

# Work-Based Training: Companies are key.

What we need to understand about  
their motivation.

Findings from Mongolia and Pakistan



Published by

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

# Introduction

Dual vocational education and training (TVET) ‘Made in Germany’ has established itself as a globally recognised brand. It is the cooperation with companies providing work-based training (WBT)<sup>1</sup> that is driving the model’s success – trainees learn in a real-world setting which prepares them for the world of work.

Empirical evidence from various countries confirms that work-based TVET is more effective than school-based TVET in facilitating school-to-work transitions, thereby reducing youth unemployment.<sup>2</sup> Companies benefit on multiple levels: they are more productive, spend less on recruitment and enjoy a better image. In short, companies providing in-house training can build up the workforce they need.

In recognition of the benefits of WBT, the government of Pakistan and Mongolia have legal frameworks for such training measures in place. In Pakistan, the Apprenticeship Act of 2018 provides a legal framework for WBT. In Mongolia, the TVET law of 2009 highlights the role of the private sector and WBT is commonly prescribed in TVET curricula. Despite the legal frameworks **establishing consistent WBT measures in companies remains one of the key challenges faced by policy makers and public administrators.**

The findings of this paper have been led by the question of ‘what enables and discourages companies to engage in WBT?’. **47 TVET stakeholders from Mongolia and Pakistan** ranging from CEOs, human resource professionals and technical staff from companies to TVET trainees and teachers have been consulted. It is their statements and insights, amidst a range of articles, that helped us identify barriers and enablers. A set of recommendations have been derived from the findings.

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1 Work-based training is used as an umbrella term for practical training that takes place in a real work environment. It includes traineeships, apprenticeships, internships, and on-the-job training

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2 Bolli, Oswald-Egg and Rageth. 2021. *Meet the need – the role of vocational education and training for the youth labour market*. Kyklos, 74.

# Recommendations to Engage Companies in WBT

The two main motivations of companies to engage in WBT is to address their **need for skilled workers** and to contribute to the TVET sector and society as part of corporate social responsibility (CSR). Financial and non-financial incentives, such as free training for in-company trainers, are appreciated and regarded as encouraging factors. Such incentives, however, do not compensate for the factors discouraging companies from engaging in WBT, as stated by a substantial number of private sector representatives interviewed.

The **central challenge lies in the cooperation with TVET institutes**, which companies often do not regard as reliable partners. Key obstacles include difficulties in identifying quality TVET institutes, a lack of dedicated counterparts and overall ineffective coordination. In addition, companies often do not have confidence in the quality and relevance of training programmes conducted by TVET institutes.

## Overview motivating and discouraging factors for companies to engage in WBT

Motivating Factors	Discouraging Factors
1. Improve companies' ability to <b>attract and retain high performing staff</b>	1. <b>Lack of formal linkages</b> between companies and TVET institutes
2. Address <b>need for skilled workers</b>	2. <b>Lack of staff capacity to supervise</b> and train trainees
3. Improve and <b>contribute to CSR</b>	3. <b>Trainees lack basic skills</b> required at the workplace, in particular soft skills
4. <b>Upgrade technical and pedagogical skills</b> of companies' staff to become trainers	4. <b>Lack of awareness</b> of, and information on, WBT
5. <b>Financial incentives</b> and support programmes	5. No <b>financial incentive</b> for providing WBT

Based on the key findings summarized in table 1, **nine recommendations** have been derived to increase the share of companies engaging in WBT. The recommendations address TVET-line ministries and public agencies responsible for overseeing and administrating work-based training and TVET institutes.

# Nine Recommendations

## 1. Implement information campaigns

In Mongolia, the website *mergejil.mn* provides information on TVET. Many companies state that they are not aware of the platform.

A CEO of a construction company in Pakistan remarks that he was not aware of the national Apprenticeship Act 2018 until referred to during the interview. Knowing of the act now provides him with the basis for including apprentices in recruitment strategies.



Public agencies should **provide companies with information about WBT** and related policies through various communication channels targeted at the private sector.

## 2. Foster networking

In Mongolia and Pakistan, the cooperation between companies and TVET institutes is often based on personal connections. Companies without such informal networks point out that they do not know how to get in contact with relevant and reliable institutes.



Public agencies should **facilitate network events** for TVET institutes and company staff to build personal relationships and trust.

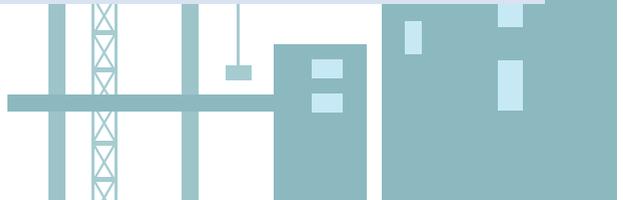
## 3. Designate liaison officers

The private sector in Pakistan and Mongolia expects schools to lead and coordinate WBT cooperation. Weak coordination and a lack of proactiveness by TVET institutes are highlighted as discouraging factors to enter into partnerships.

In Pakistan, the private sector is unaware of the role of job placement officers at TVET institutes. When raised during interviews, companies considered it a useful position that would make their recruitment of trainees more effective.



TVET institutes, with the support of public agencies, should **provide staff responsible for the cooperation with companies** – such as *job placement officers* in Pakistan and *social partner specialists* in Mongolia – **with specialized training and enhance their formal role at TVET institutes**. It is recommended that this is a designated role and not an additional burden for teachers on top of existing responsibilities as it is observed that additional tasks are not fulfilled due to a lack of time, resources, and incentives.



#### 4. Match training needs

An HR professional in Mongolia notes that her company is requested by schools to provide training to trainees in areas that are not relevant to their business fields. Such requests reduce the attractiveness of WBT.



Public agencies should provide a WBT contract template that companies and schools use to **mutually agree on WBT assignments of trainees that reflect curriculum requirements of schools as well as the interest of companies**. Such contract templates should also outline legal requirements in line with labour and/or apprenticeship laws.

#### 5. Match students with companies

Companies in Pakistan mention that they find it difficult to assess the suitability of TVET students for WBT based on CVs alone as they are not familiar with TVET qualifications and the underlying competences.



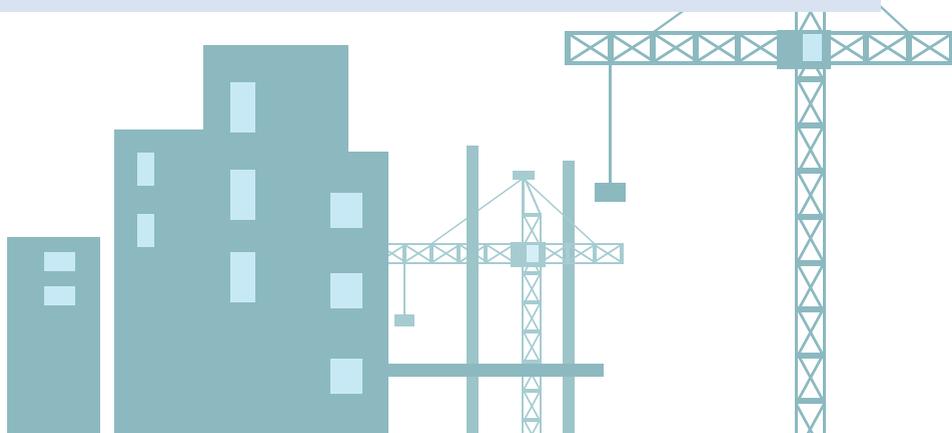
TVET institutes should **provide more detailed information about students' qualifications and abilities, such as competences and courses completed, to companies** when coordinating WBT.

#### 6. Improve soft skills

Companies in Pakistan and Mongolia highlight that trainees often do not have the attitude and motivation required at the workplace. Occupational health & safety trainings, that take place before WBT, are regarded as important but not sufficient.



TVET institutes should **provide soft skills training to students that have been selected for WBT at companies, and design WBT programmes that attract talented students** (see box 1).



## 7. Ensure professional WBT supervision

The private sector in Pakistan and Mongolia regards the free of charge training of company staff to become in-company trainers as a motivating factor that companies benefit from also beyond WBT.



Public agencies should **fund the training of private sector staff** to become in-company trainers. Such subsidized trainings should be integrated into public WBT support programmes aimed at companies that commit to WBT schemes.

## 8. Recognise companies engaged in WBT

Companies in Pakistan and Mongolia state that contributions to the TVET sector and the local community as part of corporate social responsibility are a key motivation to engage in WBT.



Public agencies should **award companies offering WBT with a seal of recognition** to publicly recognise their corporate social responsibility and foster their identity as a training company.

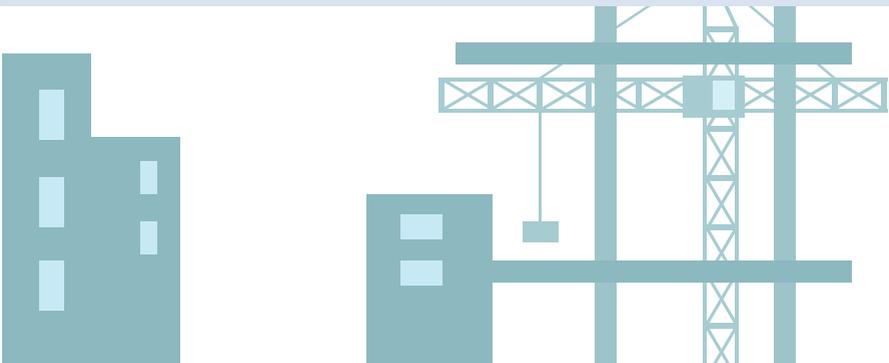
## 9. Provide financial incentives

In Pakistan and Mongolia companies consider monetary incentives as an encouraging factor for providing WBT opportunities.

A CEO of a construction company in Mongolia highlights that combining WBT schemes with employment support loans provided through banks would make WBT more attractive for her company.



Public agencies should **provide financial incentives** to companies for offering WBT to kick start such training schemes. It is recommended that complementary to recommendations 1-8 governments design incentive programmes by means of direct subsidies, tax exemptions or levy funds.



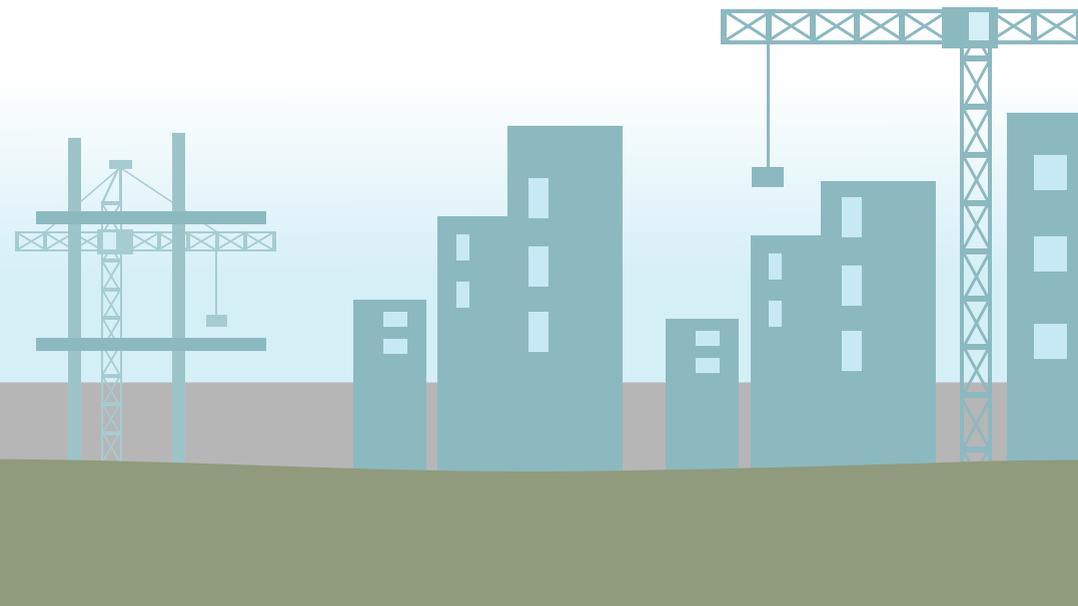
## 5 Factors why young trainees would join a WBT programme<sup>3</sup>

1. **Provide WBT certificates to trainees.** A key motivation for students to join WBT is to receive a certificate from a reputable company.
2. **Provide trainees with an allowance.** Trainees expect and often need an allowance compensating for their performance. A substantial share of young people may not be able to afford investing time into training when needing to contribute to the family's income.
3. **Provide WBT preparation course.** Many trainees find it initially difficult to adjust to the world of work and appreciate to be prepared for their specific WBT assignments by their schools.
4. **Provide transport services.** In some cases, trainees live far away from the training company, and female trainees face obstacles in safely commuting on public transport. In such cases the provision of transport services is essential to safeguard female participation in WBT schemes.
5. **Provide WBT durations of at least 3 months.** Trainees consider 3-6 months as an ideal WBT duration to have sufficient time to adjust to the world of work.

Research by the International Labour Organization (ILO) confirms that WBT programmes which include payment of allowances, presence of a mentor, provision of certification and a sufficient duration are associated with better labour market outcomes for trainees.<sup>4</sup>

<sup>3</sup> Based on survey of 25 trainees in the Pakistani construction sector conducted by GIZ in August 2021.

<sup>4</sup> ILO. 2018. *Interns and outcomes: Just how effective are internships as a bridge to stable employment?*. Working Paper No.241.



On behalf of:



Federal Ministry  
for Economic Cooperation  
and Development

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