

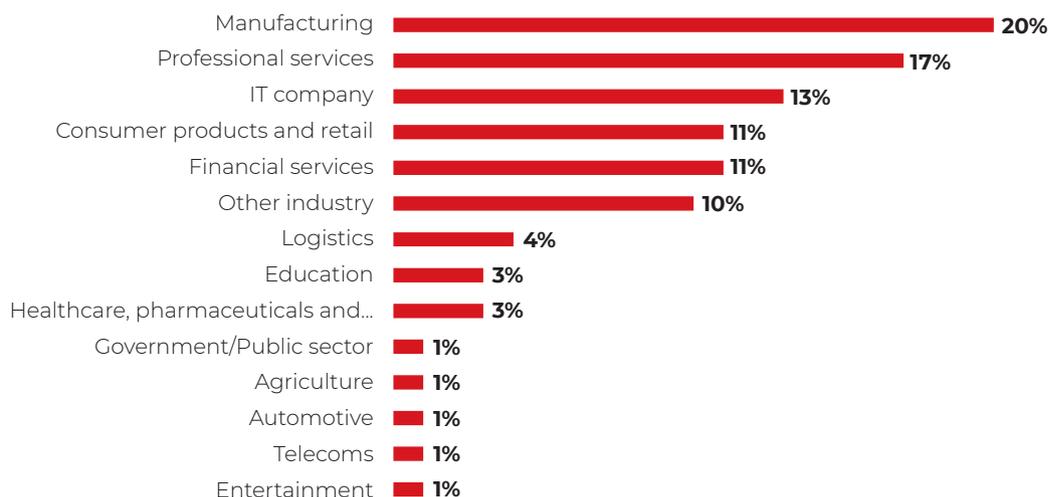
Skills gap in Uzbekistan

HRC and ERGO Research and Advisory conducted a survey in more than 100 companies in Uzbekistan in order to better understand skills gap in Uzbek companies and what they looking for in their employees. Also, we enquired what particular skills they need after educating or training them and wage increase opportunities according skills of the employees.

Sampling

According to our survey, head office of 80% of surveyed companies were located in Tashkent, the capital of Uzbekistan, while head office of other 20% were located in other provinces (7%) or outside of Uzbekistan (13%). 20% of surveyed companies were manufacturing, professional services companies 17%, IT companies 13%, while companies that provide financial services and consumer products and retail companies comprised 11% for each, 10% of surveyed companies were in other industries. Also, in our survey there were companies from logistic (4%), healthcare and pharmacy (3%), education (3%), telecoms (1%), agriculture (1%), automotive (1%), entertainment and media (1%) and public/government sector (1%).

What is your industry



89% of the companies in our sample are private, while 11% are state owned enterprises. The average age of the employees comprised 32.5 years. In companies with number of employees below 1000, the average share of women is 39%, in large – only 15% of female employees.

In our data, 57% of companies use KPI for assessment of employees, while the rest 43% do not. Moreover, according to our survey 67% of companies/organizations experience difficulties in the process of hiring new employees, 29% - do not, and 4% do not know.

What are the main difficulties in hiring process?

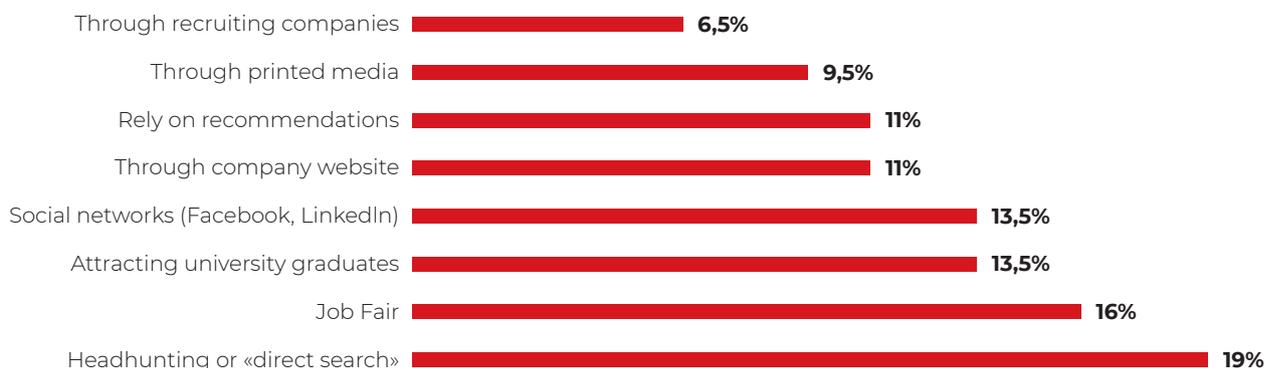


Skills Gap

According to our survey, the main difficulties in the process of hiring employees are lack of professional and technical skills of candidates (89%) and lack of relevant work experience (86%). The following difficulties in hiring employees in Uzbek companies are inappropriate personal skills, motivation or attitude of a candidate (76%) and lack of educational background (63%). According to the respondents, 48% of candidates do not agree with proposed salaries and terms of work conditions (19%). Also, Uzbek companies face with the lack of candidates interested in proposed position. Competition between employers which is only 18% and lack of prospects or unsatisfactory career of the candidate 22% are also called as difficulties of hiring process.

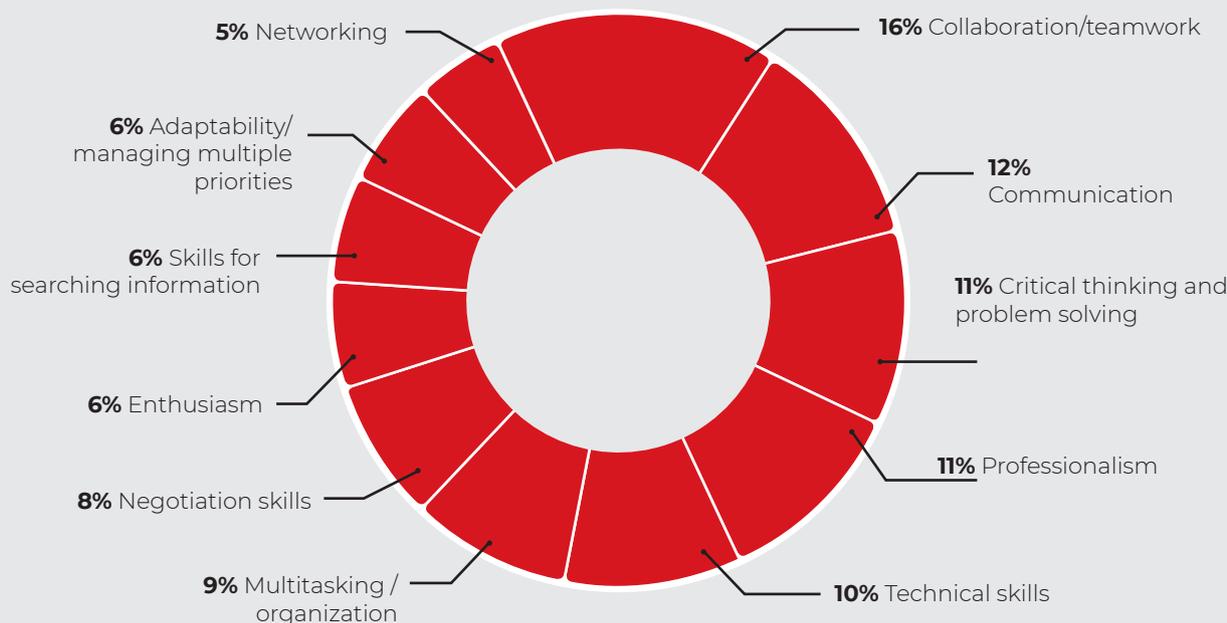
Mainly, candidates are searched by headhunting or direct search (19%), job fairs (16%), through social networks and attracting universities graduates (13.5 for each), or recommendations and through company's website (11% for each). Also, among the methods of searching the candidates Uzbek companies use printed media (9.5%) and the less popular method is searching through recruiting companies (only 6.5%).

How are candidates searched in your organisation?



Top-3 important skills for employees joining the company are Collaboration 16%, Communication (12%), critical thinking and problem solving as well as professionalism (11% for each). Networking is considered the least important among the skills of the potential employee (5%). Also, the respondents indicated that technical skills, multitasking, negotiation skills are also important to be found in the process of hiring employees. Enthusiasm and skills for reading and searching information is the in the same importance and was chosen by 6% of the respondents for each option.

Which workplace skills are considered most important for employees joining your company?

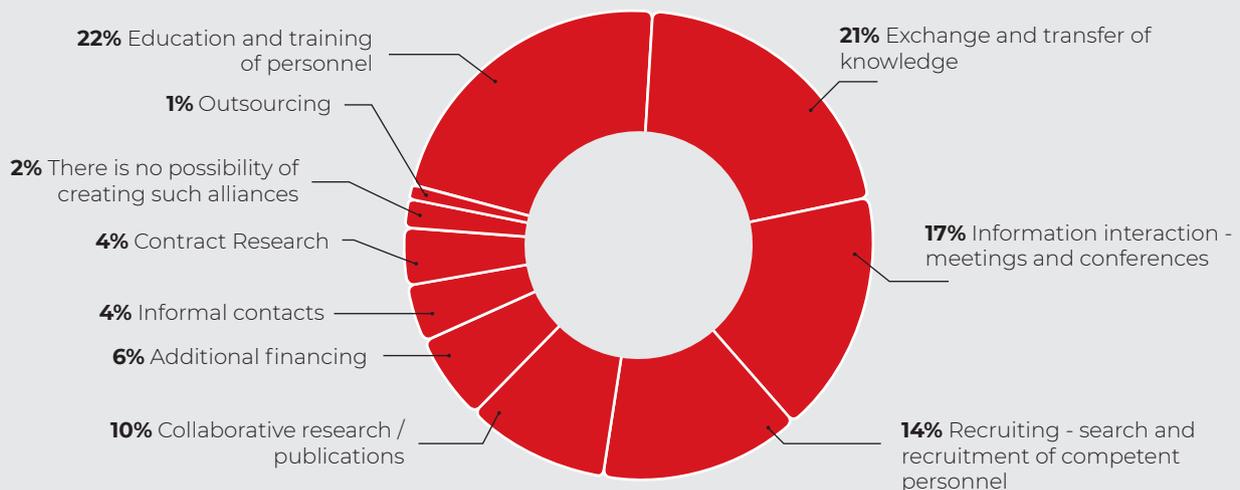


Nearly a half of surveyed Uzbek companies (49%) in order to create information space surveyed companies can offer internship or apprenticeships for local students to choose a field of their study and 32% of surveyed Uzbek companies do not interested in offering internship/apprenticeships at all.

How can your company assist in creation of an information space for local students to choose a field of study?	Strongly	Moderately	Minimally	Not at all	Don't know/ not applicable
Provide financial support and/or expertise to career advisory and planning services	2%	10%	13%	31%	28%
Provide direct advice to students choosing courses of study	21%	26%	9%	10%	12%
Provide mentoring	21%	24%	23%	8%	7%
Offer internships/apprenticeships	49%	27%	30%	32%	31%
Offer part-time jobs	7%	14%	25%	19%	22%
Total	100%	100%	100%	100%	100%

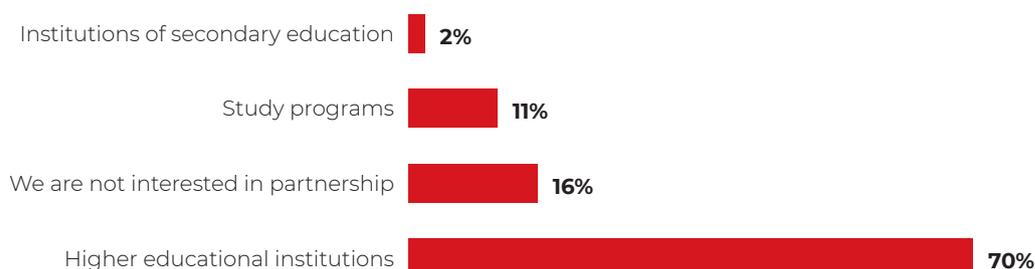
Survey revealed that the main way of cooperation between private sector and higher educational institutions is education and training process (22%) and exchange and transfer of knowledge (21%). Meeting and conferences (information interactions) method of cooperation comprised 17% of all answers. Also, 14% of the respondents chose recruiting as the main characteristics of educational and business sector interactions. 1 of 10 respondents chose collaborative research and publication as the best type of collaboration. And 2% of the respondents do not see the possibility of such cooperation.

In your opinion, what are the main characteristics of successful cooperation between business and higher education to create a modern education principles in accordance with the requirements of employers?



70% of organizations would be interested in partnering with higher educational institutions. A survey of 11 % of the respondents reveals that Uzbek organizations are interested in partnering with different study programs for their employees and 2% of surveyed organizations with secondary education institutions that are colleges and lyceums. And 16% of organization indicated that they are not interested in partnering with any of educational institutions.

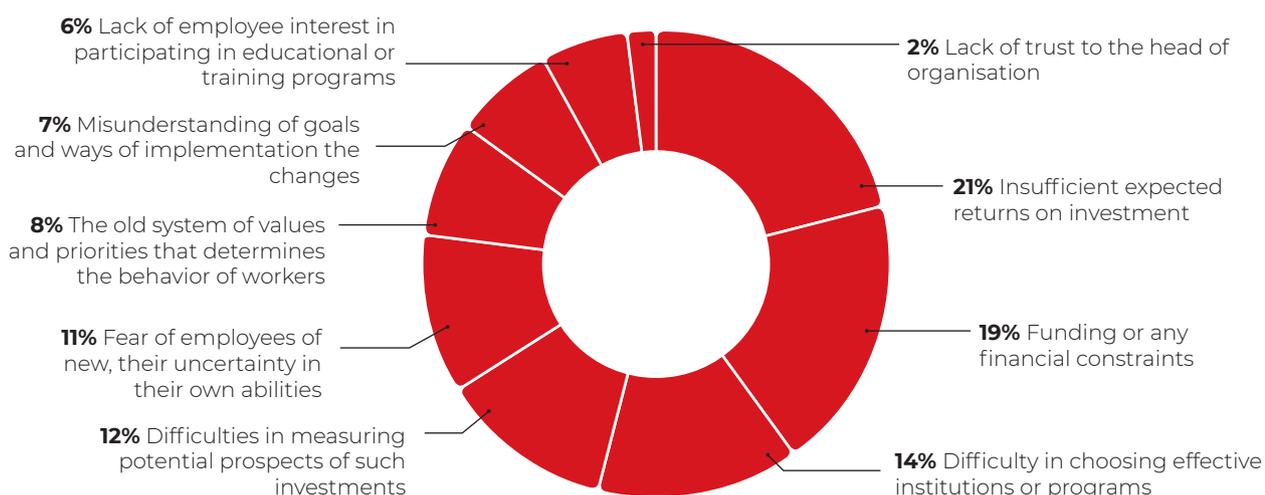
To the best of your knowledge, what types of institutions would your organization be most interested in partnering with?



To what extent will the following conditions improve your company's ability to invest in employee's education and skills?	Do not know/Not applicable				
	Minimally	Not at all	Strongly	Moderately	
Availability of affordable training programs	16	15	15	9	18
Availability of training programs appropriate to the working conditions	9	9	10	18	20
Availability of evening courses of study	19	13	17	13	14
Availability of online training courses	7	13	13	19	15
Direct government assistance or support	16	20	19	12	9
Increased tax credits	14	22	15	10	13
Improving business conditions (for example, revenue growth)	19	9	13	18	13
Total	100	100	100	100	100

Insufficient expected returns on investment is the main obstacle preventing to make investments in the potential of an employees (21%). 19% of Uzbek companies faces funding or other financial constraints in making such investments or with difficulties in choosing effective programs or institutions (14%). Moreover, 12% of Uzbek companies have difficulties with measuring of potential prospects of such investment. Also, employees fear and uncertain about their abilities (11%) and they lack interest to participate in training programs (6%). Old views and antiquated system of values of workers also hinder investment in potential of workers according to 8% of surveyed companies. Misunderstanding of goals or ways of implementation the changes by investing in employees cause 7% of all the obstacles. 2% of the respondents consider that the main reason of "disinvestment" is lack of trust to the head of organization.

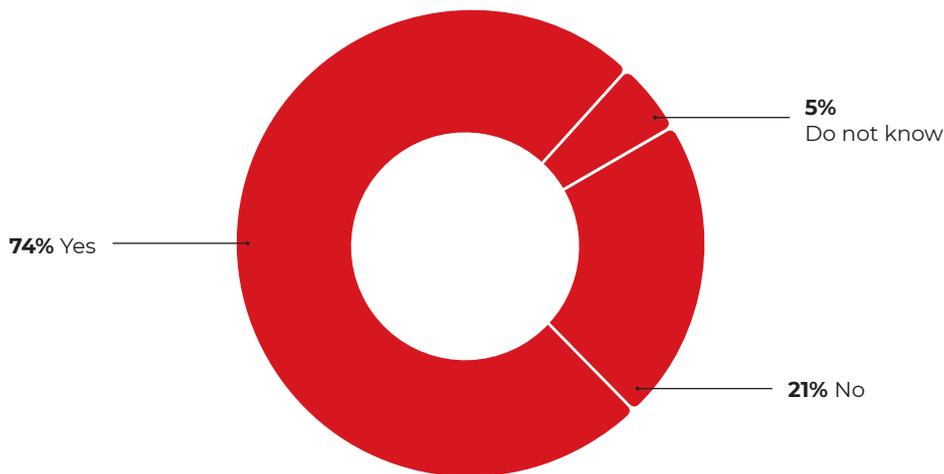
In your opinion, what are the main obstacles in your company for investing in the potential of your employees?



Approximately a half of employees (50.5%) from all surveyed firms need to take external or internal (on-the-job) training courses.

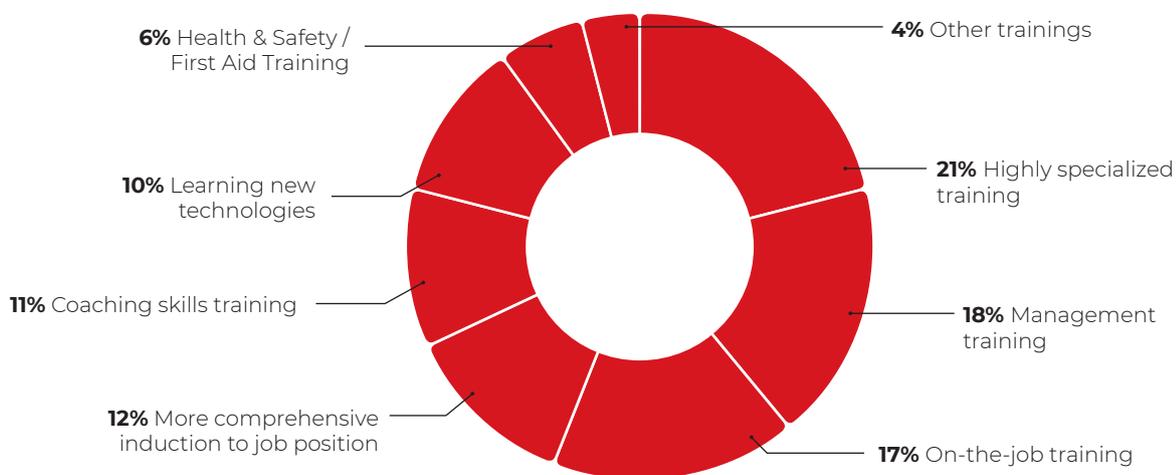
For the last 12 months, according to the results of the conducted survey, employees of 74% companies participated in either internal or external trainings with the exception of those provided by the law of Uzbekistan and fully or partially paid by their organizations. Employees of 1 /5 of surveyed companies do not participate in such trainings.

For the past 12 months, do your company's employees participate in any external or internal training courses that are fully or partially paid by your organization, with the exception of any training provided by the law?



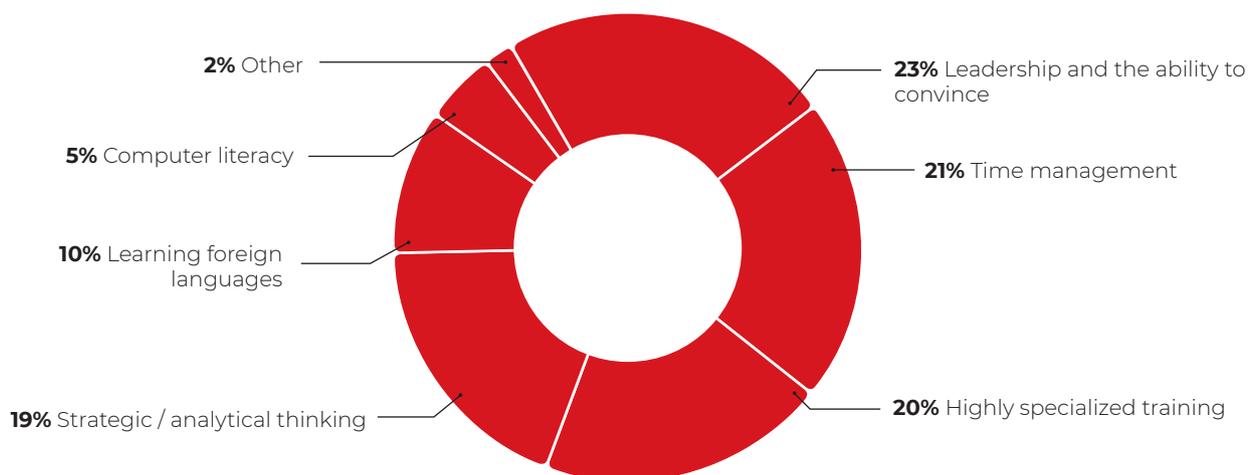
Organizations to their employees offer highly specialized trainings (21%) and on the job trainings (17%), management trainings (18%), introduction to job position (12%), coaching skills trainings (11%), learning new technologies (10%) and first aid training type 6%.

What types of training does your organization offer its employees?



23% of organizations consider that their employees need leadership trainings and trainings to develop abilities to convince as well as time management trainings (21%). Highly-specialized trainings are needed for 1/5 of the surveyed organizations' employees. Also, employees of 19% of Uzbek companies should take trainings to develop their strategic/analytical thinking skills. Learning foreign languages is necessary for employees of 10% of surveyed companies. Computer literacy is needed for employees of the least proportion of companies, indeed 5%.

Which of the following training/programmes are necessary for employees of your organization?



Top -3 skills that are important for employees are analytical (problem solving) skills, then teamwork and communication skills and 3rd place was shared between management skills, computer literacy and knowledge of foreign language, 87%, 85% and 68% respectively. Study new ideas, customer service and practical (technical) skills are important for 64%, 63% and 63% of firms correspondingly.

How important for employees...



What job positions in your organization in the future could be replaced by digital innovations or robotization?

1/5 of the surveyed Uzbek companies consider that there are no job positions which could be replaced by digital innovations or robotization. Operators and accountants can be replaced according to the opinions of 34% (17% for each position). Also, job positions responsible for recruiting (9%) and analysts (6%) can be replaced by robotization according to the results of the survey. Also, such workplaces such as storekeeper, security, online surveys, office administration, logistics, call centers were considered as an option.

In order to solve new tasks, the surveyed companies have to resort to hiring new employees (86%), internal reorganization methods in order to better utilization of existing skills of employees (86%). 78% of the companies resort to retraining methods to solve the targeted tasks.

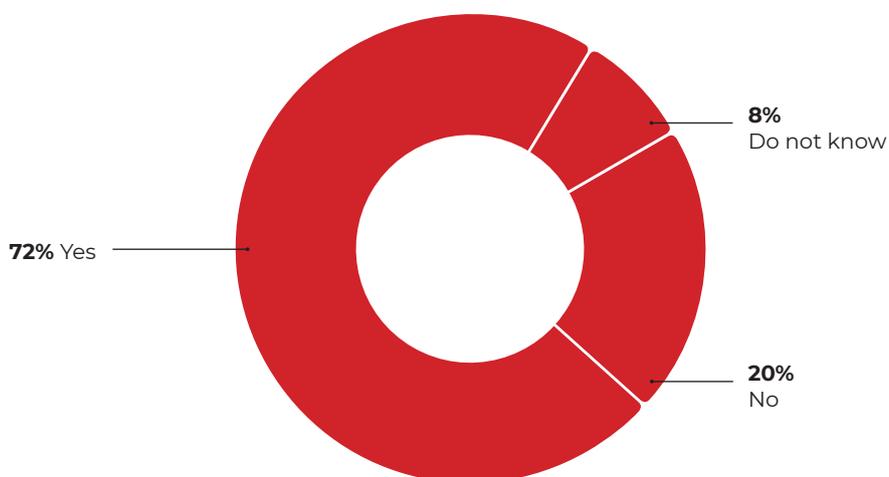
Does your organization take any of the following measures to solve new tasks?	Yes
Retraining employees	78%
Internal reorganization to better utilize existing skills of employees	86%
Hiring new employees	86%

One of the main barriers/difficulties in providing more training for employees is lack of time of employees (28%) and difficulties in finding experienced trainers (20%). Also, 18% of Uzbek companies face difficulties with scheduling of such trainings. Lack of funding was stated by 13% of surveyed companies. Moreover, staff turnover (8%) was also stated as barrier to provide more trainings for employees. 6% of the respondents answered that the decisions regarding trainings are made by the head offices. Of the remaining 7 % of the respondents stated that employees are not interested in trainings (3%), employees lack awareness of such learning opportunities (3%) and for 1% of the respondents trainings are not priority for their organization.

Lack of free time of employees	28
Difficulties in finding experienced trainers	20
Difficulties with time to schedule trainings	18
Lack of funds for trainings	13
Staff turnover	8
Decisions regarding trainings are made at the head office	6
Employees are not interested in training	3
Lack of awareness of learning opportunities	3
Training is not a priority for our company	1

Will your organization offer higher wages if potential employees are over-qualified for the vacant position?
 According to our survey, 72% of surveyed organizations offer higher wages to their potential employee if he/she is overqualified for the vacant position, but 20% do not pay extra-wage for overqualified candidates.

Will your organization offer higher wages if potential employees are over-qualified for the vacant position?



«HR Capital Consulting» (HRC)

was established in 2006 and is one of the first consulting companies working in the sphere of HR consulting in Uzbekistan. HRC provides the following services: search and selection of middle and top management, outstaffing, assessment, HR consulting.

ERGO is an independent think tank devoted to conducting economic, institutional and social research with a particular focus on Uzbekistan as well as other countries of Eurasia. ERGO supports policy reforms in Uzbekistan by conducting high-quality, policy-relevant, evidence-based academic and industry research that employs cutting-edge research techniques. The research projects of the seek to address knowledge gaps and inform critical policy decisions.