



STEP SKILLS MEASUREMENT STUDY



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OBJECTIVE

Skills matter for employment and productivity. However, commonly-available measures, such as educational attainment and training, provide a partial understanding of skills. More precise information about the specific skills that matter and their links to labor market and other outcomes are needed to shape policies and strategies for skills development.

In October 2010, the World Bank launched the first-ever systematic attempt to fill these knowledge gaps in developing countries. The Skills Toward Employment and Productivity (STEP) Skills Measurement Study will help answer such questions as the following:

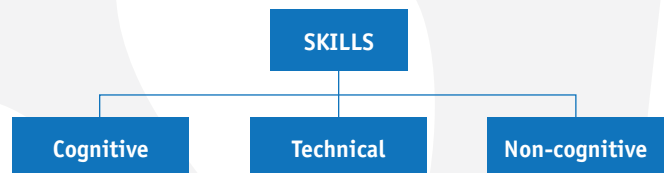
- What are the current levels and distributions of cognitive, technical and non-cognitive skills among adults in middle and low-income countries?
- How large is the mismatch between the skills of the adult population and employers' needs?
- How do the skills of individuals affect their labor market outcomes?
- Which skills-enhancing interventions should countries consider to improve employment and productivity?

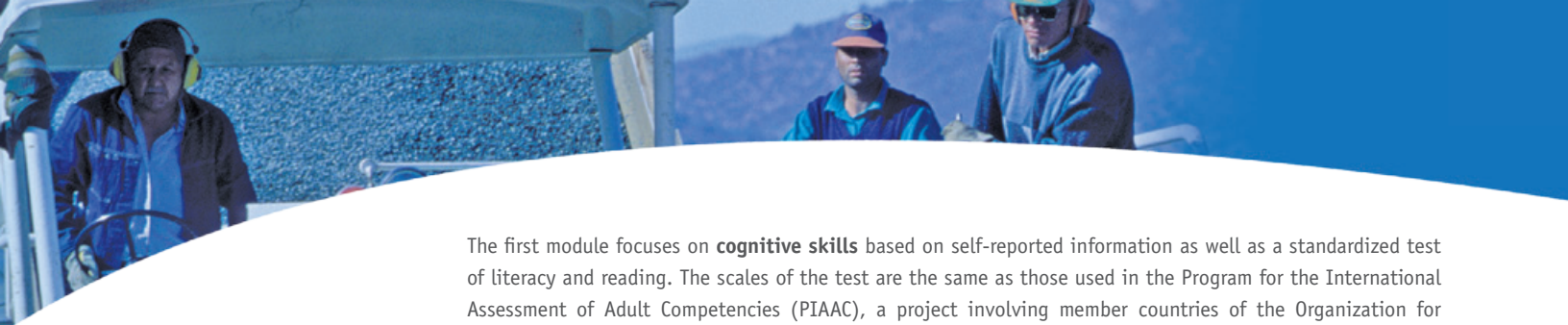
METHODOLOGY

This multi-country study involves three stages of work. The first stage consists of the design of two data collection instruments, an individual survey and an employer survey. This stage has benefited from consultation with leading scholars and survey development experts. The second stage entails the implementation of harmonized survey instruments in a sample of countries using comparable implementation protocols and technical standards. The third stage involves a cross-country analysis to distill lessons for broader application.

Individual Survey

The plan is to administer it to individuals aged 15-64 who are randomly selected within households that are also randomly chosen mainly in urban areas. The survey will collect data on household and dwelling characteristics, as well as comprehensive personal data on the selected individual, including his or her education, work experience, family structure, and health. In addition, the survey contains three innovative modules to collect data on the skills of the selected individual.





Phase 1

July 2011

Finalize harmonized survey instruments

Phase 2

October 2011-June 2012

Finalize country-specific survey instruments
Implement data collection (8 countries in first wave)

Phase 3

July-December 2012

Analyze data and prepare country-specific reports

Phase 4

January-April 2013

Prepare cross-country report

Phase 5

May-June 2013

Disseminate findings

The first module focuses on **cognitive skills** based on self-reported information as well as a standardized test of literacy and reading. The scales of the test are the same as those used in the Program for the International Assessment of Adult Competencies (PIAAC), a project involving member countries of the Organization for Economic Co-operation and Development (OECD). This link will make it possible to compare the cognitive skills profiles of countries in the STEP Skills Measurement Study with those in the PIAAC study.

The second module will collect data on **technical skills** by asking individuals about the specific tasks they perform and the skills they use in their current job, as well as by inquiring about the competencies the respondents possess that could be deployed in a future job.

The third module will collect data on individuals' **non-cognitive skills**, namely, personality, behaviors, and preferences, through psychometric measures based on the so-called Big-Five personality traits model that has been validated in different cultural environments, as well as measures of individuals' behaviors, and their time and risk preferences that are likely to affect labor market outcomes.

Employer Survey

The plan is to collect data from employers in the formal and informal sectors. The survey includes questions about the skills used by the current workforce; the role of skills in decisions about training, compensation and promotion; the skills sought when hiring new workers; and the constraints faced and methods used in hiring workers with the desired skills. This survey differs from the Investment Climate Surveys as it focuses specifically on the issue of skill sets (including technical, cognitive, and non-cognitive skills), as well as their perceived value and contribution to firm productivity.

IMPLEMENTATION

With regard to implementation, the plan is to field the individual and employer surveys in interested countries from each region of the world. As of January 2012, the first wave of countries included: Bolivia, Colombia, Ghana, Laos, Sri Lanka, Ukraine, Vietnam, and Yunnan province (China). Because all countries will be implementing a common "core" questionnaire according to standard survey protocols, the data will be comparable across countries.

RESULTS & DISSEMINATION

The first set of cross-country results is expected in early 2013.

The cross-country report will distill common lessons from all countries in the STEP Skills Measurement Study. Moreover, the report will highlight policy and institutional implications to improve the effectiveness of education and training, and identify programmatic entry points to help reduce the mismatches between skills supply and demand. National and international technical seminars will be organized to discuss the findings with national experts, including government officials, leading academic scholars, industry leaders, labor representatives, and development partners. Ultimately, this study is expected to inform policies aimed at improving workforce employability and productivity. ★

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