



Attitudes towards vocational skills development in Cambodia's manufacturing industries

Skills for Industry Policy Brief Cambodia #2 (2021)

At a glance:

Cambodia's manufacturing industries are experiencing a shortage of skilled labour, especially at the high and mid-skill levels. In the three industrial sectors discussed here, most companies hire low-skilled and low-educated workers who do not have formal vocational skills development (VSD) qualifications. They believe that good quality, industry-specific VSD training would improve the performance of workers, but that the existing Technical and Vocational Education and Training (TVET) programmes are of low quality and little relevance to their needs. Thus, they value previous work experience more in their hiring. They also offer in-house skills training to upskill and reskill their employees – usually conducted by supervisors and leaders who have practical skills and work experience, but rarely any formal qualifications. On the basis of these findings, this policy brief recommends improving the quality and relevance of TVET training programmes, by developing curricula in collaboration with different industrial sectors to suit their specific needs, and developing specific programmes for supervisors and team leaders. Finally, basic education and general skills training must be further expanded, to ensure there is a broad and solid educational foundation for industrial development.

Introduction:

The Royal Government of Cambodia (RGC) plans to upgrade the country's status to an upper-middle-income country by 2030, and a high-income country by 2050 (RGC 2015; 2018). A key contributor to Cambodia's socio-economic development will be skills development that matches industry needs. Industry-specific skills are currently hard to find in the Cambodian labour market (NEA 2018). Developing them requires effort and support from different stakeholders.

This policy brief explains how industrial employers feel about vocational skills development (VSD); specifically, how they evaluate formal pre-employment VSD versus informal, in-house VSD. These findings are based primarily on 36 follow-up interviews with human resource and production managers / representatives from 18 firms across three sectors – electrical and electronic assembly (E&E), garment, and food processing. These firms were selected from amongst the 101 surveyed firms in the “Skills for Industry” project ¹.

¹ This project is a part of a bigger research project led by the Zürich University of Teacher Education, using data from Bangladesh, Cambodia, Ethiopia, Laos, South Africa and Vietnam, to identify and better understand the critical factors that help or hinder the contribution of vocational skills development to inclusive industrial growth and transformation in low and middle-income countries. In Cambodia, this project focuses on three main sectors: garment, electrical and electronic assembly, and food processing. The firm-level survey was conducted between September 2018 and January 2019, and one policy brief and a working paper are some of the outputs, available here: <https://phzh.ch/en/Research/skills-for-industry/publications/>. The follow-up qualitative interviews were conducted between October and December 2019.

Findings:

1. Companies want to hire skilled labour, but there is a skills shortage

Most companies report that they cannot find enough skilled labour. This is particularly a problem for high and mid-level positions that require technical skills; for lower-skilled general worker and operator positions, recruitment is easier.²

For the garment companies, in particular, there are not many applicants with formal garment-specific technical qualifications; many garment companies therefore need technical support from foreign supervisors. Food processing companies similarly struggle to hire skilled employees. The E&E sector has more technically qualified employees, but companies still struggle to find enough people with the high and mid-level skills required to operate advanced machinery. Therefore, again, high-skilled technicians from abroad need to be brought in.

“...It is hard to recruit technicians, who need to check data using PCMM machines. Their skills are lacking. Mostly, we recruit from abroad. It is hard to find someone who can use highly advanced machines.” CE5913F pro³ said.

Furthermore, most interviewed companies see a problem not just in TVET but general education as well. They state that the education level of general workers and operators is low, creating difficulties in working with other employees, performing tasks, adapting to new technology and/or learning new skills and knowledge.

² These findings confirm the results of the firm-level survey by Ven and Veung (2020), as part of the Skills for Industry project (September 2018-January 2019).

³ This is an interviewee ID for this study. For each company, we conducted one interview with a representative from a human resource department (hr) and another with a person from production (pro). Moreover, company codes starting with CE, CF and CG refer to E&E, garment and food processing, respectively.

“...Yes, the more educated they are, the more they can do the job than the one who is not well educated. ...The government should try to educate more people through general or technical education. People with low education are difficult to manage or work with. They don't understand work or they don't have work readiness.” CE166E20 hr said.

2. Company employers are not satisfied with existing TVET programmes; they value previous work experience more

Almost all company employers agree that if high and mid-level employees had good education and training, it would be easier to introduce new products, adapt to technological change and reorganize work systems in their companies. However, employers do not regard formal TVET training programmes to be of sufficient quality and relevance to match their needs. This is because most TVET providers offer only generic training programmes; there is a lack of industry-specific programmes, especially for the nascent E&E and food processing sectors.

“...The knowledge and skills of the people are still limited. Most of the graduates have low capacity, nervousness, and no confidence. It is not the same as the students in other countries, where students have strong skills and confidence.” CF3 hr said.

According to our Likert scale data, more than half of respondents do not prioritise pre-employment TVET certificates in their hiring.⁴ They find it difficult, costly and time-consuming to hire medium and high-skilled employees with formal qualifications.

⁴ This confirms the findings from our previous firm-level survey and reflects why they had few employees with formal pre-employment VSD (Ven and Veung 2020; Veung and Ven 2019).

“...If Cambodia had a school that could allow them to go to learn and get more technical knowledge about the factory and get a certificate, maybe the company would send them to study, but in Cambodia, there is no such opportunity...” CE166E20 hr said.

Instead, companies look for employees with previous work experience. They promote employees on the basis of good work performance, rather than formal qualifications. Internal promotion is seen as preferable (saving time and costs) to new recruitment.

3. For most companies, on-the-job training is the only method for reskilling and upskilling employees

In the absence of useful TVET programmes, employers focus on informal in-house upskilling and reskilling of their employees – especially for high and mid-level employees. 28 of the respondents agreed that providing on-the-job training to their high and mid-level employees is more useful than TVET qualifications.

“On-the-job training meets the specific needs of the work responsibilities of employees.” CG16903 pro said.

Since external, formal skills training is less valued, involvement with TVET schools is rare.

“Nowadays, the company has not found any TVET that fits the needs of the company.” CE5913F pro said.

These TVET providers are considered to lack modern training facilities and technologies, which makes them irrelevant.

“If TVET schools improve their equipment, then, they might become useful for us. At the moment, the ministry does not have any modern equipment compared to the equipment in our factory.” CE4771 hr said.

Thus, internal training is at the heart of production – involving peer learning (observation and following), on-the-job training with guidance and practice, job orientation, and other operation-related training activities. It meets specific company skills needs and reduces costs. The internal training is generally conducted by supervisors, technicians and team leaders who have practical skills, knowledge and experience. They are often trained by technicians and experts at overseas branches or machine suppliers, but rarely have formal TVET qualifications (especially in the garment sector).

Conclusion and recommendations:

1. Most companies report a shortage of skilled labour, especially at the high and mid-skill levels. They end up hiring a large number of low-skilled employees with low (or no) education and training.

Recommendation: Conduct a study to clearly understand the supply-demand relation in these industrial sectors.

2. Employers believe that a better trained and educated workforce (regardless of the type of education and training) would perform better. Industry-specific TVET programmes are scarce and of low quality. Companies therefore favour previous work experience over formal qualifications.

Recommendation: Improve the TVET curriculum and its linkages to industry, by emphasising a cooperative approach through apprenticeship, internship, consultation, financial and technical support, and training equipment. Recruit more fresh graduates on probation, offering workplace training. Expand basic education and fundamental

skills training across the country, with extra support for rural communities.

3. Most companies highly value their in-house mechanisms of skills transfer to upskill and reskill their employees. Supervisors and leaders with practical skills and knowledge are central to this internal skills training, yet few have formal qualifications.

Recommendation: Offer supervisors and team leaders opportunities to undertake formal/certified skills training programmes and soft skills training.

Sources:

- NEA. 2018. “Skills Shortages and Skills Gaps in the Cambodian Labour Market: Evidence from Employer Survey 2017.” Phnom Penh, Cambodia: National Employment Agency. <http://www.nea.gov.kh/images/survey/ESNS%202017--Final--05282018.pdf>.
- RGC. 2015. “Cambodia Industrial Development Policy 2015–2025.” http://eurocham-cambodia.org/uploads/97dae-idp_19may15_com_official.pdf.
- ——. 2018. “The Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation toward Realizing the Cambodia Vision 2050 (Phase IV).” <http://cnv.org.kh/wp-content/uploads/2012/10/Rectangular-Strategy-Phase-IV-of-the-Royal-Government-of-Cambodia-of-the-Sixth-Legislature-of-the-National-Assembly-2018-2023.pdf>.

- Ven, Seyhah, and Naron Veung. 2020. “The Contribution of Vocational Skills Development to Cambodia’s Economy.” Working Paper 122. Phnom Penh, Cambodia: Cambodia Development Resource Institute.
- Veung, Naron, and Seyhah Ven. 2019. “Skills and Transformation in Cambodia’s Industry.” Policy brief 01. Zurich: University of Teacher Education Zurich & Cambodia Development Resource Institute. doi.org/10.5281/zenodo.3355183.

About: This policy brief is part of an ongoing series and based on research conducted within the “Skills for Industry” project (phzh.ch/skillsforindustry). The project is funded by the Swiss Programmes for Research on Global Issues for Development.

Authors: Naron Veung & Seyhah Ven

Editor: Andrea Marks

Contact: deluxteng@cdri.org.kh, andrea.marks@phzh.ch

Published by: University of Teacher Education Zurich & Cambodia Development Resource Institute, in Zurich (Switzerland) & Phnom Penh (Cambodia)

DOI: doi.org/10.5281/zenodo.5004906
(CC BY 4.0)



**PH
ZH**



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



SWISS NATIONAL SCIENCE FOUNDATION



Swiss Programmes for Research
on Global Issues for Development