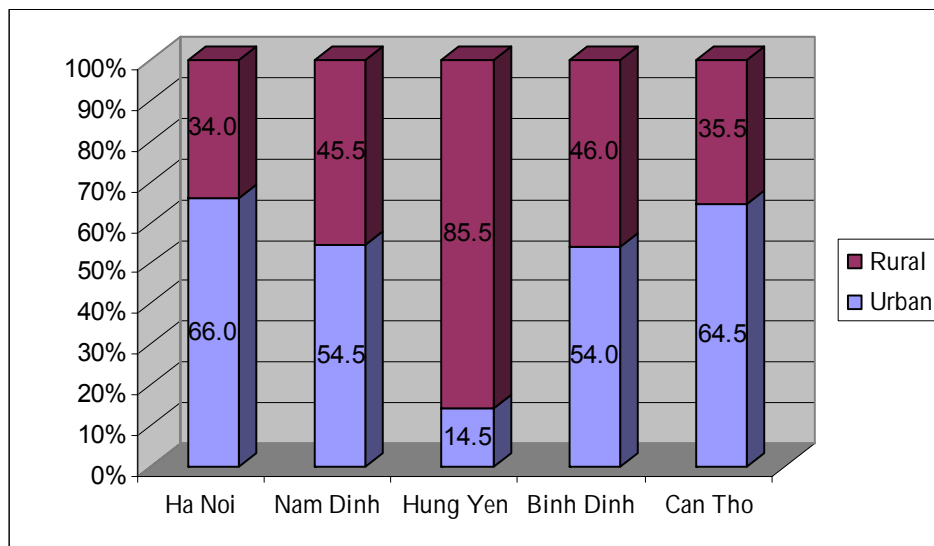


- **Jobseekers by age group:** Most of the jobseekers at the surveyed job transaction sessions were quite young, from 18 to 25 years old. The biggest share was people from 23 to 25 years old, they accounted for 56%. Respondents from 18 to 22 years old accounted for 24.5%. Respondents from 25 to 29 years old accounted for 19%. The jobseekers from 16 to 18 years old accounted for only 0.5%.

- **Current resident areas:** The jobseekers came from both urban and rural areas. 52.1% of workers came from urban areas while 47.9% came from rural areas. The jobseekers often visited job transaction sessions close to where they lived. Evidently, ease of access to the job transaction sessions is a factor in attendance. Most of the job transaction sessions were organized in urban areas so rural workers had less opportunity to find jobs through these channels.

It should be noted that the effectiveness of job transaction sessions depends on getting a critical number of employers and jobseekers together simultaneously. This is not easy to do in remote and rural locations.

Figure 2: Resident areas of the jobseekers (%)

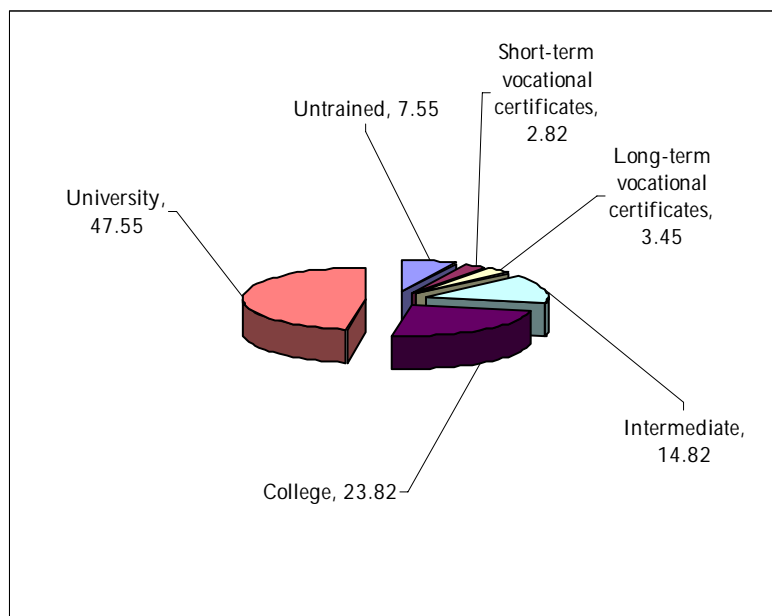


2. Technical skills level and fields of education and training

The data revealed that out of every ten jobseekers surveyed at job transaction sessions³ seven had college degrees or higher qualifications. The jobseekers with intermediate educational or vocational levels accounted for 14.82%. The number of workers with long and short-term vocational training who looked for jobs at job transaction sessions was small, accounting for only 6%. The number of respondents with no vocational training who were looking for jobs was small as well, accounting for only 7.55%. Hung Yen and Hanoi were the two provinces with the highest percentage of jobseekers who had university degrees, 56% and 47.67% respectively.

The figure below shows the distribution of the technical skills of the respondents:

Figure 3: Technical skills of the job seekers



- **Field of education and training:** Half of the jobseekers at the surveyed job transaction sessions graduated in three main fields of study – accounting (31.0%), business administration (10.1%) and information technology (10%). Of the rest, 40% had diversified

³ These job transaction sessions were organized by ESCs under management of DoLISAs in five selected provinces including Hanoi, Nam Dinh, Hung Yen, Binh Dinh and Can Tho.

technical backgrounds and 20% were trained or educated in mechanics, automobile repair, welding, electricity or electronics.

II. ECONOMIC STATUS AND JOB EXPECTATIONS

1. Economic Status

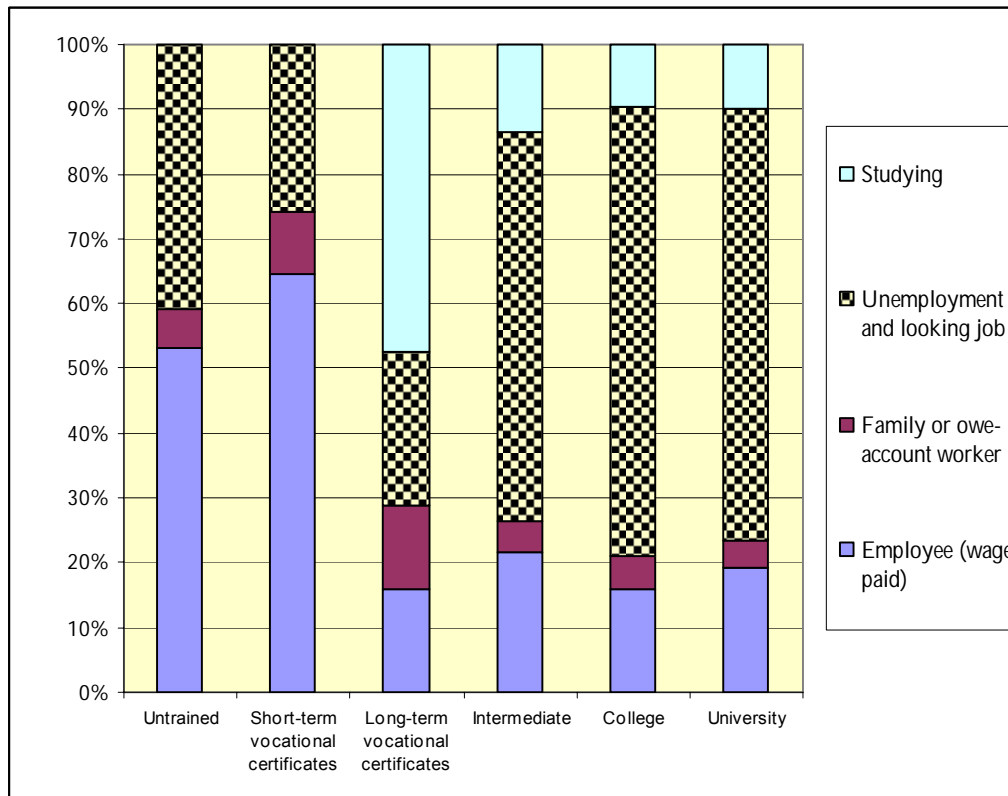
The jobseekers at job transaction sessions included both the unemployed and the employed. Employed workers accounted for nearly a third of the respondents. For the employed persons, 22% of them were working as waged and salaried workers and 5.09% of them were self-employed or **contributing family workers**.

The employed workers who were still looking for jobs had the expectation of finding better jobs with higher income and better working conditions⁴. This also meant that they were not fully satisfied with their current jobs.

For the unemployed persons, 61.82% of them were actually jobless and 11.18% of them were in school. So, out of every ten job seekers at job transaction sessions six were unemployed, one was in school and three were employed. Thus the job transaction sessions draw the attention not only of the unemployed but also of employed looking to change their jobs.

Figure 4: Economic status of the jobseekers by technical skills levels (%)

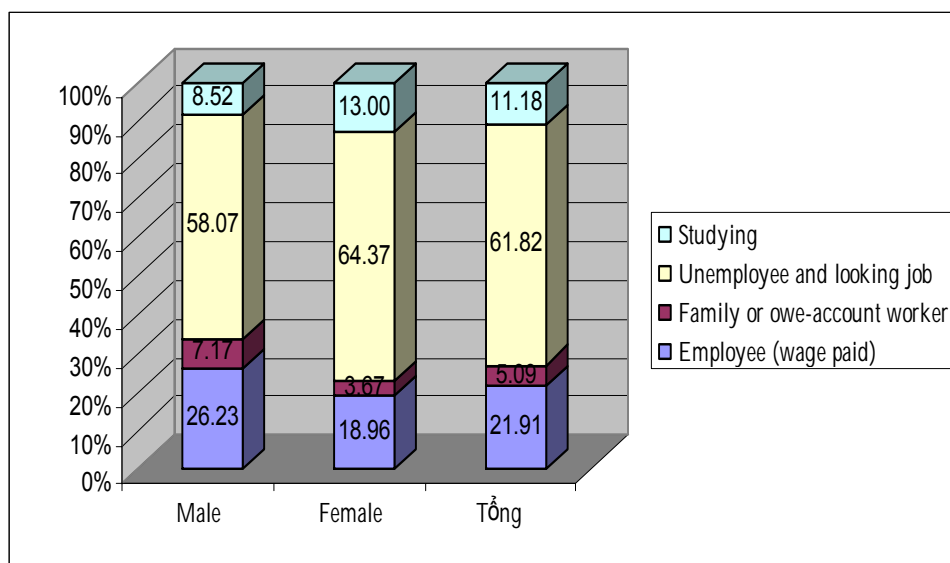
⁴ The questionnaires used for this survey did not include questions related to the number of working hours which would enable some analysis on underemployment issue. This will be taken into consideration in another study.



The economic status of male and female jobseekers was slightly different. 33% of male jobseekers were employed and only 22% female jobseekers at the job transaction sessions were employed. This result shows that a higher percentage of male workers than female workers wanted to change their jobs. On the other hand, the percentage of unemployed female jobseekers at the sessions was 64% compared to the male percentage of 58.07%.

The following figure shows the economic status of job seekers classified by sex:

Figure 5: Economic status of the job seekers by sex (%)



2. Job expectations

40.63% of the jobseekers mentioned the need to have a job relevant to their skill set. 21.45% of the respondents wanted to have a stable job; 18.23% of the workers wanted to have jobs with a high income and 15.52% of the workers wanted to have jobs with promotion prospects. Only 4% of the workers wanted to have jobs suitable to their family situation.

In general, workers wanted to do work that was relevant to their training. However, there were some differences among respondents from selected provinces. In Can Tho there was a large number of workers who wanted to have stable jobs while in Hung Yen, many workers wanted jobs with a high income or promotion prospects⁵. The following table shows the job expectations of the jobseekers by province:

Table 1: Job expectations of the jobseekers

Unit: %

⁵ During the time of the survey in Hung Yen, the researchers attended the job transaction session organized at Hung Yen Technical Teaching University. Most of the respondents were college or university graduates and had higher expectations about their future jobs.

Provinces/cities	Jobs with high income	Jobs relevant to skills	Stable jobs only	Jobs with promotion prospects	Jobs suitable to family situation
Hanoi	18.70	41.82	19.74	15.32	4.42
Nam Dinh	18.15	39.77	21.24	15.83	5.02
Hung Yen	23.21	41.35	14.77	18.57	2.11
Binh Dinh	11.57	50.37	19.40	16.42	2.24
Can Tho	20.28	26.73	34.56	11.06	7.37
Total	18.23	40.63	21.45	15.52	4.17

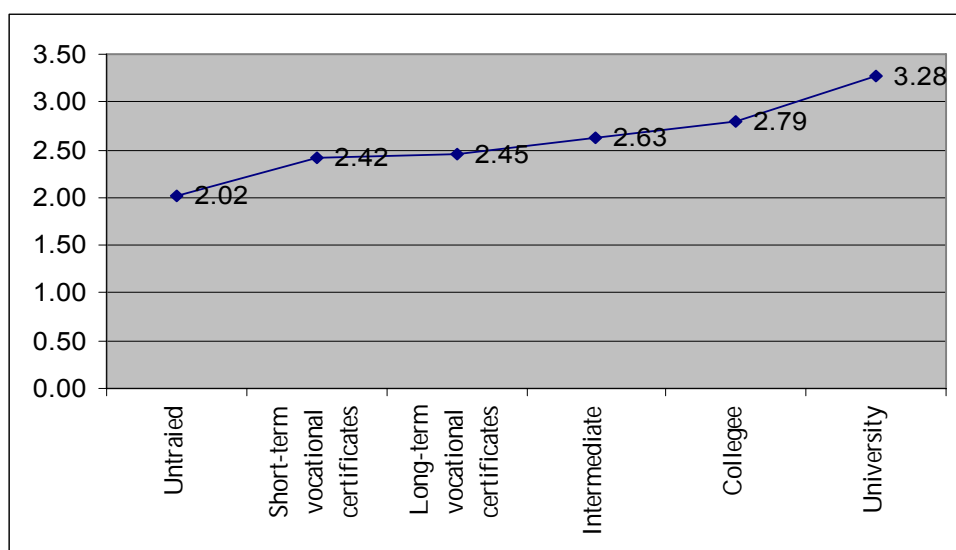
3. Expected income

The survey data showed that the expected salary of the workers rose when their skills level increased. Unskilled workers expected to have an average income of 2.02 million VND per month. Workers with short-term vocational training expected to have an income of higher than 2.42 million VND per month. Workers with a university degree expected to earn over 3.28 million VND per month.

These income expectations are relevant to the actual payment offered by employers. The data collected from the employers surveyed for this study indicates that unskilled workers were paid 2.17 million VND per month and skilled workers with vocational training received 3.13 million VND per month. Please refer to the following figure for more details:

Figure 6: Expected income of the job seekers by technical skills level

Unit: Millions VND



Female workers and male workers expected different levels of salary. On average, the male workers wanted to receive 3 million VND per month while the female workers expected a lower salary at around 2.75 million VND per month. Workers in Hanoi expected the highest monthly income at 3.13 million VND per month in comparison with the average expected income of workers in other provinces (about 2.88 million per month).

III. JOBSEEKING AT JOB TRANSACTION SESSIONS

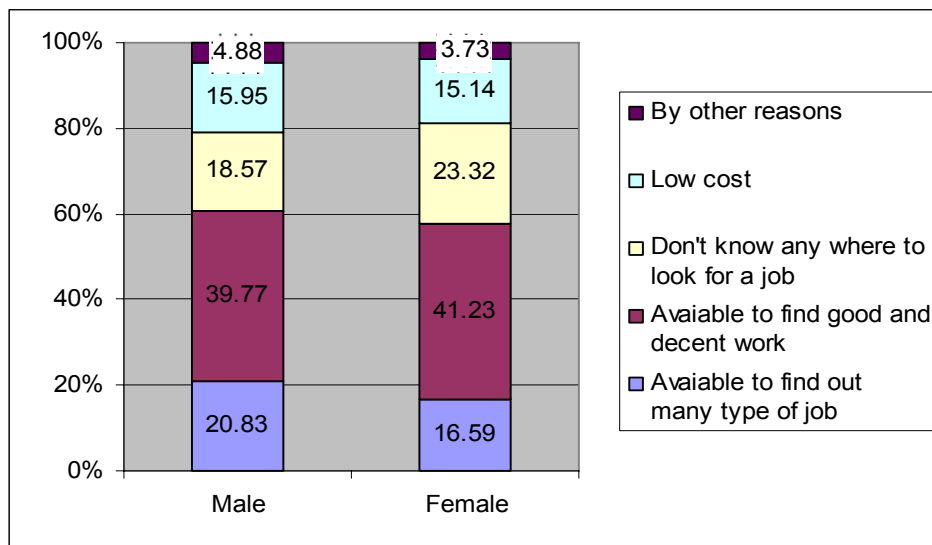
1. Reasons for jobseeking at job transaction sessions⁶

According to 40.66% of the respondents, the most common reason for using job transaction sessions to find jobs was the reliable vacancies. However, the number of workers visiting job transaction sessions because they did not know of other places to find job was also quite high – about 21.47% - 18.57% of men and 23.32% of women said they didn't know where else to look. This result shows that young men are more proactive in job seeking than young women. Maybe it is because men have better access to transport and greater need to get a job to support their livings and their family.

18.24% of respondents said that job transaction sessions have many types of jobs and 15.46% of jobseekers said that they visited job transaction sessions because there was no job application cost. There was not much difference between men and women on this point. The figure below shows the reasons for jobseeking at job transaction sessions:

⁶ For this study, the researchers attended total seven job transaction sessions in five provinces including 3 sessions in Hanoi and 4 sessions in four other provinces.

Figures 7: Young workers reasons for jobseeking at job transaction sessions of



2. Frequency of jobseekers attending job transaction sessions

According to the survey results, on average, each jobseeker attended job transaction sessions 2.82 times in Hanoi⁷, 1.95 times in Binh Dinh, 1.84 times in Nam Dinh, 1.65 times in Can Tho and 1.44 times in Hung Yen (the lowest figure).

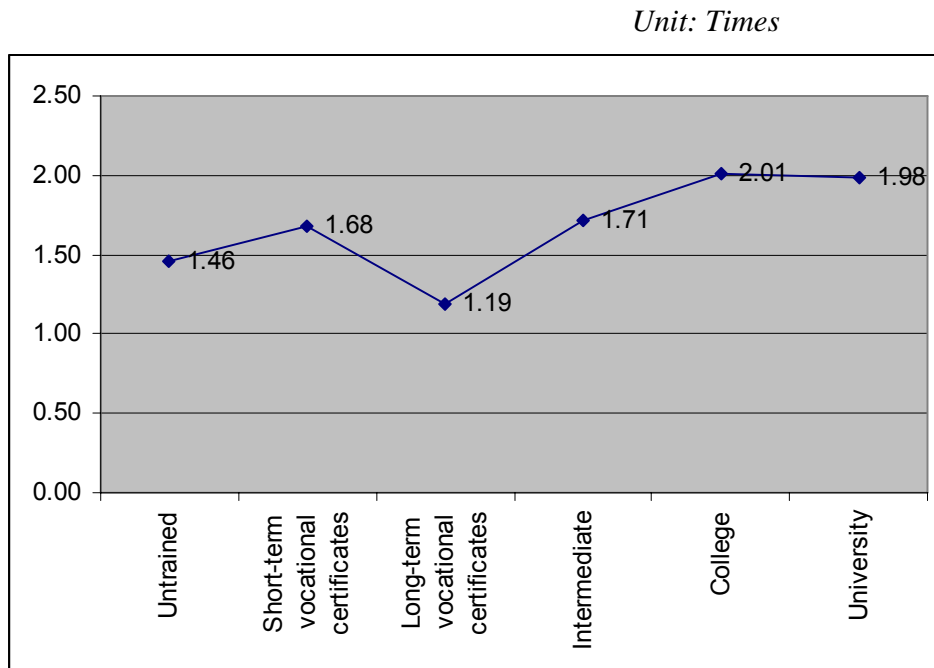
The number of visits to job transaction sessions by the jobseekers was small due to the fact that many provinces only started to organize job transaction sessions in recent months. In addition, if jobseekers attending the job transaction sessions were not successful after several times they would try other methods.

Jobseekers with university or college level qualifications visited job transaction sessions more times than the other groups of workers. According to employers, they often met newly graduated students at job transaction sessions rather than unskilled workers even though they had more demand for unskilled workers.

The following figure shows the number of times jobseekers attended job transaction sessions by skills level:

⁷ The researchers attended three job transaction sessions in Hanoi. That influenced the apparent higher rate of visits amongst the jobseekers.

Figure 8: Frequency of jobseekers attending job transaction sessions by technical skills level.

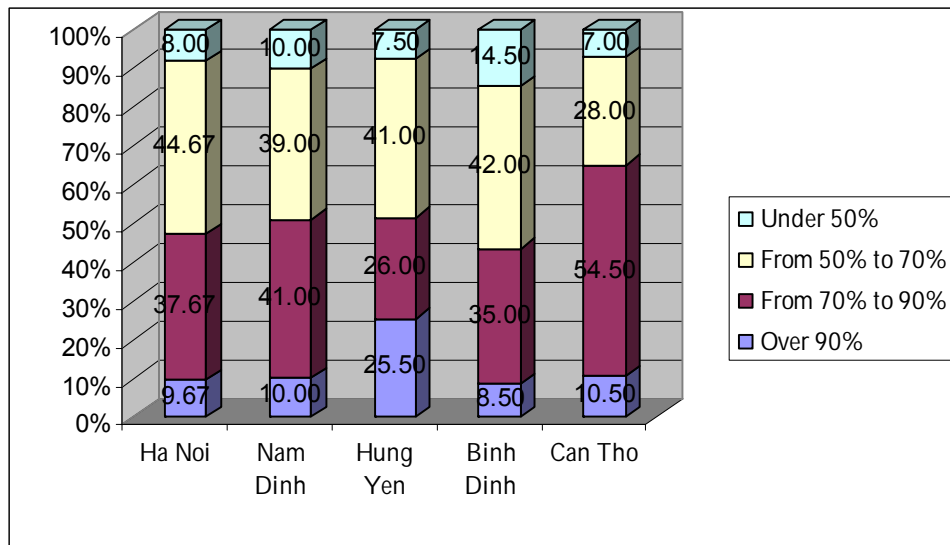


3. Evaluation of the possibility of finding a job at job transaction sessions

According to 70-90% of the jobseekers, the ability to find a job at job transaction sessions was quite high. Interestingly, although ESCs in Hanoi organized more job transaction sessions than others, the jobseekers did not evaluate their effectiveness very highly. On the other hand, jobseekers in Hung Yen and Can Tho highly appreciated the effectiveness of job transaction sessions in those provinces.

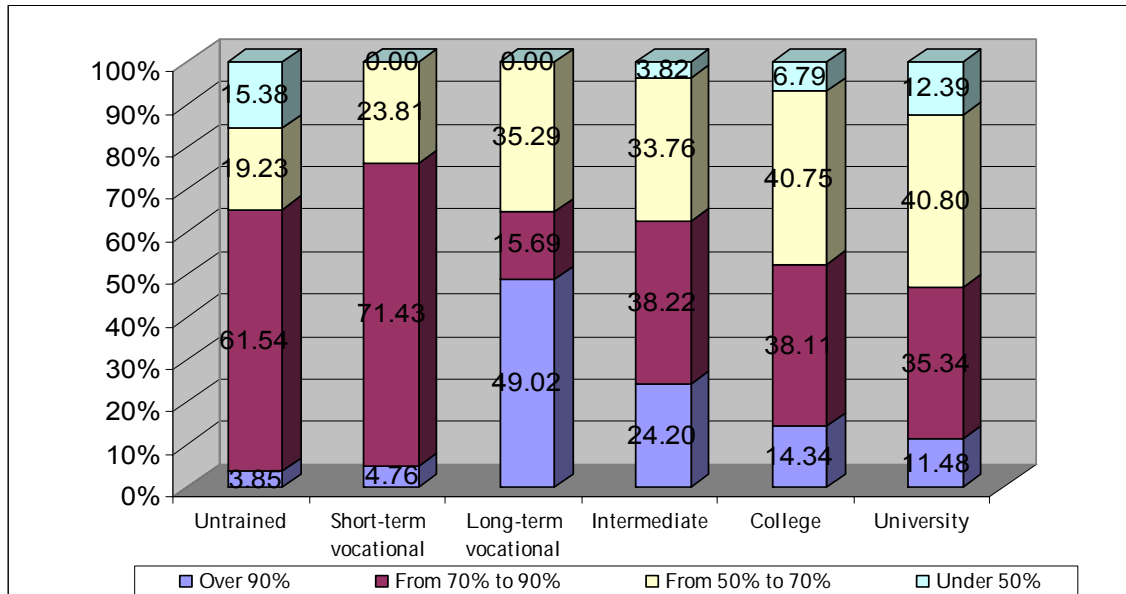
To be more specific, 51.5% of respondents in Hung Yen believed that the chance of finding a job at job transaction sessions was 70%. 65% of respondents in Can Tho thought success was likely, 51% thought the same in Nam Dinh, 47.33% in Hanoi and 43.5% in Binh Dinh.

Figure 9: Evaluation by the jobseekers of the possibility of finding a job at job transaction sessions in selected provinces/cities (%)



According to the survey results, the workers with higher technical skills had less positive evaluations about the chances of successfully finding a job through job transaction sessions. The following figure shows the evaluation of the ability to find a job at job transaction sessions by the technical skills level of the jobseeker:

Figure 10: Jobseeker evaluation, by technical skills level, of the possibility of finding a job at job transaction sessions (%)



Employers had a big demand for two groups of workers: unskilled workers (or workers with short-term vocational training certificates) to work in the garment, textile and shoe sector; and highly skilled workers such as engineers and experienced technical workers.

These two groups of workers rarely attended job transaction sessions because employers came to provinces for direct recruitment or workers could apply for jobs directly at enterprises. Thus, many employers said that it was difficult to recruit labour at job transaction sessions. The imbalance between labour supply and labour demand in terms of occupations and labour quality was the main reason for the incompatibility of workers and employers at job transaction sessions.

IV. JOBSEEKING AT BOTH PUBLIC AND PRIVATE ESCs

1. Difficulties in jobseeking through both private and public ESCs

According to the survey results, on average, one jobseeker visited and registered with ESCs 1.97 times in Hanoi, 1.44 times in Nam Dinh, 1.43 times in Hung Yen, 1.58 times in Binh Dinh and 1.63 times in Can Tho. Thus, the majority of workers registered from one to two times.

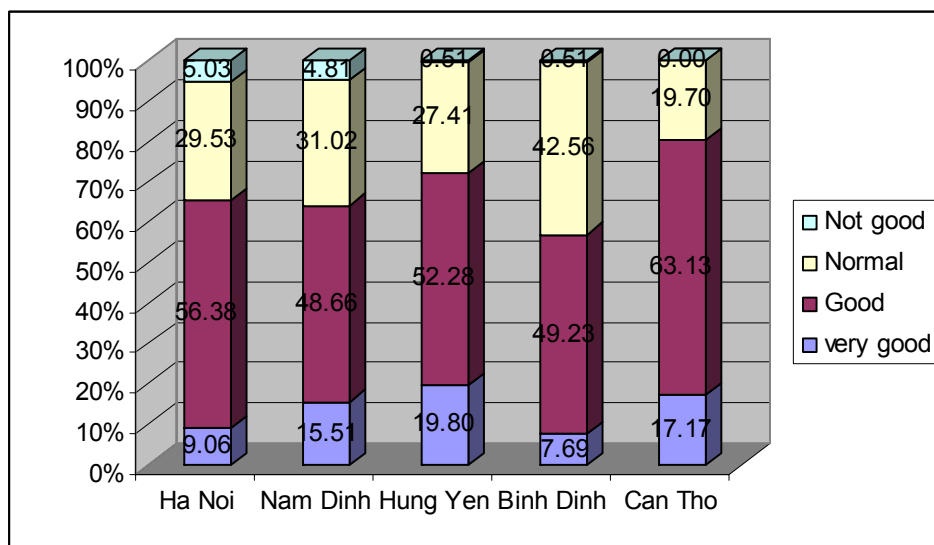
The biggest difficulty for jobseekers and employers when registering at ESCs was the long waiting time (473 answers). This included the time they had to wait before being interviewed and before they actually got a job. There were 221 answers mentioning the inaccurate and inadequate information provided and 178 answers which mentioned that the jobseekers could not find reliable ESCs to register for jobs with. 103 answers mentioned the high cost of registration at private ESCs. In general, the jobseekers in the selected provinces/cities faced the above-mentioned difficulties with similar frequency.

2. Evaluation of the quality of services provided by both public and private ESCs

In general, the jobseekers were quite satisfied with the services provided by the ESCs. 70% of the respondents said that the services were good or very good. 27% of the respondents said that the quality of services were fair. Only 3% of respondents considered the services of bad quality.

Of the selected provinces, 80% of respondents in Can Tho said that the services provided by ESCs were good or very good. This was the highest rate. The figure in Hung Yen was 72% and the lowest ranking was 52% in Binh Dinh.

Figure 11: Evaluation towards the services provided by both public and private ESCs



V. EVALUATION OF EFFECTIVENESS OF JOBSEEKING METHODS

1. Evaluation of the effectiveness of jobseeking methods

According to the jobseekers, the most effective jobseeking method was through networks of relatives and family members. This was also the most common way to look for a job.

We asked the respondents to rank the effectiveness of jobseeking methods using a three point scale: giving 3 points to the most effective method, 2 points if the method was effective and 1 point if the method was not very effective. Our calculation showed that the effectiveness level of the network of family members and relatives reached 2,814 points. Jobseeking through a network of friends and other social relations also had quite high mark (2,548 points). The next effective way of jobseeking was job transaction sessions (2,428).

The following figure shows the effectiveness of jobseeking methods:

Table 2: Effectiveness of jobseeking methods

Unit: Number of answers

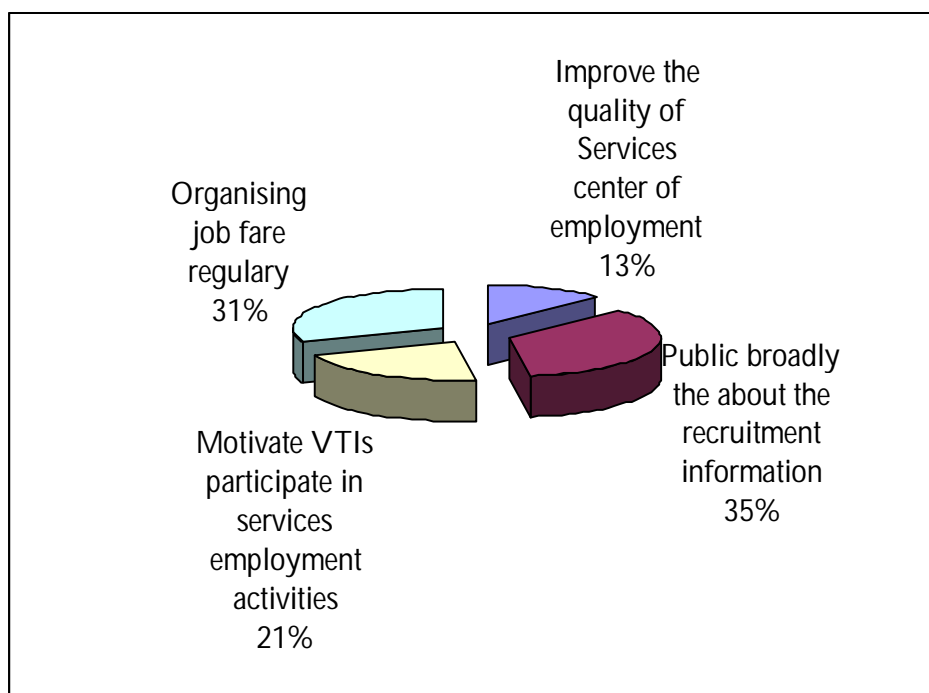
	Most effective	Effective	Neutral	Total	Average scoring

Family members & relatives	371	38	21	430	2.814
Friends and other social relations	256	98	40	394	2.548
Schools	204	40	70	314	2.427
ESCs	189	62	58	309	2.424
Job transaction sessions	211	82	60	353	2.428
Gate posted vacancy notices	113	45	69	227	2.194
Advertisement on TV and internet	189	39	80	308	2.354

2. Solutions to find jobs more effectively

The solutions suggested by the respondents focused on four key issues: access to information, frequency of job transaction sessions, school involvement and improved ESC performance. The following figure identifies suggestions from respondents for more effective jobseeking.

Figure 12: Opinions of the respondents about solutions for more effective jobseeking (%)



B. PUBLIC ESCs UNDER MANAGEMENT OF DOLISAS

The research team conducted a survey of public ESCs from over 20 provinces/cities. We directly interviewed or sent questionnaires by post to the staff of

selected ESCs who had a good understanding of their centre's performance, good working experiences and were directly involved in job counseling for workers.

I. RESULTS FROM THE SURVEY ON PUBLIC ESCs UNDER MANAGEMENT OF DOLISAS

1. Characteristics of ESCs' clients

1.1 Personal information

The data showed that the jobseekers visiting ESCs were quite diverse. In general, ESCs had basic information about their clients including age, sex and technical skills level. We summarized the following quotations from some ESCs staff to prove the diversity of jobseekers registered at ESCs.

Case study 1: Hai Duong ESC

- age group of the workers from 18 to 35 years old;
- mainly female workers (accounting for 70%);
- educational attainment: intermediate level or college;
- mainly residents of rural areas.

Case study 2: Ninh Binh ESC

- age group of jobseekers from 18 to 35 years old;
- both male and female workers with higher share of female workers;
- high school graduates and workers with technical skills;
- residents of both rural and urban areas.

Case study 3: Quang Ngai ESC

- age group of jobseekers from 18-30 years old;
- 65% men and 35% women;
- minimum 6th grade education;
- elementary level technical skills;
- residents of both urban and rural areas.

Case study 4: Bac Giang ESC

- 16 years old and above;
- both men and women (equal share);

- majority upper secondary school graduates;
- mostly unskilled workers or workers with elementary level technical skills;
- resident areas: mountainous 35% , rural 45% and urban 20 %.

Case study 5: Thanh Hoa ESC

- age group from 18 to 50 years old;
- male jobseekers accounting for 60%;
- minimum 9th grade education;
- elementary vocational training and upward, unskilled workers accounting < 10%;
- mainly workers from urban areas (from 70% to 75%).

We also received feedback from many other ESCs. They also had a wide variety of clients but we could found the following common features:

- in general, there was equal number of male and female job seekers;
- most of the jobseekers were from 20 to 35 years old;
- most of them finished lower secondary school (9th /12th grade);
- 40-60% of the jobseekers had elementary level vocational training. The number of jobseekers with university degree or higher was small. In general, the number of unskilled workers accounted for 10% to 30% of clients.

1.2. Evaluation on the capacity of jobseekers registered at ESCs

According to the majority of ESCs surveyed, the biggest strength of jobseekers was their young age (new graduates), physical strength and enthusiasm at work. However, the quality of labour was still deemed low because thought the applicants could meet theoretical knowledge requirements, they could not meet practical skills requirements.

The job seekers could only meet the basic requirements of small enterprises not for large enterprises with high-level professional production. In reality, many workers accepted the jobs with requirements that were lower than their training levels.

Most of the jobseekers registering for the first time with ESCs tended to change their jobs quite often. Thus, in addition to their limited capacity, these workers did not show a strong commitment to their work. This happened more frequently with unskilled workers, most of whom had poor labour discipline tending to quit or change

jobs regularly.

In general, the jobseekers had limited soft skills such as the ability to work in a team and presentation skills. Only some ESCs said that 90% of the jobseekers met the employers' requirements. The average rate was 60%.

2. Registration of jobseekers and employers

The survey results showed that the jobseekers could contact ESCs in many ways including direct registration or registration on the website. In addition, jobseekers and ESCs staff could meet and exchange information through regular job transaction sessions. Lastly, the jobseekers could contact ESCs by phone or via email to share their basic personal information before the direct interviews. In the following section we present some summarized information on the ESC registration procedures for workers and employers.

2.1. Direct registration at ESCs

Normally jobseekers and employers who visited ESCs for the first time were asked to fill in the job seeking or vacancy forms available at the job counseling and introduction sessions.

+The jobseekers: The counseling staff often offered guidance on how to fill in the jobseeking form and provided some counseling and information about relevant jobs. The jobseekers then selected a job and were introduced to employers for job application.

+The employers: Similar steps were applied. The counseling staff received and assisted the employers in filling in the vacancy form. Then, they provided counseling and information on the available workers (this meant that they introduced the workers to the employers).

Most ESCs updated information about jobseekers and employers on their computers. Some ESCs used paper records to keep track of vacancies.

The basic information collected by ESCs included:

+Information on jobseekers:

- basic personal information: full name, year of birth, sex, residential

address, technical skills, employment history, contact number, height and weight;

- job expectation: position, occupation, salary amount and other requirements.

+Information on employers:

- basic enterprise information: full name, economic sector, address, number of workers;
- recruitment requirements: number of workers, occupations, sex, age group and skills level;
- recruitment time, benefits provided for workers such as salary, bonus, additional payment for overtime work, social insurance, health insurance and unemployment insurance.

Not all ESCs required jobseekers and employers to fill in all of their information right at the beginning. During the discussions, ESCs staff could add detailed information on jobseekers' expectations and specific job requirements.

Staff at ESCs followed three main steps when providing information, job counseling and job introductions for the jobseekers. First, they got to know the jobseekers by asking them about their capacities such as, educational attainment, work experience and other skills such as computer and foreign language abilities.

Second, ESC staff provided information to jobseekers about job vacancies and helped them find a suitable position. The jobseeker was assisted through the applications process (CV preparation, presentation of degrees, letters of reference, etc.) and put in contact with the employer.

Finally, if jobseekers did not like the job presented to them, they were asked to fill in a form so that other employers might select them. The procedure was similar for employers. Based on the enterprise requirements, the ESC staff members would introduce suitable workers to the employer and contact the employers to set up an interview schedule for candidates.

In general, the support provided for the jobseekers to find a job would include 3 parts: receiving application forms from jobseekers and vacancy forms from employers ,

counseling/matching, arranging interviews, and providing self-service facilities such as computers with internet connections for jobseekers.

2.2 Registration to find a job at job transaction sessions

Monthly job transaction sessions were good opportunities for jobseekers and employers to meet and receive feedback on job requirements, salary and other conditions. Registered enterprises were provided with a slot at job transaction sessions, a notice board to post information on vacancies and banners for advertising. The jobseekers were also asked to provide information for employers in order to arrange an interview right at job transaction sessions.

Job transaction sessions proved to be an effective bridge between employers and workers. According to the reports from provinces that organized job transaction sessions, on average each job transaction session attracted from 80-100 enterprises and 1.000 workers. These figures tended to increase over time. According to one staff member of a public ESC managed by DoLISA, the number of jobseekers who were recruited accounted for 63.98% of the workers needed by employers. 35.43% of jobseekers found at job transaction sessions were to be interviewed at enterprises at some point in the future.

3. Storage and posting of ESC information

The labour market information was collected not only from the workers and employers directly registered at ESCs but also from job transaction sessions, nearby ESCs and other sources. The information was entered and stored in a database (local website) and hosted on an ESC a server. When collecting information, staff members of the LMI unit at ESCs entered the data in a customized application. Workers, employers, individuals and organizations in need could access the database through the website.

Based on the registration information provided by the workers and employers, ESC staff members would classify the data by key indicators related to the workers' characteristics, skills and job/salary expectations. This data was kept for 2- 4 months (longer than the data on employers).

Approved vacancies were posted on the ESC website and distributed during job transaction sessions. In addition, some ESCs also made photocopies of vacancy notices to

be distributed to labour offices at the district and commune level so that local workers could get better access to information on vacancies and recruitment.

The following criteria was applied by the ESCs for the storage and use of database:

- + user-friendly, easy to access;
- + accurate and regularly updated information;
- + systematic storing;
- + a high level of security;
- + the ability to connect consistently the ESC server and databases.

The database administration capacity of all ESCs was not the same. Some ESCs did not have customized software to manage and make use of the database so the management was mostly paper-based rather than computerized. This was a shortcoming that needed to be overcome in order to improve performance. Improvements should involve the national e-gate system being applied to all 63 ESCs managed by DoLISAs.

4. Common judgement on labour supply and demand

According to most of the ESCs that participated in this study, there were labour shortages in three categories of workers: unskilled workers, experienced technical workers and highly skilled workers. The employers had a big demand for unskilled workers and workers with short-term vocational training for production activities.

The biggest demand was for workers in the garment-textile sector, seafood processing, electronics assembly, shoe and leather, and other sectors such as sales, security and domestic helpers. According to some staff members of the surveyed public ESCs, there were enterprises that needed thousands of workers. However, they could only recruit about 20-30% of the workers needed.

The salary offered by employers for long working hours, shift-based arrangements and overtime work was often low. In addition, employers did not pay much attention to benefits such as accommodation, travel and sickness support. As a result, the workers were not interested in these jobs.

According to provincial ESCs unskilled workers were paid 1.5million VND/month; skilled workers were paid 1.8 million VND/month and workers with secondary education or a degree were paid 2million VND/month. Since the gap in salary between skilled and unskilled workers was not big, workers were not motivated to advance their skills.

There was a serious shortage of skilled workers including welders, professional truck drivers, refrigerator repair workers, autocard engineers and construction engineers even though the salary offered was quite high. The shortage in these fields has been evident for years and has increased with economic development due to higher demand from the construction industry. Nonetheless, despite high demand, students were reluctant to train for these jobs. This reluctance could stem from perceptions of poor prospects after training in terms of wages, conditions, environment and advancement.

According to ESCs, there was a surplus of workers from accounting and business administration at secondary, college, university and in-service training level. The reason for this surplus was that the workers did not understand the labour market demand and wanted to learn light jobs that promised a good income, especially female students.

5. Challenges faced by the public ESCs managed by DoLISAs

Public ESCs faced challenges in many different areas including infrastructure, staffing, communicating with employers and vocational trainings, to name a few. In addition to the abovementioned challenges, job counseling, career guidance services, advertising and IT also posed problems.

The survey results show that many ESCs had limited office space including rooms for counseling services, conferences or job transaction sessions. This hindered the quality of employment services provided for the workers. In addition, since early 2010, ESCs have had to reserve space for UI work and the counseling services have been further affected.

Many ESCs lacked staff members with professional skills. The number of permanent staff was small accounting for only 20-30%. Most of them were young and working on a contract basis. They tended to change jobs quite often. In fact, it could be said that there were no schools or training institutions which had training courses where ESC staff could learn technical and professional skills. These staff members only attended short-term courses and were guided in their jobs by personal work experience only. In addition, the salary and benefits they received were middling. ESCs found it difficult to attract staff with good skills and a strong commitment to their work.

The connections between employers and ESCs were not good. The ESCs did not understand the recruitment timeline of local employers. This was partially due to the fact that many enterprises recruited their workers without using ESCs or provided

inaccurate vacancy information to ESCs. Some employers did not fully follow the labour standards such as labour protection, health insurance, social insurance, maternity leave, and proper working hours. This affected the prestige of ESCs.

Most of the public ESCs managed by DoLISAs did not have information on the long-term staffing plans of enterprises. Thus, these ESCs could not do labour demand forecasting and became ineffective when enterprises suddenly had a big labour demand.

Even though public ESCs managed by DoLISA attempted to provide vocational trainings for the workers, there was a lack of training equipment and facilities. In addition, these ESCs were not allowed to provide training on computer skills and foreign language skills and were not connected to universities, colleges or training institutions under management of MOET.

Job counseling and career guidance services provided by the ESCs were limited due to the jobseekers' lack of awareness about the services offered and skeptical attitudes toward the capacity of ESC staff.

ESC advertising, dissemination of labour market information and distribution of leaflets was not done on a regular basis due to the limited budget. In addition, these activities were not given proper attention by ESC leaders. Also, the use of computer software was not popular at some ESCs due to the limited capacity of staff and the lack of facilities.

C. RESULTS FROM THE SURVEY ON EMPLOYERS

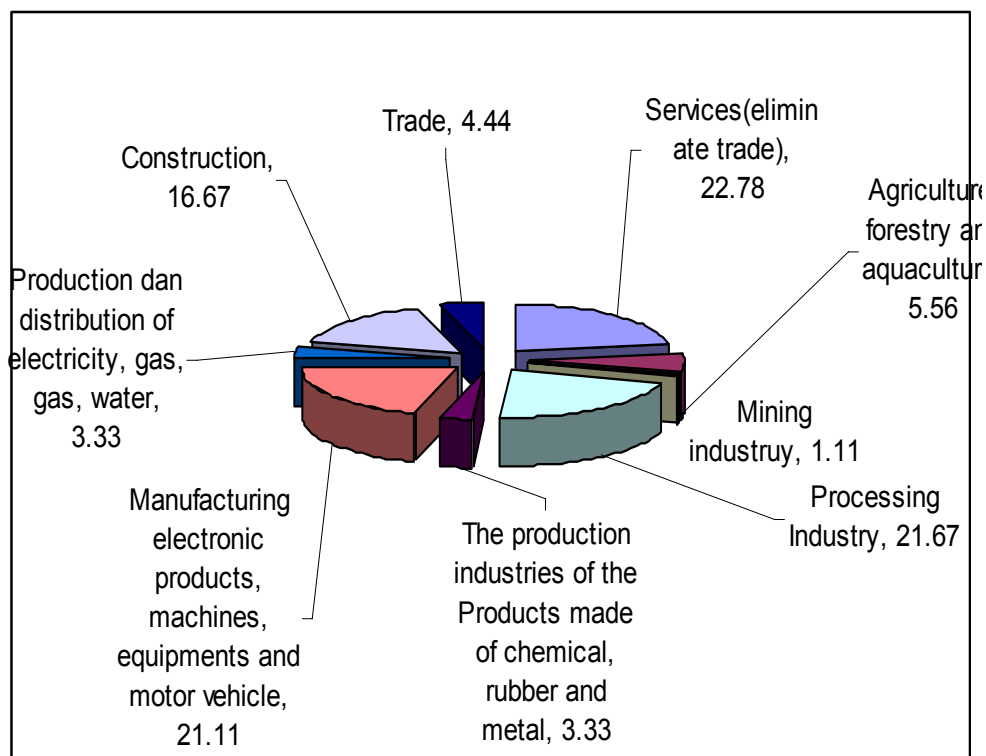
I. GENERAL INFORMATION AND LABOUR SITUATION OF ENTERPRISES

1. General information

Of the 240 randomly selected enterprises, the state-owned enterprises accounted for 5.45%. The joint-stock enterprises with some government funding accounted for 8.64%. The foreign invested enterprises accounted for 17.73%. The non-state enterprises accounted for 68.18%.

Of the total selected enterprises, the enterprises working in the services sector accounted for 22.78% (excluding trade). There were 21.67% of enterprises working in the manufacturing sector with the biggest share in garment and textile enterprises (41.06%). There were 21.11% of enterprises working in the production of electronic products, machines, equipment and automobiles. Construction enterprises accounted for 16.67 % and enterprises in other sectors accounted for 17.78%.

Figure 13: Selected enterprises by economic sectors (%)



2. Actual use of labour by employers

There were 96,396 workers working for the 240 selected enterprises of which unskilled workers accounted for 24.86%. 75.14% of the workers had technical skills. The percentage of skilled workers with vocational training and the percentage of skilled workers without vocational training were similar at 37.18% and 37.96% respectively.

Young workers from 16 to 29 years old accounted for nearly a half of the total number of workers (46.22%). 43.84% of young workers had vocational training – this was a higher percentage than the overall rate (37.18%), partly showing that young workers participated more in vocational trainings. The following table shows the quantity and distribution of workers by technical skills level in selected enterprises:

Table 3: Number and structure of workers by technical skills level

Technical and professional skills	Quantity (persons)		Percentage	
	Total	Workers from 15-29 years old	Total	Workers from 15-29 years old
1. Unskilled workers	23,968	9,897	24.86	22.21
2. Skilled workers:	72,428	34,661	75.14	77.79
- With vocational trainings	35,836	19,536	37.18	43.84
- With other types of trainings	36,592	15,125	37.96	33.94
Total	96,396	44,558	100.00	46.22

Of the total number of workers, the ones who were directly involved in production and business accounted for the biggest share; 73.29%. Workers with high technical and professional skills accounted for 7.41% and unskilled workers accounted for 9.24%. Administration, logistics and management staff accounted for small percentages – 4.31% and 5.75% respectively.

The survey results showed that over 90% of young workers were direct workers.⁸ They accounted for 62.30% of the total 70,000 direct workers. The young workers from 16-29 who were management staff and workers with high technical and professional skills accounted for small percentages, 2.08% and 2.95% respectively.

Table 4: Number and structure of workers by types of jobs

Types of employment	Quantity (persons)		Rate (%)	
	Total	Workers from 15-29 years old	Total	Workers 29 years old and over
1. Leader and manager	5,542	115	5.75	2.08
2. Occupation at high level	7,142	211	7.41	2.95
3. Official staff	4,158	75	4.31	1.80
4. Labour and workers (directly involve in working process)	70,646	44,012	73.29	62.30
5. Unskilled workers	8,908	145	9.24	1.63
Total	96,396	44,558	100.00	46.22

The survey results showed that the average salary paid to workers was 2.91 million VND per month. Unskilled workers had a monthly salary of 2.17 million VND per month. Skilled workers with vocational training received 3.13 million VND per month and skilled workers without vocational training were paid 3.43 million VND per month. Many employers often recruited unskilled workers and provided in-house training for them. In addition, the abovementioned finding shows the shortcomings of the wage fixing mechanisms. The mechanisms did not encourage the workers to advance their skills.

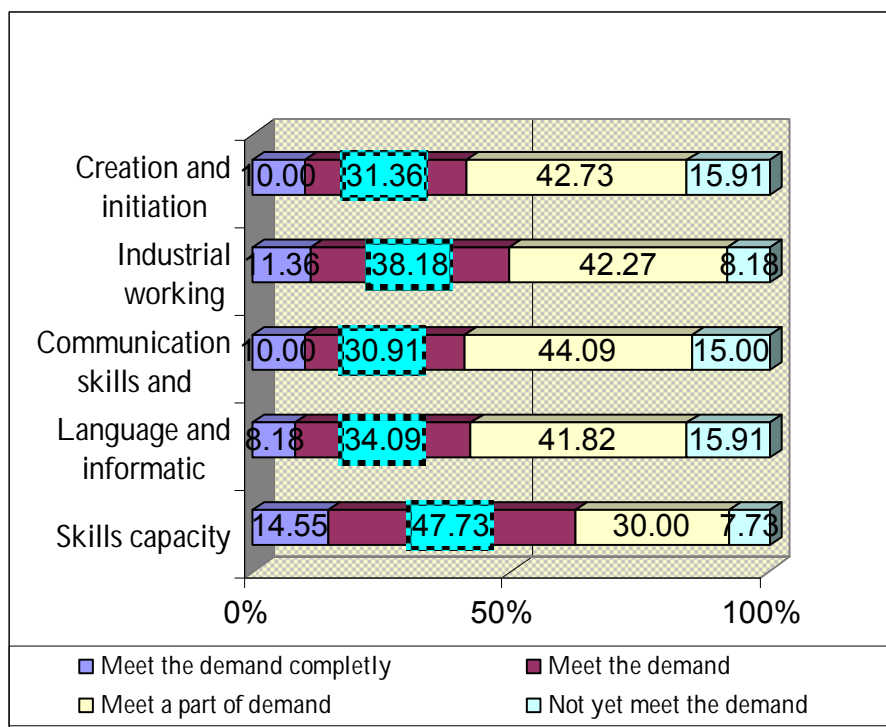
According to the employers, it took newly recruited unskilled workers on average 2.59 months to reach the expected level of productivity and efficiency. For other groups of workers, the gap was not much different. It took skilled workers with vocational training

⁸ Direct workers are those who are directly involved in the production activities of the enterprise excluding the management board and clerical staff.

2.5 months and skilled workers without vocational training 2.72 months to reach the same level of productivity and efficiency. The amount of time required partly reflected the relevance of training to labour demand. If there were good partnerships between vocational training schools and employers, trainings would link to production and the time it takes new workers to adapt to jobs would be shortened.

The survey results show that many young workers between 16-29 did not meet job requirements. Their technical and professional skills often met 60% of the jobs' requirements however, their non-technical skills only satisfied 40% of the employers' requirements.

Figure 14: Level of meeting job requirements of young workers from 16-29 years old (%)



II. LABOUR RECRUITMENT ISSUES

1. Recruitment methods

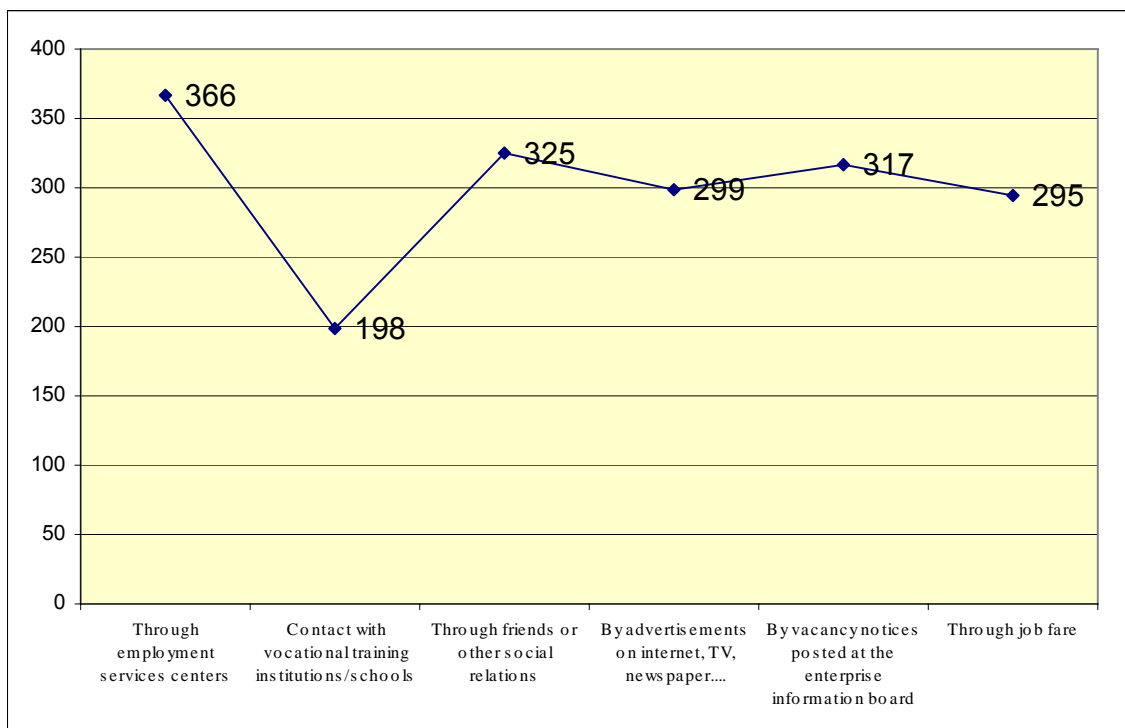
Employers ranked the frequency with which a recruitment method was used by giving

it a score of 1, 2 or 3. The most commonly used method was given 3 points and the least commonly used method was given 1 point.

The most popular recruitment method used by selected employers were ESCs (total 366 points). The next popular method was personal introduction (325 points). The least popular method was direct contact with vocational training institutions (190 points). From this we can see that schools and employers don't have strong connections. This explains why, recent graduates rarely found jobs thanks to introductions by their schools.

Figure 15: Most popular recruitment methods used by employers

Unit: Score

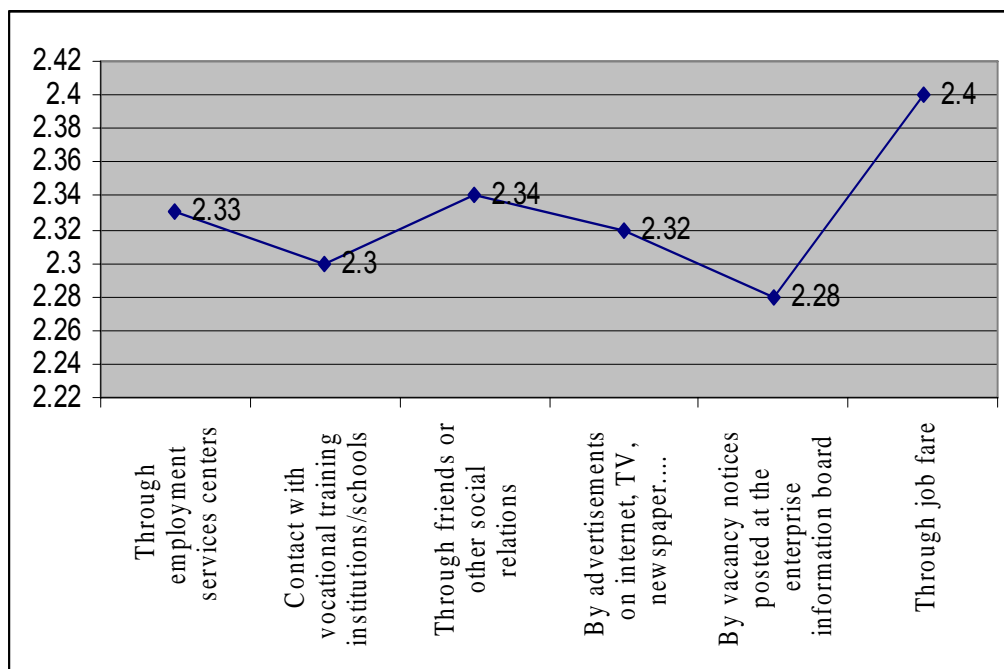


The total score shows the most commonly used recruitment methods and the median score shows the effectiveness of these methods. Using median score, we find that job transaction sessions were more effective than the other methods (2.40 points). This

could be because job transaction sessions were not expensive and employers could meet workers directly for job counseling and direct recruitment. Also, job transaction sessions had a variety of workers. According to the use of median score, the recruitment of workers by posting vacancy notices at gates of enterprises was the least effective (2.28 points). This method was low cost, however, it was ineffective because the recruitment information was not widely distributed.

Figure 16: Median score of popularity of labour recruitment methods

Unit: Score



2. Possibility of recruiting workers at the job transaction sessions.

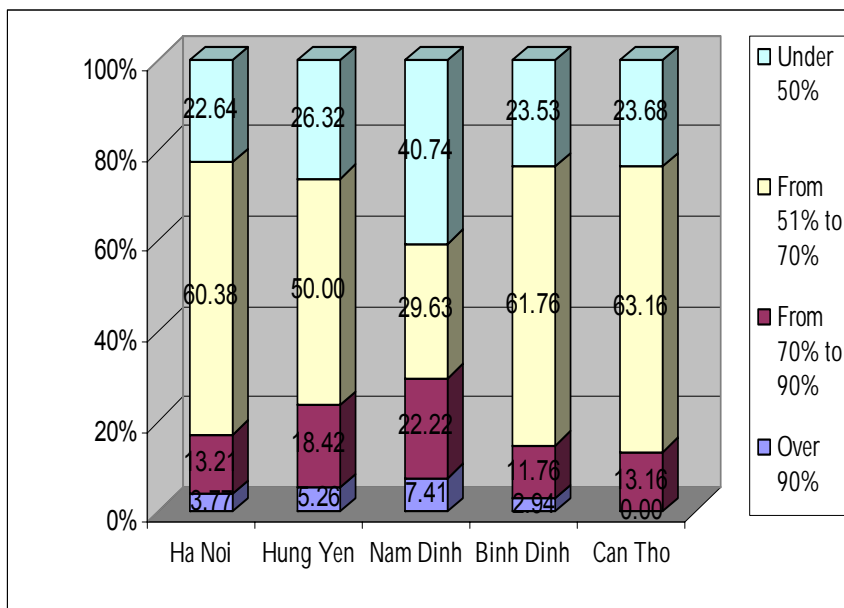
According to the survey results, employers in Hanoi participated in job transaction sessions with the highest frequency. To be specific, employers attended job transaction

sessions 3.52 times per year in Hanoi, 3.43 times in Nam Dinh, 3.03 times in Hung Yen, 2.73 times in Can Tho and 2.2 times in Binh Dinh (the province with lowest figure).

Employers in Hanoi thought that there was a very high possibility of recruiting workers at job transaction sessions. 77% of the employers from Hanoi said that the success of recruiting workers at job transaction sessions would be higher than 50%. This differed greatly from Nam Dinh where the employers considered the chance of success in recruitment at around 40%. The perceived chances of successful recruiting partly reflect experience with local labour quality. In the case of Hanoi, given the dynamic qualities of the labour market and well-developed systems, it is easier for employers to attract suitable workers.

Figure 17: Possibility of recruiting workers at the job transaction sessions

Unit: %



3. Difficulties faced during recruitment process

According to employers, it was difficult to recruit the adequate number of unskilled workers at job transaction sessions because most of the jobseekers were newly graduated students from universities and colleges. Unskilled workers might also lack

transportation and literacy skills and as a result would find job transaction sessions daunting places to visit – especially if dominated by better qualified jobseekers

60% of employers believed that the recruitment of skilled workers was difficult due to the limited capacity of the jobseekers. There were only 4.09% of employers who said that they did not have any difficulty in recruiting skilled workers. In addition, the new graduates' lack of real work experience and social networking skills was a common trait that employers found undesirable.

43.64% of employers said that the main reason for difficulty in recruiting skilled workers was the limited technical skills of applicant pool. 37.72% of employers mentioned the shortage of skilled workers common preference amongst skilled workers of working in other provinces. In addition, 25.91% of employers said that the salaries they offered were generally lower than what most jobseekers expected

Employers considered recruitment through other channels such as internet and mass media costly, time-consuming and ineffective because these channels could not provide direct counseling for workers like job transaction sessions could. In addition, only a small number of the workers applied for jobs directly with enterprises.

III. TRAINING AT ENTERPRISES

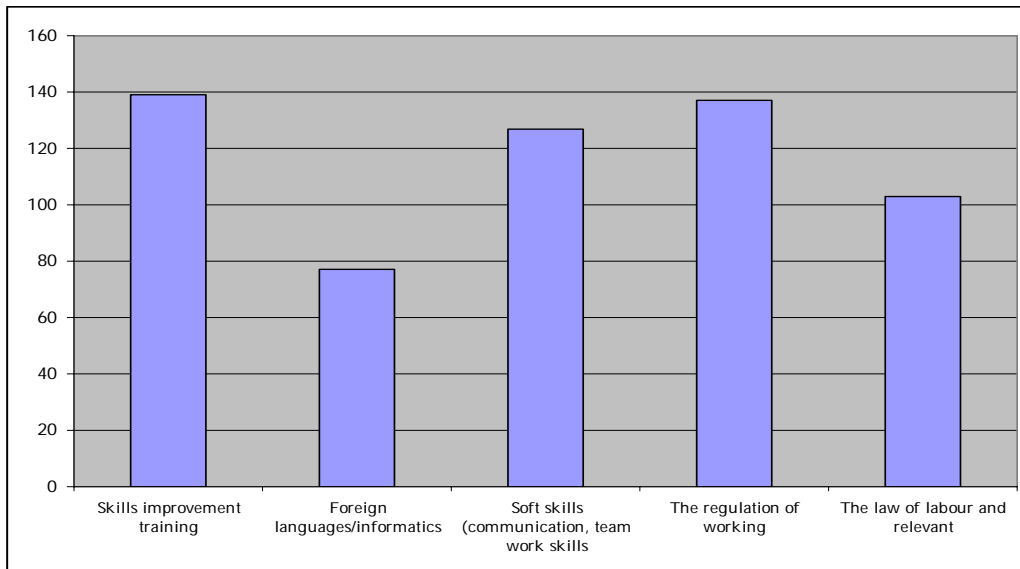
1. Training at enterprises

According to the survey results, of the total 240 selected enterprises, there were 64 enterprises that provided training sessions on new skills for new workers, 68 employers that retrained workers and 56 employers that provided advanced trainings for new workers.

At the time of the survey, many employers said that young workers should have been provided not only technical skills but also non-technical skills in order to meet the jobs requirements. The survey results show that nearly half of the employers considered non-technical skills training essential. Please refer to the figure below for more details:

Figure 18: Knowledge and skills to be further trained for young workers

Unit: Selected options by employers



2. Partnership between employers and vocational training providers

60% of the total selected enterprises sent their workers to training providers for vocational training and skills improvement. Of the total 240 selected enterprises, there were 68 enterprises that had employees act as co-trainers in vocational training institutions. There were 64 employers participating in the development of the vocational training curriculum. Thus, vocational training institutions and employers had some initial partnership even though the connection was not really strong.

However, regarding graduates, there were only 23.3% of employers receiving and guiding students from these schools in internship programmes. The percentage was not high and showed limited chances of students to experience real work situations as a part of their studies and improve upon the soft skills employers thought they lacked.