

ON THE JOB TRAINING FOR STUDENTS AS AN INSTRUMENT FOR INCREASING EMPLOYABILITY OF GRADUATES: A proposal for Turkey

Professor Dr. İnci Kayhan Kuzgun
Hacettepe University, Department of Economics,
Ankara-Turkey
kuzgun@hacettepe.edu.tr

ABSTRACT

On the job training for students has been used as a traditional instrument to increase employability of graduates with connected demand for the labor market. Although trainee is a concept related to the labor market in Turkey; it does not have a comprehensive legal basement. The study is structured in three sections. In the first section it provides a brief review of the existing literature related to the employability of graduates. In the second section, regulation of on the job training for students has been proposed as an instrument for increasing employability of graduates in Turkey. With this framework, the characteristics, performance and constitution of proposal have been analyzed in the sub-sections.

The characteristics of the proposal have been considered such as below.

- It is an active employment policy instrument.
- It is an integrated strategy for the students to the economic activities.
- It is based on the dynamic demand model.
- It is based on the voluntary cooperation between universities and enterprises in Turkey.
- It can be concluded in the concept of public and private sector partnership.

The performance of this instrument has been considered individual, institutional and social level.

The apprenticeship training can be taken as a model for constitution of on the job training for students.

- Size of firm has been used as criterion.
- The cost of application has been financed by the enterprises.
- The premiums of two social security branches have been paid by the state from the budget of the universities.

The main conclusion has been considered in chapter three.

Keywords: Turkey, on the job training for students, cooperation between university and industry, dynamic demand model, active employment policy instruments

1. Introduction: Employability of labor force is important for the new process in the current labor markets. Several definitions have been suggested related to this process. Under the current labor market conditions being unemployed is a risk and it reflects dynamic and

increasingly competitive economic environment (Ahmed, 2009:293). At the individual level, being employed is not sufficient to solve the problem of employment in the future. Being employable is thought to be more vital for one's career than to be employed. Thus job security is more important than the employment security for the employee. Employability covers improving the skills and qualifications of the worker, who search for jobs, through training, advanced education, re-education counseling services (MEB, 2008:18).

Employability skills demanded by employers are essential to get and keep an employment in the labor market. According to the narrow definition of employability one of the effects is the performance of graduates starting work (Peggy and Waldo, 2010:19). Besides having a job, continuing to be employed and having progress during career are important (European Commission, 2012:1). According to the general consensus, employability refers to a wide range of attributes and competencies that enable the job seekers to gain and maintain employment (UNESCO, 2012:8). Finally, it is determined by all over socio-economic indicators such as stability or instability of economic activities, size of economy, labor market regulations, and age distribution of labor force, unemployment and high education system. It determines the unemployment level and participation rate to the economic activities.

Graduate's employability has the important place in the concept of employability. Graduate's employability is frequently understood as being the same as graduate's establishment in the employment market after graduation (EUROSTAT, 2009:35). In addition to this, employability is more important than being employed immediately after graduation. It is the first step to transit to the real life. It shows the individual's ability to make an effective ongoing to contribution to the society, and leading satisfying life. Individual ability and qualities of graduates are developed through the whole range of experiences with higher education offers.

There is a relationship between employability and quality training of students. Employability of graduates is closer to the high education. So, high education institutions are under pressure to improve the employability of their graduates across geographical boundaries and cultural borders (Ahmed, 2009:296). As the rapidly changing labor market is becoming increasingly knowledge-based, employability is an increasingly important consideration in the most students' life. Graduates must be encouraged to recognize and develop a set of key skills

and reflect their wider experiences at the university to help them identify relevant skills. That should be one of the strategic key directions for high education (Worldbank, 2007:5). For realizing this strategic direction, the cooperation between the companies and the universities has vital importance.

The other important concept related to the employability of graduates is adoptability. The adoptability has been regarded as a state of adaptation and, simultaneously an expectation for high level of innovativeness. Thus, increasing the education level and using the active employment policy instruments seems to constitute main target of public policy in order to improve adoptability of the labor force for changing demand of the labor market. The employability and adoptability to the expectations of firms are continuously changing by technology. These two concepts have mutual influence on each other.

On the employment training is an instrument for increasing employability of graduates. It has been used for increasing the integration of the students to the labor market by many different industrial countries. In many countries, on the job training programs are the first step into the labor market contributing to students.

According to the Article 4 of Vocational and Technical Educational Regulation, training is obligatory for the students who complete the theoretical and applied education at the institution. It aims to improve their vocational knowledge and ability, attitude and approach, and to accommodate their career in the real production and work environment. (Yönetmelik, 2002). This regulation has been applied by the Ministry of National Education in Turkey.

A student trained in occupation for which he/she received schooling may be trained as a trainee by this instrument. On the job training for students, take place in an ordinary work place in work hours, using actual tools, equipments, documents or materials. So, students have the opportunity to work in the work place and gain experience with the equipments that are used regularly. It makes on the employment training an efficient approach to learn new things. Thus, it is the most effective method for increasing employability of the graduates.

With this characteristic, it can be used as an instrument to prepare the students as potential labor force for employment based on manual or practical activities of work place. It aims to improve the performance of graduates and this instrument is suitable for realizing the cooperation between university and industry. It is one of the most common types of training

used in the work place, especially in the manufacturing sector. Beside this, it is used in the service sector.

On the job training for students has two important points such as supply of student labor force and demand for students as the trainee. So, it can be counted as an active employment policy measure to increase the employability of graduates.

Dimensions of supply and demand of this instrument have mutual influence on each other and they have determined dynamic structure of demand for graduates. It is necessary to underline the dimension of demand for students in the application of this instrument. The private sector's demand shapes this dimension. So, the on job training is an instrument for maintaining the balance between demand and supply. Finally, this instrument will increase the employability and adoptability of students in the labor market. Thus, the employability and adaptability of labor force and expectations of companies are continuously matching by on job training. On the other hand, the wage and income of graduates will increase by this instrument.

This study discusses the necessity of legal regulation of on the job training as an instrument for increasing the graduate employability in Turkey. The study is structured in three sections. In the first section it provides a brief review of the existing literature related to on the employability of graduates. In the second section, regulation of on the job training for students has been proposed as an instrument for increasing employability of graduates in Turkey. With this framework, the characteristics, dimensions and constitution of proposal have been analyzed in the sub-sections. The main conclusion has been considered in chapter three.

2. On the Job Training For Students as an Instrument for Increasing Employability of Graduates:

2.1. Graduates' Employability in Turkey: The unemployment of young people is an important problem in Turkey. The educated young people has higher relative unemployment rates than the average unemployed young people in Turkey and they have been accepted as a target group. It is said that there are different categories of young people with different needs in Turkey (Ayup, 2008:23). One of them is high educated and unemployed young people. The unemployment rate is 30% for high educated young people. This rate is 24% for male and 35.6% for female in 2011 (TÜİK, 2012:18). These data show that the high educated and unemployed young people are a problem in Turkey. It is considered that there is some problem

for graduates during transition from the university to the work place. The main problem in youth employment appears to be general difficulties affecting the transition from education to work life in Turkey (Ayup, 2008:63).

The unemployment rate among young people with high education is approximately twice as much as total unemployment rate and it becomes more significant. Remarkable reduction in the unemployment rates of the young and educated people couldn't be achieved as well. It is said that there is a skill mismatch between high education and private sector's demand in Turkey (Worldbank, 2007:21). It is considered that in the last planned period the educational system remained insufficient to meet the requirements of the labor market (DPT, 2007:48). So, graduates face some difficulties in Turkey. These difficulties are experienced by young people while entering the labor market and reflect the difference between the education system and work life in terms of access, quality and relevance (Worldbank, 2009:26). Graduates' employability is usually considered in the context of "knowledge economy" related competitive labor market.

It shows that the education policy must be regulated according to the demand for the labor force. University education has not train the people according to the needs of labor market for qualified labor force. The universities should be arranged according to the needs of the labor market. Turkey should also increase the employability and adoptability of high educated young people. Building the new mechanism for increasing employability of graduates should be considered in Turkey. It is accepted that the new mechanisms that would respond to the demands of the economy and particularly, increase the employability of young high educated people are needed (DPT, 2007:48). High education currently does not guarantee employment in Turkey. Improving the quality of education is the priority solution for youth's unemployment. It is accepted that new measures need to be taken concerning the functions of universities in Turkey (Ayup, 2008:69).

In this study, it was hypothesized that on the job training for students as an instrument of active employment policy would positively affect the employability of graduates. On the job training based on cooperation between universities and enterprises, is proposed as a solution for Turkey. It is considered that the new mechanisms will respond to the demands of the economy and particularly, increase the employability.

2. Characteristics, Performance and Constitution of the Proposal: This study suggests using on the job training as an instrument for increasing the employability of graduates in Turkey. Before drawing conclusion about the importance and efficiency of this instrument in increasing employability of graduates; it is necessary to analyze the characteristics, performance and constitution of the proposal.

Employment policy should include increasing qualifications of existing labor force through vocational and employment training (Ayup, 2008:3). An institutional instrument with a flexible, not centralized, non bureaucratic structure has proposed to help to achieve greater coherence in policies and activities related to youth and provide a mechanism for regular monitoring in Turkey (Ayup, 2008:23). On the job training for students as a measurement has same characteristics. It is not a new instrument for Turkey. But it has not been used effectively. It is the first step for transition from university to labor market. It is accepted that transition from school to work life needs to be an important part of youth policy in Turkey (Ayup, 2008:23).

2.1. The characteristics of the proposal: It is a specific employment policy's measure. It will increase the level of educational/vocational qualification of graduates in Turkey. The proposal has some characteristics such as being an active employment policy instrument, depending on voluntary cooperation between universities and enterprises; i.e. public/private sector partnership and suits for the dynamic demand model in Turkey.

2.1.1. It is an active employment policy instrument: On the job training for students is as an active employment policy instrument to prepare students for work life. It is accepted as an instrument which aims to increase employability by improving skills and qualifications of the labor force (DPT, 2007:49). By this way, it aims to alleviate the structural unemployment level of high educated young people. The unemployment rate among youth is approximately twice as much as total unemployment rate in Turkey and it continues to be significant. In addition to this, the unemployment rate among the young people who completed tertiary education is high also. While it was 28.2% in 2000; it was 35.0% in 2002 and it was 30.9% in 2005 (DPT, 2007:47). A remarkable reduction in the unemployment rates of the young and educated people couldn't have been achieved, yet.

We can say that structural unemployment has been observed among the high educated young people. So, the young people with high education are a disadvantaged group for the employment policy in Turkey.

This group has low employability and it is necessary to provide support for gaining vocational skills. This negative tendency can be explained by different ways. The education system remained insufficient to meet the requirements of the labor market. Thus, on the job training for students has been offered as a suggestion for increasing employability of graduates in Turkey.

2.1.2. It is an integrated strategy for the students to join the economic activities: It is an integrated strategy for the students to join the economic activities. It has been used to integrate the high educated unemployed graduates as being a disadvantaged group in the labor market. Therefore, on job training programs prepare this group for jobs, based on manual or practical activities. It is intended for the assessment of individual modules. Work experience and placement are vital for giving students employability skills.

2.1.3. It is based on dynamic demand model: As the consequence of being an instrument of active employment policy, it is based on dynamic demand model. Matching is the meeting point of supply and demand for labor force in the application of this instrument. Therefore on job training for students is based on dynamic demand labor force model. The labor demand at the real level has determined by the enterprises.

It aims to establish a relationship between the demand for labor force of the economy and the educational policies in Turkey. The weakness in the relationship has affected the employability of graduates in Turkey.

Employability of labor force is important for resolving unemployment at the individual, national and global levels. For constitution of the relationship between employability and quality training of labor force, vocational training is the most important factor. On the job training for students as an instrument for increasing employability of graduates in Turkey have three dimensions.

2.1.4. Voluntary cooperation between the universities and the industry: The efficiency and necessity of voluntary cooperation between the universities and the enterprises for increasing the employability of graduates has been discussed for a long time. Employer is not obligated to accept a student as a trainee. Enterprises and universities are the key stakeholders

in applying this instrument. It is an instrument based on the voluntary cooperation. So, it doesn't have a bureaucratic structure.

It is an opportunity to develop core skills. In this training method, the student is assigned to an experienced worker or supervisor who demonstrates how the job is done. It doesn't require a more complicated organization or to create a lesson plan and set objectives. The student may shadow the other workers for several shifts, while learning the steps of the work that make the job and how to use all of the required equipments. With these characteristics, it can be named an unstructured job training method. The enterprises have responsibility of providing practical training for students while the universities are giving theoretical training.

2.1.5. It is based on the public/private sector partnership: On job training for graduates can be achieved by the public and private sector partnership. It is placed in the employment strategy of public policy. Employability of graduates is about addressing the agenda of state in Turkey. State policies should be defined to enhance high education's contribution to student employability. The public and private sector partnership enables students to increase their chances of getting a job, staying in the labor market. They need to work together to develop graduates' employability. This instrument is based on public and private sector partnership. It is an instrument to prepare students for work life. It is a way to improve students' experience.

2.2. Performance of the proposal: On the job training for students as an instrument for increasing employability of graduates should increase individual, organizational and societal performance.

2.2.1. Increasing Individual Performance: At the individual level, on the job training for students is aimed to increase the employability of graduates in the labor market. They will gain new occupational skills and advance. It is much closer to the increasing adoptability capacity of the labor force. So, this instrument helps to constitute main target of public policy in order to decrease unemployment among graduates.

Beside this, on the job training can be a way to find the first job for graduates. Finally, Turkey must encourage and give priority to investment on job training for increasing employability and adoptability of graduates.

2.2.2. Increasing Organizational Performance: Second performance dimension of this

instrument, is related to competitiveness of companies. On the job training aims to increase the competitiveness of firms. It is observed that this instrument has been also an important economic instrument for the strategies of productivity and competitiveness. So, it should be formed to be a part of the employment strategy of firms that it will be developed in accordance with labor demand in different areas. This instrument is aimed to reply to the demand for qualified labor force.

It has based on expectations of firms and they have been continuously changed by their competitiveness power. This aspect of on the job training is important for the globalization process. It is observed that training has been also an important economic instrument as the strategies of productivity and competitiveness of firms (ILO, 2010:1).

2.2.3. Increasing Societal Performance: The unemployment is a social and economic problem. With these characteristics, the unemployment level is an indicator of societal performance of economy. With increasing the employability and adoptability of graduates, unemployment among high educated young people will decrease and this trend will increase the social performance of Turkey.

On the job training aims to constitute the relation between employment and education policy. It means improving the skills and qualifications of the graduates. It is considered that the relation between education and employment policies couldn't be sufficiently established in Turkey (SPO, 2006:46) (DPT, 2007:48). Therefore, Turkey has suffered from serious structural unemployment for young high educated people. As the solution for this negative tendency, on the job training has been proposed as an instrument for the structural unemployment of graduates in Turkey.

On the job training strives labor market needs for skills; improves productivity and competitiveness in all sectors, which human resources are critical. It is aimed to resolve this problem. At the same time, it is aimed to increase productivity of labor force in contrary to decrease cost of the structural unemployment in the country.

2.3. Constitution of the proposal: For constitution of legal structure of on the job training for the students, the apprenticeship training in Turkey can be used as a starting point. Turkey has had experience in the apprenticeship training since 1977. Mandatory apprenticeship training in some branches has been used since 1988 and the last regulation has realized by Vocational Education Law 3308 in 1988. It is a comprehensive law and it contains also planning,

development and evaluation of vocational and technical education in schools, institutions and enterprises (Kepenekler, 2007:2719). On the job training has been considered in this law.

On the other hand, the trainee is accepted as a concept related to the Labor Law and despite this, on the job training has not been regulated in the scope of Labor Law (Çelik, 2003:40). Paid or unpaid, mandatory or voluntary on the job training has not been regulated by the Labor Law 4857 which is a main act regulating labor force, providing general rules in Turkey. It is necessary to constitute a system of on the job training as an active employment policy in Turkey. In this frame work, the constitution of proposal has been structured.

Payment of the social security premiums for only mandatory on the job training was cancelled by Law in 2006. Now, for both mandatory and voluntary internships social security premiums should be paid by the universities. This regulation has covered all of the high education system in Turkey. Turkey has unitary system for high education. It is centralized with the all high education institutions tied to the Council of Higher Education. The high education system of Turkey is compatible with the Bologna three cycle systems.

2.3.1. It is applied by the Ministry of Labor and Social Security: Ministry of Labor and Social Security is responsible for labor and social security in Turkey. In other words, it is responsible of Turkish labor market. On the job training is an active employment policy measure and it is based on the dynamic demand model. As the consequence of these, it is necessary to regulate and apply on the job training by the Ministry of Labor and Social Security in Turkey. The Ministry of National Education is not responsible for the work life.

2.3.2. The size of firm can be accepted as a criterion: In order to increase employment, the employment obligation of employers should be revised (DPT, 2007:48). This trend is the consequence of globalization in Turkey. Despite this as the traditional approach, the size of firms has been accepted as a criterion for determining enterprises in the scope of this instrument. This acceptance has been based on the traditional approach since the first Labor Law 3008 in year 1937. The size of firms based on number of workers has been considered as the basic criterion for regulation of Labour market by current Labour Law 4857. It is accepted as a criterion in the obligation of employers based on work contract (Kuzgun, 2011:157). On the other hand, size of firm has been accepted for applying the apprenticeship by the Law 3308.

The same approach has been accepted with the proposal. Thus, the enterprises which employ 20 or more workers and operate branches covered by legal regulation are obligated to provide internship for practical training for students in number of corresponding to 5% to 10% of their total worker's number in the proposal. The enterprises employing more than 200 workers are required to set up a training unit for students and appoint trainees to this unit by this regulation.

2.3.3. The cost of this application has been financed by the enterprises: The cost of this instrument's application is internal and will be financed by enterprises' own funds. The employer has not been in the obligation of wage payment for the students. But if the employer pays the wage to the trainee, students' wage which is paid by employers should be at minimum wage pursuant to the Article 33 of the Labor Law 4857.

Currently, the employer is not obligated to accept a student as a trainee and to pay trainee for the time spend on training in the work place. There is not a job relation between trainee and employer. This characteristic has been accepted as the feature of the on job training in Turkey (Çelik, 2003:40). A training agreement may be concluded with a trainee for a definite period. On concluding a training agreement, a trial period may be stipulated, not longer than one semester.

2.3.4. The trainees are covered by Law 506 limited to two insurance branches: The trainees are covered by two insurance branches premium such as occupational accident and diseases and health insurance. The premiums of these social security branches have been paid by the state instead of employers from the budget of the universities. The payment of the premiums by university decreases the cost of this instrument for the employers. This solution is thought to increase the on employment training in Turkey. The provisions of Social Insurance Law 506 concerning work accidents and occupational diseases are applied for students (Law 5510, Article). Beside this, if the student is dependent, she/he is in the scope of health insurance.

3. Conclusion: This study aims to conclude on the job training as an active employment policy instrument for increasing employability of students. Some of the main conclusions

reached in this study include following. The conclusions have been focused on three points such as structural characteristics, performance and constitution of proposal.

The structural characteristics of the proposal have been considered such as below.

- It is aimed to increase employability of graduates.
- On the job training for students has been introduced to coordinate with the macro economic policies in Turkey. So, it has been integrated to the national employment and development strategies of Turkey.
- It is based on the dynamic demand model. With this characteristic, it is closer to the job creation capacity of Turkey's economy.
- The proposal is based on voluntary agreement which has been established between the universities and enterprises. It is expected that it will create a new entrepreneurial responsibility. So, it is based on corporate social responsibility.
- It can be concluded in the concept of public and private sector partnership. A new high education policy has been created by this instrument in Turkey.

The performance of proposal has three dimensions:

- It is aimed to increase the employability of graduates at individual level.
- This proposal has been also an important economic impact as the strategies of productivity and competitiveness of firms.
- With increasing the employability and adoptability of graduates, it will increase the societal performance of Turkey.

Constitution of proposal:

- The apprenticeship training can be taken as a basement for the constitution of model. But, on the job training is a responsibility of Ministry of Labor and Social Security.
- Size of firms has been considered as a criterion for determining the enterprises in the scope of training.
- The cost of application has been financed by the enterprises.
- The premiums of two social security branches have been paid by the state from the budget of the universities.

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