

# LAUNCHING AND DEVELOPING AN APPRENTICESHIP SYSTEM IN ALBANIA



# Outline

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## Supporting Documents

- Monitoring and Reasult Measuremnet Manual
- Tracer Questionnaire
- Financial Cost Benefit Analysis
- Apprenticeship Model

▶ [Click the titles for more information](#)





# Abbreviations

|                |                                              |
|----------------|----------------------------------------------|
| <b>BAC</b>     | Before and After Comparison                  |
| <b>BR</b>      | Business Relations                           |
| <b>CBA</b>     | Cost Benefit Analysis                        |
| <b>DCED</b>    | Donor Committee for Enterprise Development   |
| <b>DiD</b>     | Difference in Difference                     |
| <b>DU</b>      | Development Unit                             |
| <b>FCBA</b>    | Financial Cost benefit Analysis              |
| <b>IRR</b>     | Internal Rate of Return                      |
| <b>LM</b>      | Labor market                                 |
| <b>MRM</b>     | Monitoring and Results Measurement           |
| <b>MSD</b>     | Market System Development                    |
| <b>NPV</b>     | Net present Value                            |
| <b>PSD</b>     | Private Sector Development                   |
| <b>S4J</b>     | Skills for Jobs                              |
| <b>SD4E</b>    | Skills Development for Employment            |
| <b>SDC</b>     | Swiss Agency for Development and Corporation |
| <b>T&amp;H</b> | Tourism and Hospitality                      |
| <b>VET</b>     | Vocational Education and Training            |



# Foreword

The Skills for Jobs (S4J) program addresses key challenges in Vocational Education and Training (VET) in Albania. The present case study 'Launching and Developing an Apprenticeship System in Albania' builds on the 4-years' experience, lessons learned and challenges of developing and implementing the apprenticeship model from S4J in 6 partner providers in 5 regions in Albania.

Developing and implementing the apprenticeship system started in 2016, initially in one vocational school and in one sector, but has since grown to 6 vocational schools where 1138 apprentices are hosted by 436 companies in 5 regions and in 9 sectors (2018 - 2019 Academic Year).

This case study describes how S4J launched and developed an apprenticeship system that meets the requirements of the private sector and describes the results in terms of graduates being more employable. This case also highlights how the program developed an appropriate monitoring system and how the program assesses the impact of this intervention, while dealing with attribution in this challenging context. We hope that different programs and stakeholders will be inspired by the learning acquired in the S4J program, both in terms of designing and managing sustainable interventions in VET and in terms of the ways in which an appropriate Monitoring and Results Measurement system helps to manage interventions and report credible impact.

I would like to express my gratitude to the MRM team of S4J (Erka Çaro, Tanjima Ali, Aleka Papa and Eltjana Plaku) for undertaking this initiative and their continues support throughout the development of this study. Special thanks go to the author of the study Hans Posthumus for leading the process and connecting the dots. We all are grateful to the partner providers who have closely worked with the S4J program to successfully implement the apprenticeship model and incorporate it in their daily work, assuring its sustainability and effectiveness. The success of the piloted and validated apprenticeship model from S4J has triggered an interest by other providers and the national agencies and is ready to be upscaled at a national level.

**Fatjon Dragoshi**

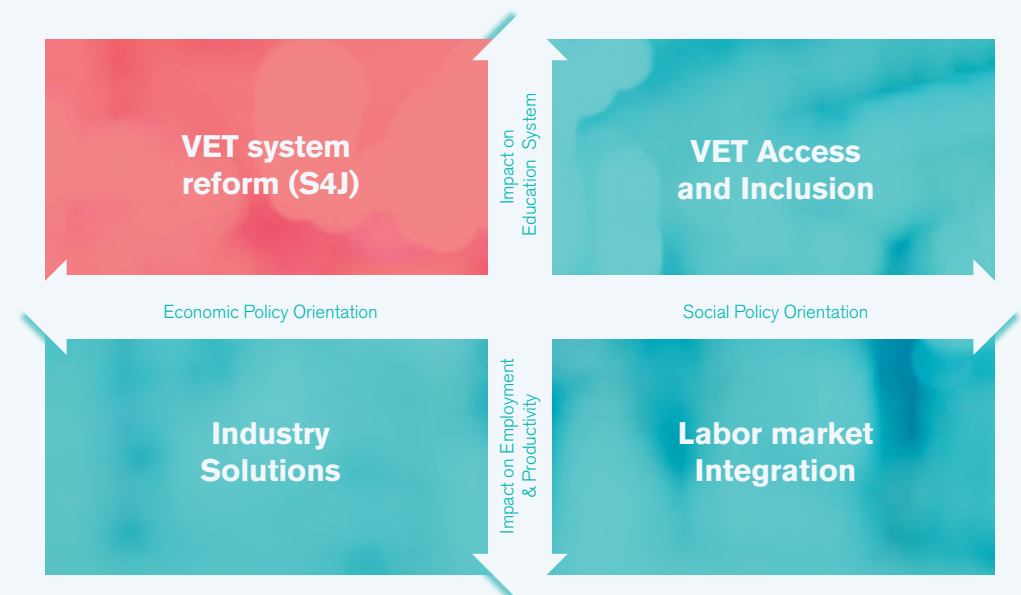
Project Manager Skills for Jobs





# Skills for Jobs

'Skills for Jobs' is a program mandated by the Swiss Agency for Development and Cooperation (SDC) and implemented by Swisscontact Albania. 'Skills for Jobs' (S4J) was designed to address key challenges in Vocational Education and Training (VET), such as low quality and status, poor management, inadequate labour market orientation and weak private sector engagement.



**Fig 1 Focus area of S4J: VET system reform**

The program addresses these challenges by focusing on systemic change, capacity development and empowerment of key actors. For more information on the program visit the [S4J website](#).

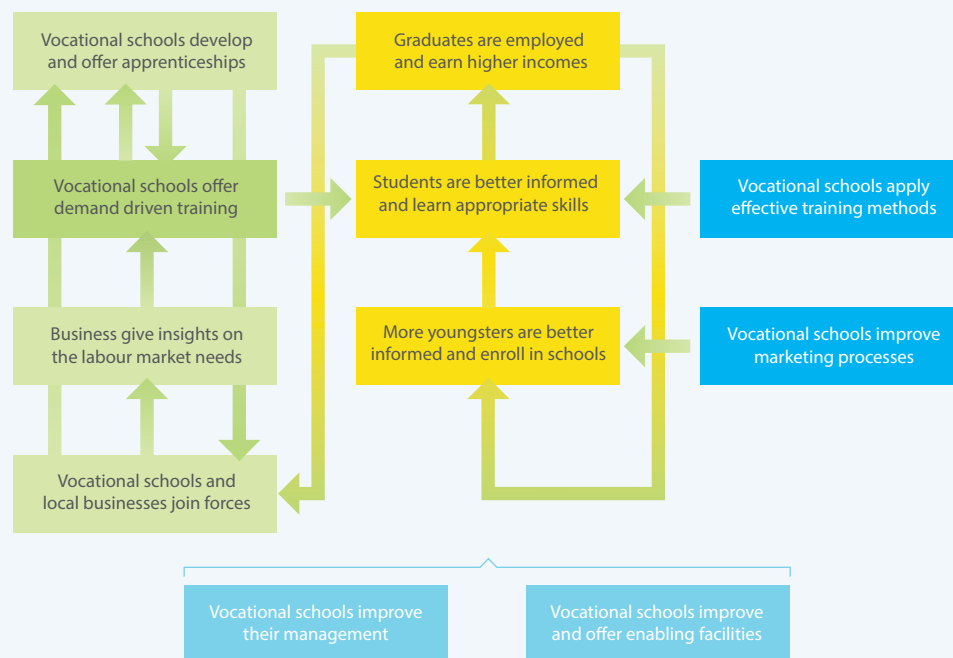
SDC funds three programs in its Employment and Income domain: S4J, SD4E and RISI. The Skills Development for Employment (SD4E) Program focuses on macro- and meso-levels to establish supportive framework conditions and support capacity building for key actors. The Making the Labour Market Work for Young People Program (RISI) focuses on business growth in selected sectors and improving access of young people to quality labour market information and job-matching-services. For more information on SDC's portfolio visit the SDC website.



# The Program's Theory of Change

The introduction of the apprenticeship scheme is one intervention within a set of interventions geared towards improving the supply-side of the present mismatch between labour demand and labour supply.

The demand for skilled labour is high in most sectors and given the relatively high national unemployment rates, especially among the youth, S4J aims to improve the effectiveness of the vocational schools in equipping graduates with a skill-set that meets the needs of businesses. It supports Vocational Education and Training (VET) in schools by applying effective training methods, improving facilities and management, and their positioning and reputation.



**Fig 2 Theory of Change: Vocational schools offer effective and labor market driven education**

The yellow boxes in the middle represent the process that starts with enrolment of the students in school and ends with the employment of the graduates. The S4J interventions are expected to make that process more effective. The green boxes on the left show how the schools and businesses work together to develop the apprenticeship model. This results in an increasing number of businesses hosting apprentices. Schools will better understand what the businesses require from graduates in terms of knowledge, skills and attitude, and students become more prepared and better skilled. The blue boxes (right and bottom) represent the other intervention areas, aiming to introduce more effective training methods, improving management processes and instruments, improving the schools image and positioning towards potential students and offering career orientation and guidance to their students.

**Relationship with the private sector.** The key objective is to link the VET schools' offers to the local market demand for labour. This implies a better understanding of the (local) demand: which sectors are growing, what are the professions that are in high demand, and what are the required skill-sets for those professions? Those answers are not so much found in national statistics, policies and studies, but need to be assessed at source, that is, in the local businesses. Schools have to build the capacity and a supportive culture to cooperate with the local businesses: those future employers are their indirect 'clients'.

Initially, the dialogue and networking with the private sector was designed to take place via existing business organisations, yet it was soon realised that it is more effective and sustainable to develop one-to-one relationships between schools and businesses. Schools have established Development Units and 'Business Relations' is one of the seven core functions of these Units, namely to develop, manage and expand their network of businesses. This will assist the schools in increasing the number of apprenticeships and understanding labour markets better.



# The Apprenticeship Model

Schools sign a memorandum of understanding with each business. Students are challenged and supported by the schools to apply for apprenticeships with businesses - mimicking the job-seeking process. A tripartite contract is signed between the business, the apprentice and the school. Individual learning plans are developed by the school's instructor and the business mentor. Apprentices rotate from one position to another position within the company to meet the learning outcomes stipulated in the learning plans.

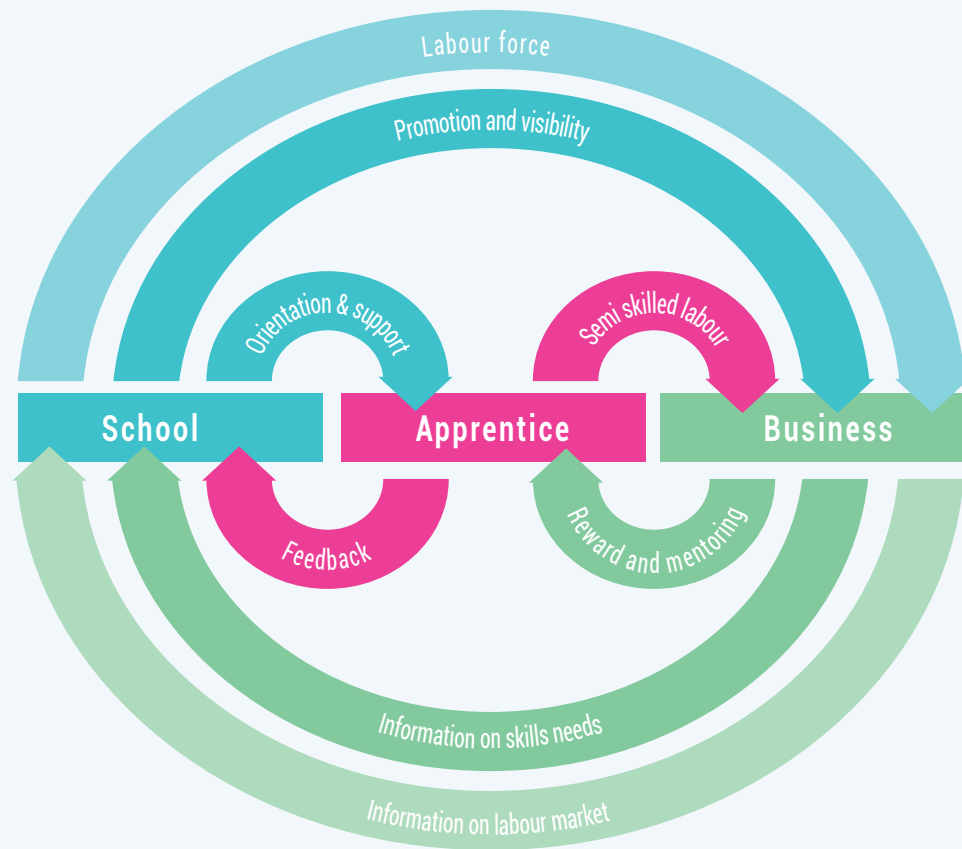
They usually start their apprenticeship when they are in the 10th grade and will stay with that company during their 10th and 11th grade and spend 1-2 days during the week practicing skills at the business premises. In their 12th and 13th grade, when they move from more generic training for the sector (e.g. tourism and hospitality) to more specific training for job profiles within that sector (e.g. cooks or receptionists), they re-apply and sign annual contracts with (other) businesses to be hosted as an apprentice for that specific job profile.

Protocols and instruments were developed to describe the process and responsibilities.

[read more](#) | [Apprenticeship model](#)



**The business model.** Any business model should build on incentives for the school, for the apprentice and for the business. If one of those actors has no incentives, or doesn't perceive them as incentives, the business model will not be sustainable.



**Fig 3 The business model showing transactions and incentives for all three actors in the apprenticeship system**

For the **businesses** to accept apprentices and provide mentoring services (as well as bearing the costs), they should also realise some benefit. In the short-term they have access to semi-skilled and relatively cheap labour while in the long-term they gain access to a more skilled workforce. Businesses also join the scheme because it gives them access to networks and services (such as additional trainings for their staff) and improved social status within the local community.

An important and additional advantage is the element of 'probation': the employer assesses the performance of the apprentices, and the apprentices can experience working within a business. If the match is positive, businesses employ apprentices during their studies (to meet production peaks) and employ them after graduation (to meet the needs of growing business).

For the **apprentices**, the main advantage is being exposed to the world of work and learning skills in a workplace environment while being supported by mentors. This relates not only to the physical environment (often not available or not adequate at the schools) but especially to the overall business environment that is hard to mimic in a school setting. In addition, they benefit from modest income and from the option to work and earn money during weekends and holidays. The design of the apprenticeship model includes helping the student to search and apply for apprenticeships, mimicking the search-and-apply-process and practicing skills they will need when searching for jobs after graduation.

Businesses are not paid any subsidy by the schools or by S4J, thus increasing the likelihood of sustainability of this apprenticeship model.

For the **schools**, they are able to offer relevant work-based training to their students. This training is more appropriate and effective, and it is cheaper than mimicking a workplace in their schools. There is less need to invest in (modern) tools and equipment, and there is less use of inputs (recurrent costs) for practicing the necessary skills. It implies that schools improve efficiency: more graduates using the same resources. Both the business and the apprentices provide the schools with information about the required skill-sets and insight into labour market needs and how they can be incorporated into the overall training of the students.

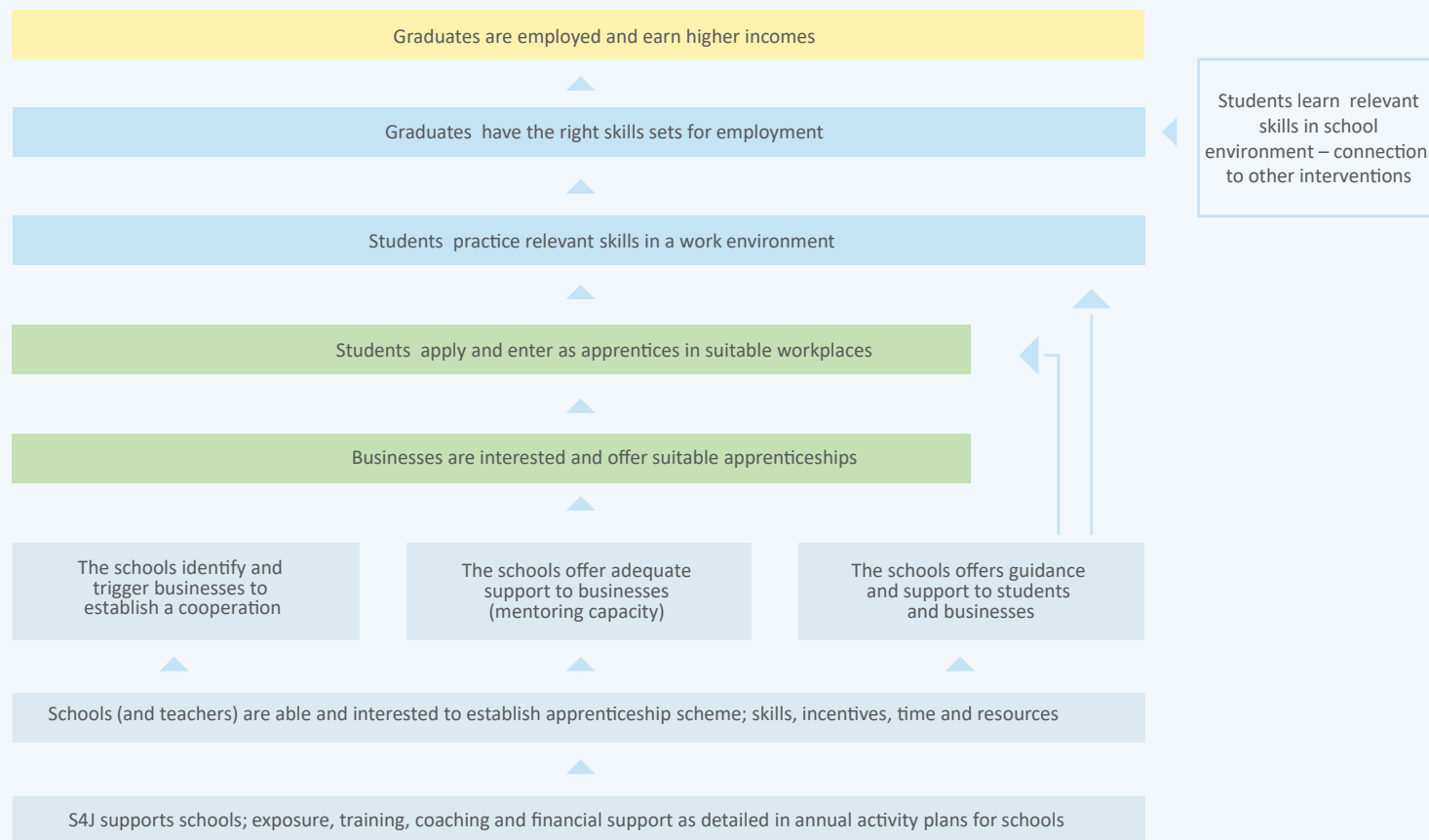
The model has a positive effect on the teachers' workload: the teachers have either fewer students on certain days (when some are at their workplace) or it reduces their teaching hours (when all students are at their workplace). The model also contributes to teachers keeping informed and connected to the businesses and developments in the sector.

S4J continues to work with schools to build their understanding of the local labour markets and to build a system and culture that helps them to assess whether, and in what way, their training leads to a match between labour market needs and supplies. This is a question of not only matching numbers in sectors and professions, but also of matching demand and supply characteristics of jobs profiles and graduates in terms of knowledge, skills and attitudes. Schools should assess this match by tracking their graduates on a regular basis, assessing their employment position, and also obtaining the perception of their employers.



# Introducing the Apprenticeship Model in the Market

The intervention is built on three outcome clusters: 1) triggering the interest of the businesses, 2) developing adequate support services in the businesses to host apprentices, and 3) developing adequate support services for the apprentices during the apprenticeships. If these three outcomes are achieved, businesses are able to host apprentices who then practice relevant skills, increasing their employability.



**Fig 4 Intervention Results Chain: Vocational schools establish apprenticeship training**

## Key to success was the search for and use of opportunities.

Apprenticeships as such were not new in Albania, but the way this model was developed was new. The exposure to the Swiss model was the starting point. Discussing the model with schools and businesses and adapting it to local markets and context made it feasible. Partnering with one school to develop training in one sector (tourism and hospitality) for which they had no work possibilities yet made it possible to test the apprenticeship model in the most enabling context. Identifying a few potential businesses for trying it out, and convincing them it was beneficial to them, was not easy but crucial. The incentives were high as the sector was growing and businesses realised that growth was restricted by the lack of labour force. They were willing to invest in the scheme and take the risk.

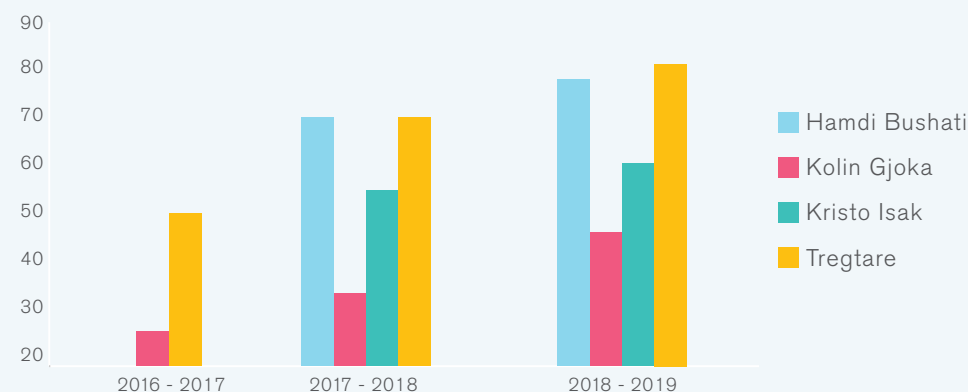
**S4J focused on finding allies.** In the schools, there were managers, staff, teachers and instructors who realised the potential and were willing to try it. S4J had to deal with resistance by emphasising win-win solutions and preventing people feeling threatened. Alternative solutions were sought by encouraging schools to think outside-of-the box and work within the existing rules and regulations: "we assume that what isn't forbidden is allowed".

There were mental walls to be broken down in order to create cooperation. Teachers' perceptions of the business community wasn't always very positive, and they often questioned the motives of the businesses. Teachers also felt that teaching students was their responsibility, not something to be outsourced to others which they regarded as a failure or a threat to their existence.

# Rolling out the Apprenticeship Model

The apprenticeship model is only one of many interventions. S4J had estimated that it should be possible to test and establish some 40-60 apprentices in the first phase of the program. However, soon after its introduction, the interest and uptake of the model increased tenfold, and the model has become one of the most important and successful innovations for S4J and the partner schools.

No. of businesses (cummulative) in T&H for the 4 schools



**Fig. 5 Number of businesses that offer apprenticeships in the Tourism and Hospitality Sector in 4 schools (cumulative)**

**Gradual and flexible.** Gradually rolling out the model across more schools and within those schools among selected sectors, as opposed to introducing it across all schools and all sectors at the same time was key to the success of the program. Given that the model builds upon incentives, S4J took a flexible approach and focused on sectors where business incentives were high and where allies within the schools could be found.

|             | SHKOLLA PROFESIONALE KOLIN GJOKA                                    | SHKOLLA TREGTARE                 | SHKOLLA INDUSTRIELLE PAVARRESA SHIP                                    | SHKOLLA PROFESIONALE KRISTO ISAK                             | SHKOLLA PROFESIONALE HAMDI BUSHATI                           | SHKOLLA TEKNIKE ELEKTRIKE GJERGJ CANCO |
|-------------|---------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------|
| 2016 - 2017 | Tourism & Hospitality                                               | Tourism & Hospitality            |                                                                        |                                                              |                                                              |                                        |
| 2017 - 2018 | Tourism & Hospitality<br>ICT<br>Economy                             | Tourism & Hospitality            | Auto services<br>Mechanics<br>Hydrotechnical<br>Electrotechnics        | Tourism & Hospitality                                        | Tourism & Hospitality                                        |                                        |
| 2018 - 2019 | Tourism & Hospitality<br>ICT<br>Economy<br>Social & Health services | Tourism & Hospitality<br>Economy | Auto services<br>Mechanics<br>Hydrotechnical<br>Electrotechnics<br>ICT | Tourism & Hospitality<br>Economy<br>Social & Health services | Tourism & Hospitality<br>Economy<br>Textile & Fashion Design | ICT                                    |

**Fig 6 Schools and sectors where the apprenticeship model was applied**

Initially, apprenticeships were offered to the students in the lower grades, because they need to be incorporated into the overall 4-year training program from the start. Students that were already in the higher grades could not benefit at all but given the high level of interest on the part of students and businesses; apprenticeships were later offered to all students in all grades. However, the students that were in their last grade only benefit partially.



It turned out that apprentices were too 'unskilled' in the beginning of the first year of their apprenticeship to be useful in the businesses setting. Students are therefore offered a prolonged introduction and orientation at school before they start their apprenticeship. Much emphasis has been placed upon businesses to understand better what to expect and how to mentor the apprentices. Hosting apprentices from different school grades at the same company – with the same mentor – helps the business too.

Another adjustment being made is to tailor the timing of the apprenticeship model to be more in line with business operations. Initially, apprentices were scheduled all year round for 1-2 days a week. Yet, during the off season in the tourism and hospitality sector, for example, there isn't that much work and not much to learn, whereas at peak times, businesses welcome apprentices and they have the opportunity to learn and practice more. In some sectors such as auto-mechanics and electro-technics where health and safety aspects are important, apprenticeships only start in the 11th grade after a longer preparation period at school. Apprenticeships are now scheduled to be more in line with seasonality and business operations.

Practical barriers had to be addressed. For example, convincing businesses to register their apprenticeships at the Tax Office and pay the registration fee, explaining to the Labor Inspectorate and the Tax Office what apprentices are, and avoiding implications for apprentices families (welfare and taxation) were all issues that had to be addressed.

**Endurance.** Strengthening and maintaining partnerships with the businesses is important and challenging. Triggering business interest is a first step, but if this is not followed with a keen interest and support by the schools for the businesses, the risk is that it remains a partnership only on paper, instead of leading to a productive partnership.

Businesses do have an interest, yet find the system challenging and time-consuming as well. Training supervising staff within the businesses to improve their mentoring skills became important. This training was much appreciated by the businesses, not only to mentor the apprentices but also to mentor their staff. Apprentices appreciate the fact that their mentors are certified: it gives them more assurance that their learning process at the business contributes significantly to their training and creates better opportunities for entering the labour market.

S4J organized a Training of Trainers on Mentoring. Those trained trainers (20) now train the responsible staff within the businesses. Some 30 mentors have been trained in 2018. The aim is to train some 250 more towards the end of the present S4J phase.



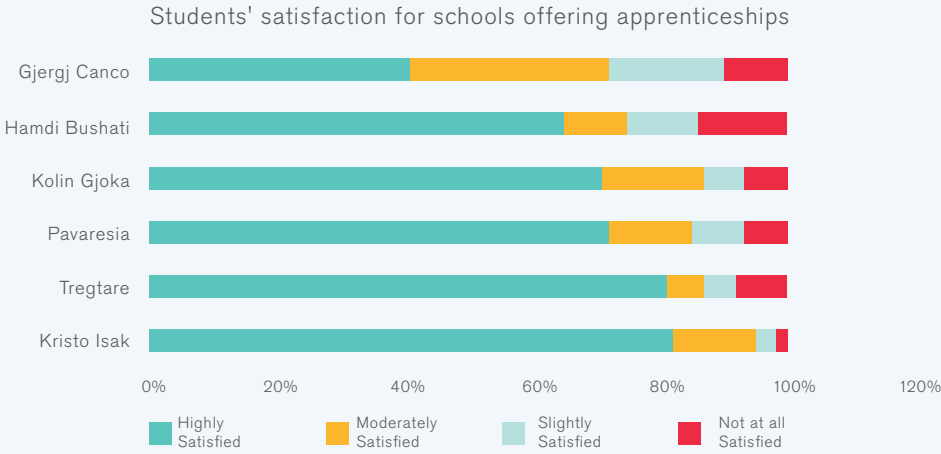
S4J had to play an active role to ensure that schools assumed their responsibility for coaching apprentices and businesses. This implies prioritising by schools and creating time and financial resources within the schools' annual budgets to visit businesses. Stimulating peer learning amongst staff and schools increased the learning significantly.

There is an increasing number of businesses that approach the schools, a major change compared to the time when the model was launched when schools reached out to businesses and had to stimulate their interest. It is important to screen the businesses to determine their suitability for the apprentices – to see if they have sufficient infrastructure and equipment, a sufficient scale of operations and sufficient diversity to offer a range of learning opportunities for the apprentices.

There were some 242 businesses hosting 749 apprentices from 4 schools in the tourism and hospitality sector in 2019. Of those, 90% stated they wished to continue hosting apprentices, while 70% were willing to employ the apprentices after graduation.

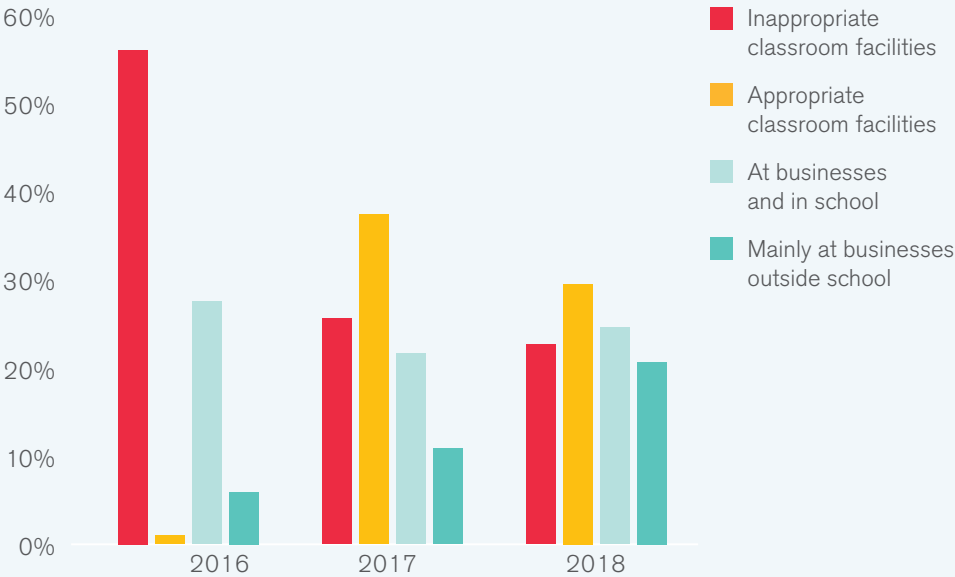
**In total, there were some 436 businesses hosting 1138 apprentices from 6 schools during the 2018/2019 academic year.**

Students appreciate the apprenticeship scheme which is reflected in the enrollment process: 73% of the students stated that this is a major factor they consider when deciding in which sector they want to study (compared to 53% in 2016). Students in schools and sectors that offer apprenticeships are more satisfied than students in schools or sectors that don't offer apprenticeships.



**Fig 7 Students' satisfaction for schools offering apprenticeships for the academic year 2018-2019**

**Where students do their practice models**



**Fig 8 Location where students do their practice models**

**Monitoring the development of the apprenticeship model**

S4J has applied a Monitoring and Results Measurement (MRM) system to inform them of progress and to enable them to adjust the model and plans. The point of departure for the design of the monitoring system was that the schools themselves should have and use an MRM system to monitor and assess the impact of delivering training to students that prepares them for employment.

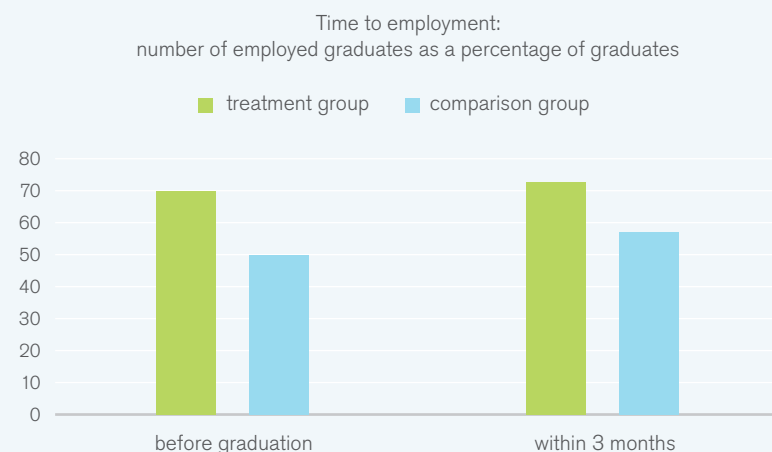
S4J developed a protocol for the apprenticeship model, using studies to obtain information from the graduates one year after graduation and annual assessments to obtain the perceptions of the teachers, students and businesses.

# Early Signs of Impact

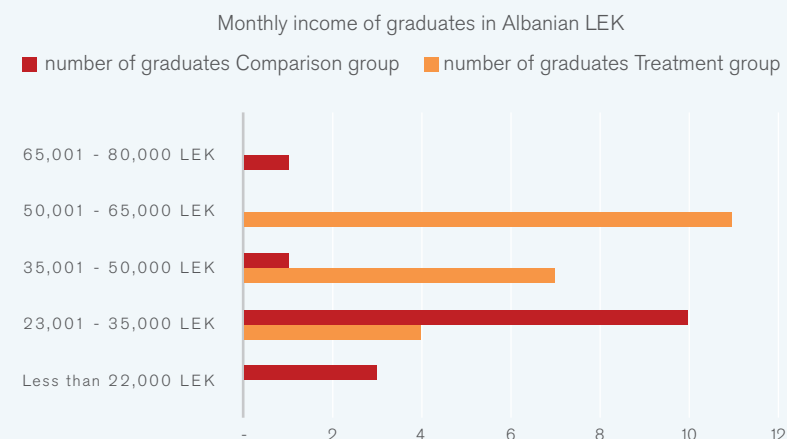
Graduates that benefited from the apprenticeship model are employed earlier and they earn more than other graduates from other schools in the same sectors. An impact assessment using the difference-in-difference methodology was made between one school that applied the model and one school that did not apply the model in the same sector (T&H) and region (South coast).

It is important to stress that this assessment has been carried out relatively early during the implementation of this intervention: there are no students that have graduated and have fully benefited from the innovations at the school, and the number of those graduates that have partially benefited is very small to date. Many more students are expected to benefit and graduate in a few years. This assessment should be seen as signalling the early signs of impact. It's prime objective is to assess higher level results to inform schools and program management. However, the assessment serves as a test on research methods in practice for future assessments.

**Graduates find employment earlier:** 69% (compared to 50% for the comparison group) found a job before graduation, and the number of graduates that find a job within 3 months after graduation rose to 74% (compared to 57% for the comparison group). In most cases, apprentices are offered a job by the employers who confirm that knowing the performance of the apprentice is the main way of satisfying their high demand for skilled labor.



**Fig 9 Time to employment**



**Fig 10 Comparing monthly incomes of employed graduates from treatment and comparison schools one year after graduation (2018).**

N = 35 for Treatment group, N = 20 for Comparison group, response rates 35 and 30% respectively. 1 USD = 108 ALL

**One year after graduation**, there isn't a significant difference between the employment status of the graduates (66%) and the comparison group (70%). However, their income is significantly higher: 51% of the graduates earn LEK35,000 to LEK50,000, compared to the comparison group where 65% earns less than LEK35,000. The graduates state they feel more secure than graduates in the comparison group: 48% feels secure (compared to 21% for the comparison group) and only 9% feels insecure (compared to 29% for the comparison group).



# The Economic Cost Benefit Analysis

Is the introduction of the apprenticeship model positive for society, or would other innovations have brought better results?

This question is answered through an economic Cost Benefit Analysis (CBA). The CBA defines the costs, mainly staff time, and the benefits: increased efficiency for the schools, short-term benefits for apprentices and employers, and longer-term benefits including more graduates being employed and earning higher incomes. The contribution this makes to a more productive labour force and the national economy is not yet quantified in this CBA.

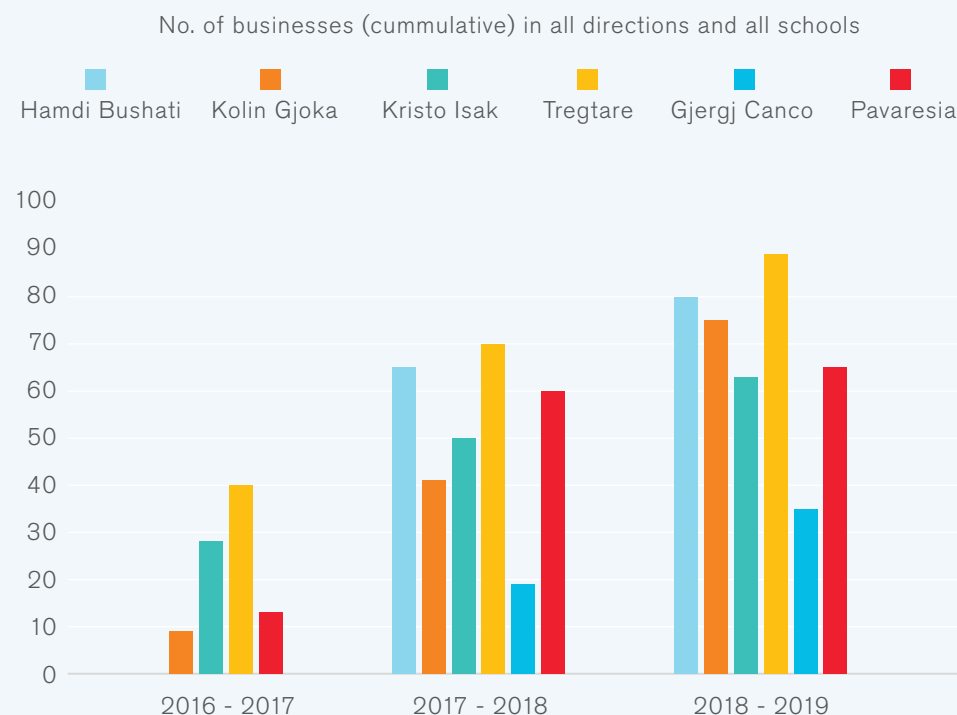
The enormous uptake to date (number of schools, number of businesses and number of apprentices) without subsidising the business model, and the early signs of impact (employment and incomes) clearly confirm that – from the perspective of the actors in the business model – it is worthwhile, and thus sustainable.

From the perspective of the society, the intervention's Internal Rate of Return is high (44%), even if very conservative assumptions and scenarios are considered. Although much is based on conservative assumptions, several crucial returns are not quantified. Students become more employable at graduation, earning more and progressing faster in their careers and a more suitable labour force emerges that no longer hinders the development of potential growth sectors. The program also offers an alternative to youth which reduces their desire to migrate or their desire to continue studies which may mean limited job opportunities after graduation.



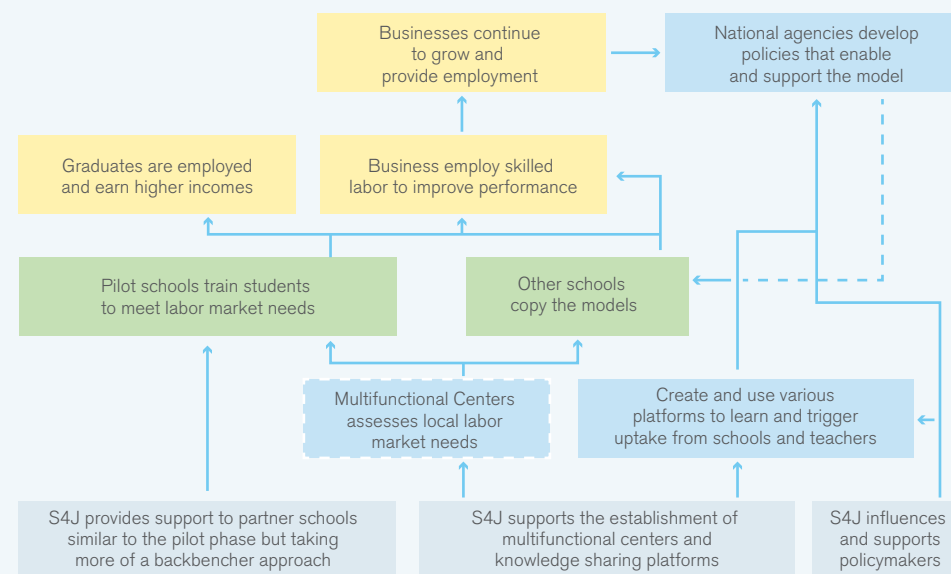
# Scaling up

More schools started applying the model and more schools are applying the model in more sectors. and add the text "In the second phase, S4J aims to scale up and achieve systemic changes, one of them being that apprenticeships have become the norm and practice for Vocational Education and Training (VET) in Albania. The strategy builds on consolidation and expansion, including creating a more enabling environment.



**Fig 11 Number of businesses offering apprenticeships in all directions and schools**

In the second phase, S4J aims to scale up and achieve systemic changes, one of them being that apprenticeships have become the norm and practice for VET in Albania. The strategy builds on consolidation and expansion, including creating a more enabling environment.



Sector level results chain: upscaling the model to the national level

**Fig 12 S4J's Upscaling strategy**

**Consolidation.** To support schools and teachers to adopt, manage and further develop and adapt the apprenticeship model with all the necessary support services and products such as quality assurance. To expand and strengthen the network of businesses within the sectors that offer apprenticeships to increase.

**Expansion within partner schools.** To support schools and teachers to apply the model in other sectors, and to diversify the model within sectors to offer tailored apprenticeships for a number of specialised job profiles.

**Expansion to other schools.** To support other schools to apply the model by disseminating the model and insights on the implementation on knowledge sharing platforms that bring together teachers from all schools (among many other topics and themes).

**Creating Multifunctional Centres.** It is important that schools are able to assess local labour markets. This will help them to select the right sectors and to develop effective training for their students. Schools and vocational training centres in the same region are encouraged to work together. A multifunctional centre is added to one school that has the expertise and capacity to cooperate and support more schools to apply the model (and many other innovations as a result of S4J interventions).

**Policies and regulations.** S4J is getting more involved and using its experience with the apprenticeship model (among other innovations) to influence the regulatory framework and make it more conducive for schools and businesses to host apprentices, based on a thorough needs analyses of the local labour markets.

# Monitoring the Development of the Apprenticeship Model

S4J has applied a Monitoring and Results Measurement (MRM) system to inform them on the progress being made and to be able to adjust the apprenticeship model and plans. The point of departure for the design of the monitoring system was that the schools themselves should have and use such an MRM system to monitor and assess their impact: delivering training to students that prepares them for employment.

## **S4J developed a protocol and instruments for the apprenticeship model.**

The protocol includes how schools and teachers should monitor the apprentices and the businesses; how to assess the readiness of the business, when to visit the apprentices and how to assess progress, and how that information is used for decision-taking.

The tools below are used to assess all interventions at one go.

**S4J developed a school-based tracing system to obtain information from the graduates one year after graduation.** Schools have been involved from the start to undertake the tracer study, and the active role S4J played initially (designing, pushing and analyzing) is gradually being reduced to building the schools' capacities over-time and for them to appreciate the benefits of such tracer studies as a management information tool. Tracers provide information only one year after graduation and therefore S4J (and the schools) also undertake pre-tracer studies just before graduation. The on-line questionnaire is very short (5 questions) and focuses on the situation and plans of the graduates in terms of employment and serves to increase connectivity with the graduates (including social media) to facilitate the tracer studies later on.

This information enables schools to assess progress and use that information earlier (as opposed to waiting for one year for the tracer study results), and are perceived by teachers as a 'motivator'. The tracer studies also use on-line questionnaires, yet these are more comprehensive than the pre-tracer forms. They seek information from the graduates on their employment status and incomes, working conditions, reasons for employment or unemployment, information on job searching, job details, relevance with their studies, as well as information about their employers; type, size and location.

The on-line questionnaires are created using an open source at no costs. The guidance manual for the tracer system is available [here](#). (hyperlink to manual)

**S4J undertakes annual assessments to obtain the perceptions of the schools' teachers and management, students and businesses.** These are undertaken by consultants, one per school, to reduce bias. They are one the one hand structured in such a way that comparisons can be made: over time and between schools, and on the other hand adjusted to inform about certain themes and aspects that are more relevant for that period and that school. The studies make use of focus group discussions and follow-up in-depth interviews with selected respondents. Field notes are documented using pre-designed templates. The findings are discussed with the schools and within the S4J team, and are a major input into the development of the semi-annual plans (or when the need or opportunity arises, adjustments are made earlier).

**S4J undertakes additional assessments** for specific themes and interventions when the need arises, such as in-depth studies on assessing the reasons for drop-outs, gender analyses, use of technology, enrollments.

**Day-to-day monitoring** is done by the intervention managers based on and combined with frequent work visits to the schools, collecting information from management, teachers and support staff on output and outcome levels. Field notes are documented using pre-designed templates. Activity-based assessments (such as on infrastructure, training events) are done in-house.





# Assessing Sustainability: Financial Cost Benefit Analyses

Analyzing the Cost and Benefits (CBA) for all three actors in the business model helps to assess its sustainability: benefits should outweigh the costs for each of the actors. Financial Cost Benefit Analyses have been made for each of the actors.

**For the businesses**, the Net Present Value (NPV) is very high. The main reason being that businesses don't have to make investments that only pay back over time, but they benefit (return on labor) when facing the costs. Even if productivity (of the apprentice) is low, the NPV remains attractive. Most businesses state that this (quantifiable) rate of return is not their key driver; they perceive the longer term benefits (risk reduction when hiring, access to services, and benefits deriving from their social status), as more important.

**For the apprentice**, the only investment is time (if not at the workplace it will be spend at school) and they benefit in terms of learning skills and additional incomes during the schooling, and increased chances on earning a better income after graduation. Students state that the apprenticeships are valuable to them, mainly because it increases their chances on the labor market. The income they earn during spare time is higher than they could earn elsewhere. Even if students don't earn additional incomes, their NPV is attractive.

**For the schools**, it all depends if the additional investments in developing the apprenticeship model that are made in the first year, reduces the need to invest into additional work based learning facilities. For schools that have appropriate facilities, the NPV is negative because they have invested in the facilities and also have to invest in the development of the apprenticeship. For schools that don't have appropriate facilities, the NPV is positive because they only need to invest in the development of the apprenticeship model. The benefits for the schools are much bigger in terms of being able to offer suitable training for their students that leads to higher employment rates, which is their mission, within their existing recurrent budgets.

[read more](#) | [Financial Cost Benefit Analysis](#)

S4J started this pilot with a school that had planned to add Tourism and Hospitality (T&H) to their portfolio. For them, the apprenticeship model was very attractive as they didn't have to invest into developing the facilities. This enabled S4J to develop and test the apprenticeship model, fine tuning it and using it as a demonstrating model, to adapt it with schools and sectors where the conditions were more challenging (because part of the investments into the facilities have been made already).



## Assessing Attributable Impact

S4J has introduced the apprenticeships at a number of schools for several sectors and in different forms and over different timelines. This is a good practice in terms of adaptive management and system development, but it also increases the challenges to assess the impact.



## What needs to be Assessed?

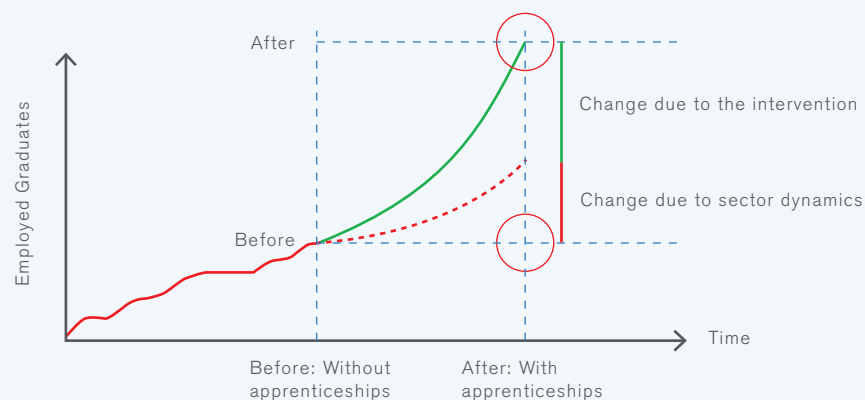
S4J aims to improve the VET system to increase the employability of the graduates. The key constraint in the Albanian labor market is the mismatch between what the employers need, sufficient and skilled labor force, and the existing and future labor force. To assess if S4J interventions have led to more and better employable graduates, the program assesses how many graduates are employed, what type of jobs and forms of employment they have, as well as their incomes they derive from employment.

The majority of the graduates that participated in the apprenticeship model and have graduated one year ago are found in the T&H sector. This assessment is there for limited to that sector only. In the other sectors, the model was implemented later and mainly to the lower grade students, hence there are too few graduates in the other sectors that have graduated more than a year ago.

# How to Establish the Counterfactual?

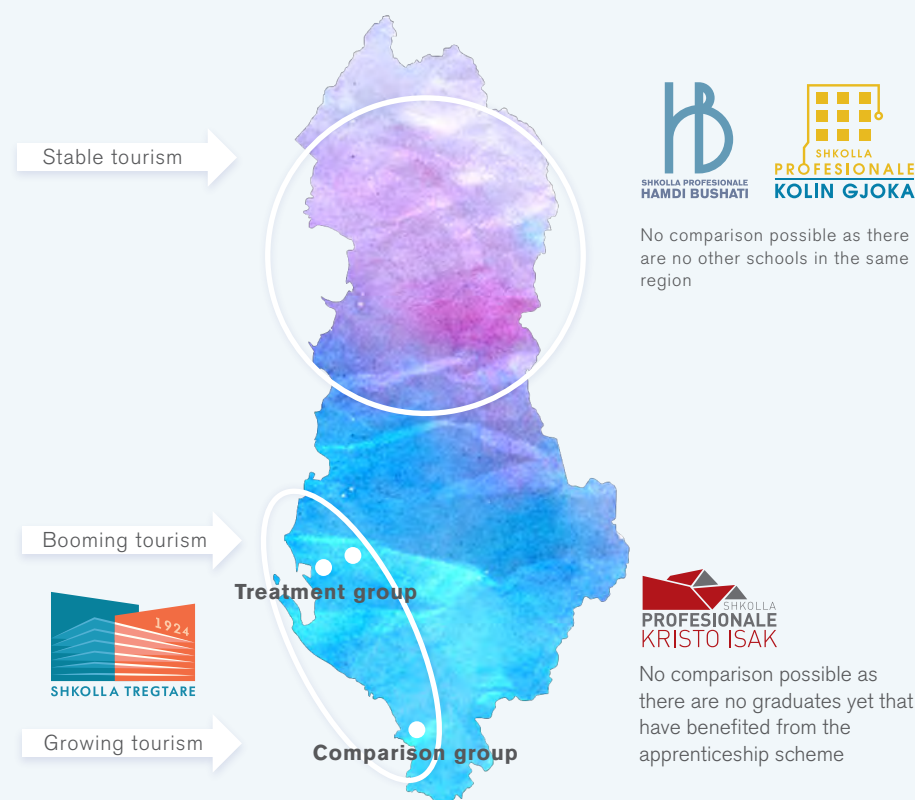
The key question to be answered is what would have happened anyway had S4J not intervened: would more or less graduates be employed, would they have different jobs, and would they earn more or less income?

A simple Before and After Comparison (BAC) would not be sufficient. More factors influence employment rates. One obvious influencing factor is the dynamics in the sector they are trained for. Other influencing factors are the dynamics of other sectors that also influence employment in the target sector. Even the overall context of the graduates, such as alternatives to employment that graduates have, influence employment. For example, if the options to continue education or to immigrate abroad become more attractive, it will reduce the number of employed graduates. S4J assessed if and how such factors may influence employment of the graduates and concluded that there were no major other factors during the implementation period, other than for the sector dynamics and the resulting changes in labor demand.



**Fig 13 Attribution method: Difference in Difference to eliminate external factors**

S4J therefore compared the graduates that participated in the apprenticeship scheme with graduates from schools that did not. However, the local labor markets vary too much to enable this comparison for all schools. In some regions, there is no other school to compare with, and comparing a pilot school in a region with high growth rates in tourism should not be compared with another school in a region where the growth of tourism is less steep. The different supply-demand dynamics influence the comparison.



**Fig 14 Geographical spread of the treatment and comparison groups**

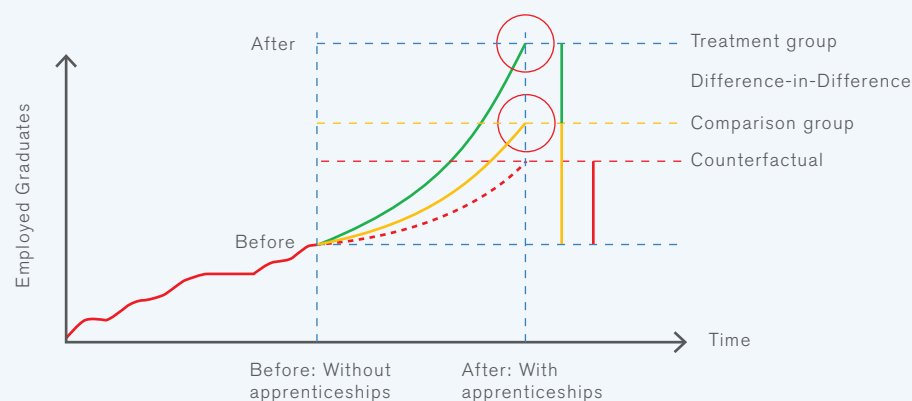
This limits S4J's comparison at this moment and for the Tourism and Hospitality sector to two schools. This assessment assumes that the baseline situation of the schools and the graduates at the start of the program is the same. In reality, there might be some minor differences as a result of their reputation and quality of the schools' training, but also the characteristics of the youngsters that enter the schools.

|                         | Population | Respondents |
|-------------------------|------------|-------------|
| <b>Treatment group</b>  | 36         | 35 (99%)    |
| <b>Comparison group</b> | 34         | 20 (59%)    |

**Fig 15 Sample frame and response rate**



However, the other (comparison) school also received additional support through another development program that did not introduce an apprenticeship scheme, but did work on improving practical learnings at the school. Hence, the comparison is not truly leading to the counterfactual. However, assuming that this change was also positive, it means that the results of the comparison – if positive – are likely to be conservative: had the other school not improved practical learnings too, the difference would be bigger.



**Fig 16 Illustrating the treatment and comparison group with the counterfactual due to lack of a true comparison group**

Another complicating factor is that introducing the apprenticeship scheme is not the only intervention that S4J had with the pilot schools, S4J also implemented interventions to improve teaching methods. These interventions also have an effect on the employability of the graduates, yet the effect of these interventions is considered less significant at this point – as it takes more time. The reported impact will thus be mainly – but not only – due to the introduced apprenticeship scheme. On the other hand, the graduates have only done their apprenticeship for one year because the model was only introduced in 2016. The influence of the apprentice model on students who will benefit from more years of apprenticeships is likely to be higher.

## How was the Assessment Done in Practice?

### On-line surveys

S4J had motivated and supported schools to develop a system and a practice to track their graduates. This is done at two stages; just before graduation (pre-tracer study) and one year after graduation (tracer study). This short (on-line) questionnaire provides basic information on their employment status such as the type of jobs, the time it took from graduation to employment, their incomes as well as a number of questions that enable the program to assess the reasons and perceptions of the graduates. This information is mainly used by S4J and the schools to compare progress over time, but the data is also used to provide information about the treatment group for this impact assessment. A similar survey was now undertaken targeting the graduates of the other school to obtain information on the comparison group. Comparing those two data sets, enabled S4J to assess the impact.

Tracing the graduates of the other school was challenging. S4J did not have a partnership with the other school and privacy regulations restricted the other school to provide data on their graduates. The other school shared the on-line survey among their graduates, but the questionnaire was made anonymous, hence without the possibility to verify the information and use it as an entry point to conduct additional interviews.

### Interviews

The resulting (mainly quantitative) comparison was based upon information provided by the graduates. Once processed and analyzed, a small sample of graduates and their employers were interviewed. Graduates were interviewed to better understand their situation and perception of why they were employed. Employers were interviewed to verify and understand why graduates were employed and what their perception is of the employability and performance of the graduates. Triangulation of those two sources provides more solid and insightful information on the achieved impact.



# Analyzing Impact

Before analyzing the results, some reflection on the limitations of the assessment is important. The number of graduates is – to date – limited: only 36 graduates in the treatment group of which 35 responded, and only 34 in the comparison group of which only 20 graduated (59%) responded. There is no information about the non-respondents and their reasons for not responding. The main difference is that the graduates in the treatment group are known and non-respondents are contacted and urged to reply, while that can't be done with the comparison group.

This example shows the importance of defining the attribution method (DiD) and when and how comparison groups will be defined and assessed at the start of the intervention. Are there options to contact the respondents directly? What can be done to avoid selection and respondent bias for the respondents in the comparison group? Maybe it also shows the limitations of DiD studies: assessing anonymous respondents that can't be interviewed to deepen the understanding through follow up questions. Solutions may also be found at the design and implementation side of the intervention: if all schools would undertake such tracing studies and would agree to share the results, this challenge would be addressed. Of course, this is almost like an intervention by itself that has to consider and address potential sensitivities that may arise at schools, government and donor levels.

# Comparing Treatment and Comparison Group

An initial comparison is made between the treatment and comparison group for the employment status and the time it took from graduation to employment. This shows that the main difference is not the employment situation after one year – there is no significant difference – but the fact that many more graduates in the treatment group found a job before graduation than those within the comparison group. More graduates from the treatment group are working in the sector they were studying in, they feel more secure in their jobs and the average income of the graduates in the treatment group is significantly higher. This suggests that from the treatment group more graduates find earlier and more attractive employment.

However, the key question to be answered is still if labor demand plays a role. Although local market demand is filled by national supply – job seekers do move to regions where there is more demand – it is likely that this affects the employment seeking behavior between the two groups. Youngsters, especially girls, are maybe inclined to – at least initially – search nearby, and only later search in other locations, but then they have missed the first main tourist season.

Additional interviews with (6) graduates from the treatment group and their employers (4) confirmed that apprenticeships play an important role when seeking employment. Apprentices are often offered a job by the employer because they know the apprentices and this reduces their risk when hiring somebody else they don't know. Those jobs are often summer jobs, and graduation-time roughly coincides with the start of the tourism season.

# Comparing Graduates Among the Pilot Schools (treatment groups)

Although it would most interesting to compare graduates from one school with graduates from other schools in terms of employment, the number of graduates from each school that have graduated benefiting from the apprenticeship scheme is limited to date. More importantly, the labor demand situation influences the employment status too much to enable comparisons. Useful comparisons within the treatment group can thus only be made at outcome and output levels, to learn and adjust plans. Those are done by the program using both the results of the tracer studies and results from the perception studies with the schools, students and businesses.



**About the author:**

Hans Posthumus is the owner-trainer-consultant of HPC and an experienced Market Systems Development expert and a certified DCED auditor. He provides technical assistance, training and coaching services to programs and donors. He has conducted and published thematic and specific research on Private Sector Development and on the application of the DCED Standard.

**Disclaimer**

The views expressed are those of the author and do not necessarily represent the views of Swisscontact, Swiss Agency for Development and Cooperation (SDC) or the Donor Committee for Enterprise Development (DCED).



Supporting Documents



# Monitoring and Results Measurement Manual

'SKILLS FOR JOBS' (**S4J**)  
**August** 2018

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# Tracer Questionnaire



**NAME OF THE VET PROVIDER**  
[insert logo of the VET provider]

**GRADUATES OF [insert cohort] TRACER SURVEY**

[insert Month, Year of the survey]

Dear Graduate,

We kindly invite you to participate in this survey of graduates who completed their [studies/training] in the [VET provider] in [insert year].

We would like to know how you have fared since your [studies/training] has ended. Did you find a job or are you still looking for a job? Do you use the knowledge and skills you have learned and acquired during your studies? Your responses will be used for research purposes and are vital to assess the employability of the graduates and to eventually improve the curriculum of the programs offered in the [VET provider]. It is our aim to improve the VET environment for future students and to ensure that our graduates can obtain decent work and/or access further studies.

The questionnaire takes only about 5-10 minutes of your time to complete depending on the relevant sections you are directed to as you go along.

Please be assured that your information will be treated in strict confidence and that the results will be published in such a way that identification of individual persons is excluded.

Do you have any questions? Please get in touch with [insert contact person] at [insert contact person correspondence].

Thank you for your cooperation!

/An asterisk marks mandatory questions (\*)

## SECTION I: LABOUR MARKET OUTCOMES

/FILTERED QUESTION

**Question 1.** Which of the following best describes your current situation? (\*)

- a. Employed
- b. Self-employed
- c. Not employed
- d. Student/Trainee
- e. Other (please specify)\_\_\_\_\_

/When the option **EMPLOYED** is chosen the succeeding series of questions follow:

**Question 2.** When did you start your first job after graduation? (\*)

- a. Before graduation
- b. Up to 1 month after graduation
- c. 1 to less than 3 months after graduation
- d. 3 to less than 6 months after graduation
- e. 6 to less than 9 months after graduation
- f. 9 to less than 12 months after graduation
- g. More than 12 months after graduation

**Question 3.** How did you find your first job? (\*)

- a. Job advertisement (web-sites, social media, newspapers etc.)
- b. Personal connections (through family, friends, acquaintances)
- c. Through the internship during the course of my [studies/training]
- d. I was contacted directly by the employer
- e. Through the career center of my TVET institution
- f. Through the teaching staff of my TVET institution



- g. Through the employment office
- h. Other (please specify): \_\_\_\_\_

/FILTERED QUESTION

**Question 4.** How many jobs (including your current one) have you had since graduation? (\*)

- a. 0
- a. 1
- b. 2
- c. Other\_\_\_\_\_

/When the option **1** or **2** or **Other** is chosen the succeeding series of questions follow:

**Question 4a.** What was the main reason for leaving your last job? (\*)

- a. Termination of the job contract
- b. The job did not match my education
- c. I was offered a better pay
- d. I was offered better work conditions
- e. Redundancy in the workplace
- f. Family reasons
- g. Other (please specify): \_\_\_\_\_

**Question 4b.** How long have you been working with your current employer? (\*)

- a. Up to 1 month
- b. 1 to 3 months
- c. 4 to 6 months
- d. 6 to 9 months
- e. Other (please specify): \_\_\_\_\_

/When the option **0** is chosen the succeeding series of questions follow:

**Question 5.** Is the sector you are currently working related to your [education/training]? (\*)

- a. Yes
- b. No (please specify the sector): \_\_\_\_\_

**Question 6.** Where do you work (specify the region (qark))? (\*)

- a. Berat
- b. Dibër
- c. Durrës
- d. Elbasan
- e. Fier
- f. Gjirokastrë
- g. Korçë
- h. Kukës
- i. Lezhë
- j. Shkodër
- k. Tiranë
- l. Vlorë
- m. Other (please specify): \_\_\_\_\_

**Question 7.** How many employees work in your company in total (not just at your current workplace)? *Please estimate the number* (\*)

- a. 1-4 employees
- b. 5-9 employees
- c. 10-49 employees
- d. >50 employees

**Question 8.** What is your job title (e.g. economist etc.) at your current workplace?

- a. Please specify: \_\_\_\_\_

**Question 9.** Do you work full-time? (\*)

- a. Yes, I work full-time
- b. No, I work part-time

- c. Yes, I work full-time, but as a seasonal worker

**Question 10.** What type of contract do you have? (\*)

- a. Fixed-term contract
- b. Indefinite contract
- c. Internship
- d. No contract

**Question 11.** What is your net monthly income from your work? (\*)

- a. Less than 21,300 LEK
- b. 21,300 – 35,000 LEK
- c. 35,001 – 50,000 LEK
- d. 50,001 – 65,000 LEK
- e. 65,001 – 80,000 LEK
- f. > 80,001 LEK

**Question 12.** How secure (stable) do you feel in your current job? (\*)

- a. Very insecure
- b. Insecure
- c. Neither secure nor insecure
- d. Secure
- e. Very secure

**Question 13.** How satisfied are you with your current job? (\*)

- a. Very unsatisfied
- b. Unsatisfied
- c. Neither satisfied nor unsatisfied
- d. Satisfied
- e. Very satisfied

/When the option **SELF-EMPLOYED** is chosen the succeeding series of questions follow:



**Question 2.** Is the scope of your self-employment activity related to your [education/training]? (\*)

- a. Yes
- b. No

**Question 3.** How long did it take for you to start your own business after graduation?

- a. It is a family business
- b. Before graduation
- c. At the time of graduation
- d. Up to 1 month after graduation
- e. 1 to 3 months after graduation
- f. 3 to 6 months after graduation
- g. 6 to 9 months after graduation
- h. 9 to 12 months after graduation
- i. More than a year after graduation

**Question 4.** Where is your activity located (specify the region (qark))? (\*)

- a. Berat
- b. Dibër
- c. Durrës
- d. Elbasan
- e. Fier
- f. Gjirokastër
- g. Korçë
- h. Kukës
- i. Lezhë
- j. Shkodër
- k. Tiranë
- l. Vlorë
- m. Other (please specify): \_\_\_\_\_

**Question 5.** Apart from yourself, how many employees do you have? (\*)

- a. Noone
- b. 1
- c. 2
- d. 3
- e. Other (please specify) \_\_\_\_\_

**Question 6.** What is your net monthly income from self-employment? (\*)

- a. Less than 21,300 LEK
- b. 21,301 – 35,000 LEK
- c. 35,001 – 50,000 LEK
- d. 50,001 – 65,000 LEK
- e. 65,001 – 80,000 LEK
- f. > 80,001 LEK

**Question 7.** How do you see self-employment?

- a. As a permanent activity
- b. As a temporary activity
- c. I don't know
- d. Other (please specify)\_\_\_\_\_

**Question 8.** How satisfied are you with your job? (\*)

- a. Very unsatisfied
- b. Unsatisfied
- c. Neither satisfied nor unsatisfied
- d. Satisfied
- e. Very satisfied

/When the option **NOT EMPLOYED** is chosen the succeeding series of questions follow:

**Question 2.** What do you think is the major reason for your current unemployment? (\*)

- a. Lack of work experience

- b. Theoretical knowledge not matching with job needs
- c. Practical skills not matching with job needs
- d. Job opportunities not related to my area of [study/training]
- e. Lack of contacts in finding a job
- f. Job scarcity in my region
- g. Engaged in child rearing of family/household care
- h. Other (please specify): \_\_\_\_\_

/FILTERED QUESTION

**Question 3.** Have you ever been employed since graduation? (\*)

- a. Yes
- b. No

/When the option **YES** is chosen the succeeding series of questions follow:

**Question 3a.** When did you start your first job after graduation? (\*)

- a. Before graduation
- b. Up to 1 month after graduation
- c. 1 to less than 3 months after graduation
- d. 3 to less than 6 months after graduation
- e. 6 to less than 9 months after graduation
- f. 9 to less than 12 months after graduation

**Question 3b.** How did you find your first job? (\*)

- a. Job advertisement (web-sites, social media, newspapers etc.)
- b. Personal connections (through family, friends, acquaintances)
- c. Through the internship during the course of my [studies/training]
- d. I was contacted directly by the employer
- e. Through the career center of my VET institution
- f. Through the teaching staff of my VET institution
- g. Through the employment office



h. Other (please specify): \_\_\_\_\_

**Question 3c.** What was the main reason for leaving your last job?

- a. Termination of the job contract
- b. The job did not match my education
- c. Redundancy in the workplace
- d. Family reasons
- e. Other (please specify): \_\_\_\_\_

/When the option **NO** is chosen the succeeding series of questions follow:

**Question 4.** Have you been looking for a job in the last 4 weeks?

- a. Yes
- b. No

/When the option **NO** is chosen the succeeding series of questions follow:

**Question 5.** Why have you not been looking for a job in the last 4 weeks?

- a. I started studying
- b. I have a disability
- c. I am engaged in child rearing/household care
- d. I am waiting for the appropriate season
- e. I am waiting to start a new job
- f. I don't feel like working at the moment
- g. I don't trust that I will find a job
- h. I intend to leave the country
- i. Other (please specify)\_\_\_\_\_

/When the option **STUDENT/TRAINEE** is chosen the succeeding series of questions follow:

**Question 2.** What type of qualification are you studying towards? (\*)

- a. Bachelor degree
- b. Vocational school
- c. Professional course
- d. Other (please specify): \_\_\_\_\_

**Question 3.** What is the name of the institution you are currently studying/training at?

- a. Name of institution (please specify): \_\_\_\_\_

**Question 4.** Are you studying/training full-time? (\*)

- a. Full-time
- b. Part-time

**Question 5.** What was the main reason for following your current studies/training? (\*)

- a. To achieve a higher qualification
- b. To improve the chances of finding a better job
- c. To pursue a different career
- d. I could not find a job
- e. Other (please specify): \_\_\_\_\_

**Question 6.** What are you going to do after finishing your current studies/training?

- a. Follow further studies
- b. Search for a job
- c. Start my own business
- d. Migrate abroad
- e. Other (please specify): \_\_\_\_\_

/When the option **OTHER** is chosen the succeeding series of questions follow:

**Question 2.** What are you currently doing? (\*)

- a. Cannot decide on what I want to do
- b. Not been able to find a job and have given up

- c. Planning on (or leaving) the country
- d. Planning on (or leaving) the city of residence
- e. Disabled
- f. Engaged in child rearing of family/household care
- g. Other (please specify): \_\_\_\_\_

## SECTION II: LINK BETWEEN PRIOR [EDUCATION/TRAINING] AND CURRENT WORK

When the option **EMPLOYED** or **SELF-EMPLOYED** is chosen the succeeding series of questions follow in Section II:

**Question 1.** How has your vocational [education/training] institution helped you in finding your first job? (\*)

- a. I learnt how to search and apply for a job
- b. I was guided on career opportunities
- c. I established contacts with potential employers
- d. Other (please specify): \_\_\_\_\_
- e. It barely helped me in finding work

**Question 2.** Looking back, what could the vocational [education/training] institution have done better in helping you?

- a. Please specify: \_\_\_\_\_

**Question 3.** Rate the extent to which the following questions apply in a scale from 1 to 5, where *1=not at all* and *5=to a very high extent*. (\*)

- a. To what extent is the **knowledge** you acquired during your [study/training] directly utilized in your current job?
- b. To what extent are the **practical skills** you acquired during your [study/training] directly utilized in your current job?
- c. To what extent is your actual **job position** appropriate to your study/training]?

1 2 3 4 5

1 2 3 4 5

1 2 3 4 5

**Question 4.** Looking back, to what extent should any of the following components be improved to better prepare graduates for the job market in a scale from 1 to 5, where *1=not at all* and *5=to a very high extent*. (\*)

|                                                            |   |   |   |   |   |
|------------------------------------------------------------|---|---|---|---|---|
| a. Infrastructure                                          | 1 | 2 | 3 | 4 | 5 |
| b. Curricula                                               | 1 | 2 | 3 | 4 | 5 |
| c. Texts and learning materials                            | 1 | 2 | 3 | 4 | 5 |
| d. Teaching and delivery methods                           | 1 | 2 | 3 | 4 | 5 |
| e. [Teachers/Instructors] theoretical and practical skills | 1 | 2 | 3 | 4 | 5 |
| f. Internships                                             | 1 | 2 | 3 | 4 | 5 |
| g. Career counseling                                       | 1 | 2 | 3 | 4 | 5 |
| h. Collaboration with businesses                           | 1 | 2 | 3 | 4 | 5 |
| i. Collaboration with employment offices                   | 1 | 2 | 3 | 4 | 5 |
| j. Other (please specify): _____                           | 1 | 2 | 3 | 4 | 5 |

**Question 5.** Looking back, which of the practical skills that you have acquired during your [education/training]...

- a. are used the most in your work? Please specify: \_\_\_\_\_
- b. are not used in your work? Please specify: \_\_\_\_\_

**Question 6.** Looking back, which of the skills that you need in your work were missing during your [education/training]?

- a. Please specify: \_\_\_\_\_

When options **NOT EMPLOYED** or **STUDENT/TRAINEE** or **OTHER** is chosen the succeeding series of questions follow in Section II:

**Question 7.** Rate the extent to which the following questions apply in a scale from 1 to 5, where *1=not at all* and *5=to a very high extent*. (\*)

|                                                                                                                   |   |   |   |   |   |
|-------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| a. If you were free to choose again, to what extent would you probably choose the same field of [study/training]? | 1 | 2 | 3 | 4 | 5 |
| b. If you were free to choose again, to what extent would you probably choose the same VET institution?           | 1 | 2 | 3 | 4 | 5 |



**Question 8.** Within the next two years, what do you plan to achieve in terms of employment or further education/training? *[Multiple answers possible]* (\*)

- a. To get employed
- b. To get a job more closely linked to my area of study/training
- c. To start my own-business
- d. To follow further studies
- e. To emigrate abroad
- f. To migrate to another city
- g. Other (please specify): \_\_\_\_\_

### SECTION III: SOCIO-DEMOGRAPHIC DATA

**Question 1.** Name Surname (\*)

\_\_\_\_\_

**Question 2.** Gender

- a. Male
- b. Female

**Question 3.** Date of birth

- a. Please specify: \_\_\_\_\_

**Question 4.** Are you...?

- a. Single
- b. Married
- c. Other (please specify): \_\_\_\_\_

**Question 5.** Where do you live?

- a. Urban area
- b. Rural area

**DATA PROTECTION STATEMENT:** All answers will be kept confidential and it will not be possible for institutions other than the school that sent you the questionnaire to identify whether you participated in the survey. Any reference that could be used to identify you will be removed from the dataset at the end of this tracing period.

A close-up photograph of a person wearing a white lab coat. The sleeve of the lab coat has "S4" embroidered in blue thread. The person's hand is pointing at a tablet screen which displays a green bar chart. The background is blurred.

# Financial Cost Benefit Analysis

## Financial Cost Benefit Analysis

| Employers                                             |                                                                                                                                                                                                      |                                |                                                           |      |      |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------|------|------|
|                                                       | Conservative                                                                                                                                                                                         | Optimistic                     | Comments                                                  | %    | %    |
| <b>Costs</b>                                          |                                                                                                                                                                                                      |                                |                                                           |      |      |
| Supervision                                           | 16,875                                                                                                                                                                                               | 11,250                         | in-kind                                                   | 25%  | 30%  |
| Food                                                  | 14,400                                                                                                                                                                                               | 7,200                          | in-kind                                                   | 21%  | 19%  |
| Allowance                                             | 36,000                                                                                                                                                                                               | 18,000                         | cash                                                      | 53%  | 48%  |
| Uniform                                               | 1,000                                                                                                                                                                                                | 1,000                          | in-kind                                                   | 1%   | 3%   |
| Production losses                                     |                                                                                                                                                                                                      |                                | not quantified                                            |      |      |
|                                                       | <b>68,275</b>                                                                                                                                                                                        | <b>37,450</b>                  |                                                           | 100% | 100% |
| <b>Benefits</b>                                       |                                                                                                                                                                                                      |                                |                                                           |      |      |
| Labour                                                | 65,455                                                                                                                                                                                               | 65,455                         | depending productivity                                    |      |      |
| Probation effects                                     |                                                                                                                                                                                                      |                                | not quantified                                            |      |      |
| Access to networks and services                       |                                                                                                                                                                                                      |                                | not quantified                                            |      |      |
| Good-will                                             |                                                                                                                                                                                                      |                                | not quantified                                            |      |      |
|                                                       | <b>65,455</b>                                                                                                                                                                                        | <b>65,455</b>                  |                                                           |      |      |
| <b>Returns (per apprentice) in ALL CHF equivalent</b> | <b>(2,820)</b><br><b>(25.64)</b>                                                                                                                                                                     | <b>28,005</b><br><b>254.59</b> |                                                           |      |      |
| <b>IRR</b>                                            |                                                                                                                                                                                                      |                                | Can't be calculated given that its mainly positive values |      |      |
| <b>NPV</b>                                            | <b>23 CHF</b>                                                                                                                                                                                        | <b>231 CHF</b>                 |                                                           |      | 10%  |
| <b>Assumptions</b>                                    |                                                                                                                                                                                                      |                                |                                                           |      |      |
| Supervision                                           | Two hours per week for instruction and 2 hours per month for general support Mentor's salary LEK 30,000 / month (maximum rather than average) Apprentices work 2 days per week for 9 months per year |                                |                                                           |      |      |
| Food                                                  | Usually in-kind, if paid in cash some LEK200/day                                                                                                                                                     |                                |                                                           |      |      |
| Allowance                                             | LEK 500 per day                                                                                                                                                                                      |                                |                                                           |      |      |
| Transport                                             | Often not paid as not necessary, otherwise included as part of the allowance                                                                                                                         |                                |                                                           |      |      |
| Uniforms                                              | One employee receives one uniform per year                                                                                                                                                           |                                |                                                           |      |      |
| Labour                                                | <b>The cost of hiring semi-skilled staff with the main assumption that apprentices are productive</b>                                                                                                |                                |                                                           |      |      |
|                                                       | Employee salary LEK20,000/month, and only for 2 days week and 9 months/year                                                                                                                          |                                |                                                           |      |      |
| Discount rates                                        | Given that T+H is a growth sector, we used a relatively high 10% discount rate                                                                                                                       |                                |                                                           |      |      |



## Financial Cost Benefit Analysis

| Apprentices                            |                |                |                                                           |   |    |
|----------------------------------------|----------------|----------------|-----------------------------------------------------------|---|----|
|                                        | Conservative   | Optimistic     | Comments                                                  | % | %  |
| <b>Costs</b>                           |                |                |                                                           |   |    |
| time                                   |                |                | same as at school                                         |   |    |
| <b>Benefits</b>                        |                |                |                                                           |   |    |
| Allowance                              | 18,000         | 36,000         | cash                                                      |   |    |
| Food                                   | 7,200          | 14,400         | in-kind                                                   |   |    |
| Extra jobs                             |                | 30,000         | cash                                                      |   |    |
| Better learning environment            |                |                | not quantified                                            |   |    |
| Better employability                   |                |                | not quantified                                            |   |    |
|                                        | <b>25,200</b>  | <b>80,400</b>  |                                                           |   |    |
| <b>Returns (per apprentice) in ALL</b> | <b>25,200</b>  | <b>80,400</b>  |                                                           |   |    |
| <b>CHF equivalent</b>                  | <b>229.09</b>  | <b>730.91</b>  |                                                           |   |    |
| <b>IRR</b>                             |                |                | Can't be calculated given that its mainly positive values |   |    |
| <b>NPV</b>                             | <b>218 CHF</b> | <b>696 CHF</b> |                                                           |   | 5% |

## Assumptions

|                |                                                                                              |
|----------------|----------------------------------------------------------------------------------------------|
| Food           | To pay for at school, receiving when at employer                                             |
| Allowance      | ALL 500 per day                                                                              |
| Extra jobs     | Difference in salary between 'low paid' and 'semi-skilled salary is LEK 10,000 p month       |
|                | Summer jobs: some 3 months per year (excluding weekend-jobs during the year)                 |
| Discount rates | Relative conservative 5% given that schools use public budgets with restrictions to spending |

## Financial Cost Benefit Analysis

| Schools                                    |                                                                                                |               |               |               |                |
|--------------------------------------------|------------------------------------------------------------------------------------------------|---------------|---------------|---------------|----------------|
|                                            | year 0                                                                                         | year 1        | year 2        | year 3        | Comments       |
| <b>Costs</b>                               |                                                                                                |               |               |               |                |
| Time                                       |                                                                                                | 24,545        | 24,545        | 24,545        | in-kind        |
| Travel costs                               |                                                                                                | 1,000         | 1,000         | 1,000         | cash           |
|                                            |                                                                                                | <b>65,545</b> | <b>65,545</b> | <b>65,545</b> |                |
| <b>Benefits</b>                            |                                                                                                |               |               |               |                |
| Savings on facility investments            | 750,000                                                                                        |               |               |               | varies a lot   |
| Savings on inputs for class room practices |                                                                                                | 70,000        | 70,000        | 70,000        |                |
| Information on labour market needs         |                                                                                                |               |               |               | not quantified |
| Reduced class size                         |                                                                                                |               |               |               | not quantified |
|                                            |                                                                                                | <b>70,000</b> | <b>70,000</b> | <b>70,000</b> |                |
| <b>Returns (per appentice) in ALL</b>      | -                                                                                              | <b>4,455</b>  | <b>4,455</b>  | <b>4,455</b>  |                |
| <b>CHF equivalent</b>                      | -                                                                                              | <b>40</b>     | <b>40</b>     | <b>40</b>     |                |
| <b>IRR</b>                                 | The IRR will vary enormously depending whether investment in facilities need to be made or not |               |               |               |                |
| <b>NPV</b>                                 | 0.38                                                                                           |               |               |               | 5%             |

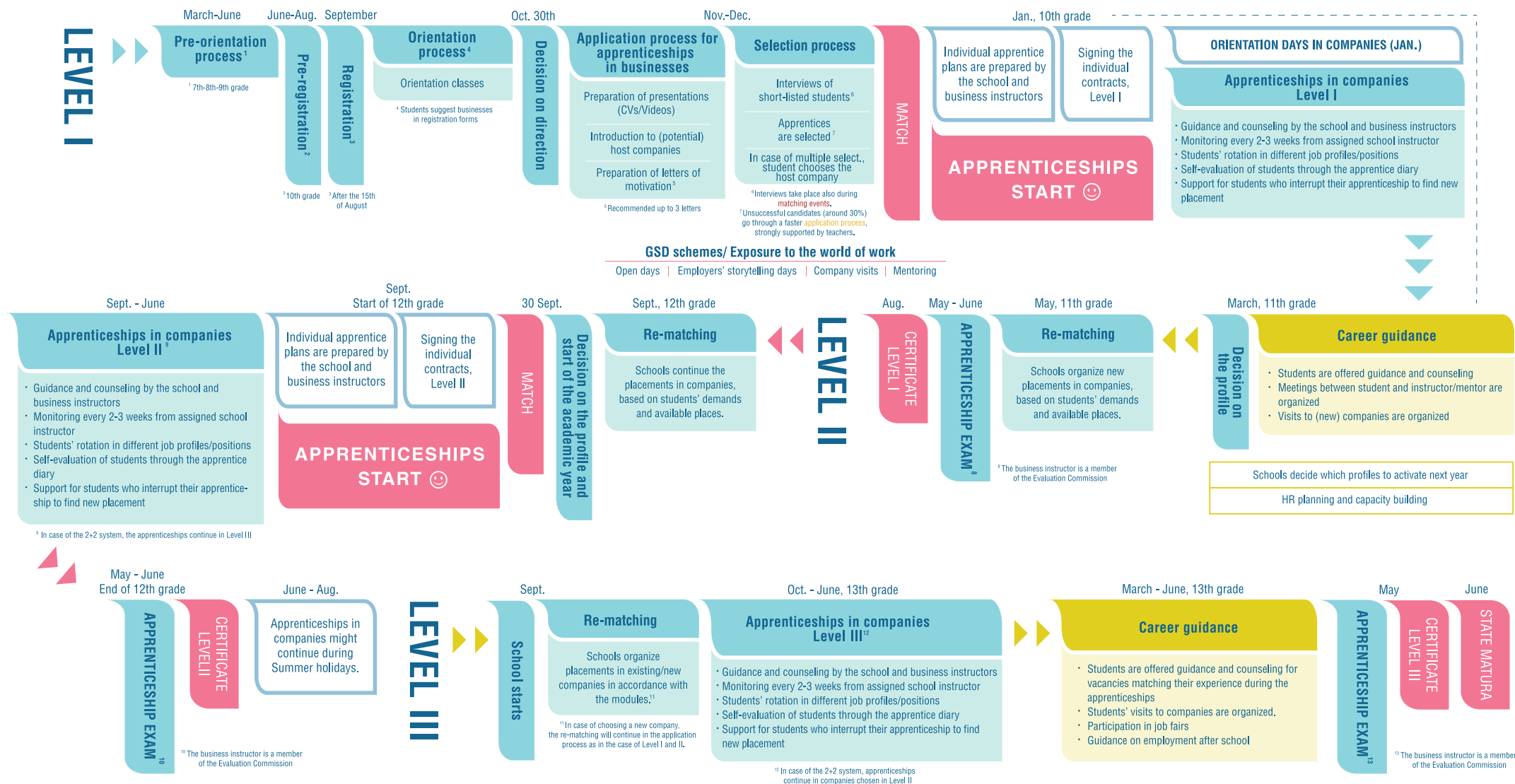
## Assumptions

|                             |                                                      |
|-----------------------------|------------------------------------------------------|
| Savings on inputs           | ALL 3,500/student and 20 students per class- savings |
| Time                        | Annual salary one staff                              |
| Travel costs                | ALL 1000/month/instructor covering 20 apprentices    |
| Organising cost (recurrent) | One month per year - one person in the develop unit  |

# Apprenticeship Model



# Apprenticeship Model



## Involvement of stakeholders

Providers collect demand from businesses for defining no. of enrollments

Parents' active and constant involvement

Stakeholders' platform at regional level

## Business relationships management

Pledges

Partners' risk assessment

Mentors' training

MoU (Provider- Company)

Continuous dialogue between providers and companies



# We create opportunities.

Implemented by **Swisscontact** – Swiss Foundation for Technical Cooperation

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## **Skills for Jobs**

Swisscontact, Rr. Skënderbej, Villa no. 49

Tel: +355 42 231 850

Tirana, Albania

[www.skillsforjobs.al](http://www.skillsforjobs.al)    [www.swisscontact.org](http://www.swisscontact.org)

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**Swiss NPO Code:** The structure and management of Swisscontact conforms to the Corporate Governance Regulations for Non-Profit Organisations in Switzerland (Swiss NPO Code), issued by the presidents of large relief organisations. An audit conducted on behalf of this organisation showed that Swisscontact adheres to principles of the Swiss NPO Code.

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