

## Key Findings from AWARE 2 Employee Quality Index (EQI) Pilot

**Overview:** Over a twelve-month period in 2018-2019, the Accelerating Work Achievement and Readiness for Employment (AWARE 2) project, funded by J. P. Morgan Chase and designed and implemented by Education Development Center, Inc. (EDC) carried out the development and piloting of the Employee Quality Index (EQI), a tool aimed at aligning measures for priority, in-demand skills used by employers and in schools. Derived by reviewing metrics that employers are organically using, the EQI attempts to give evidence-based insight into current skills demand.

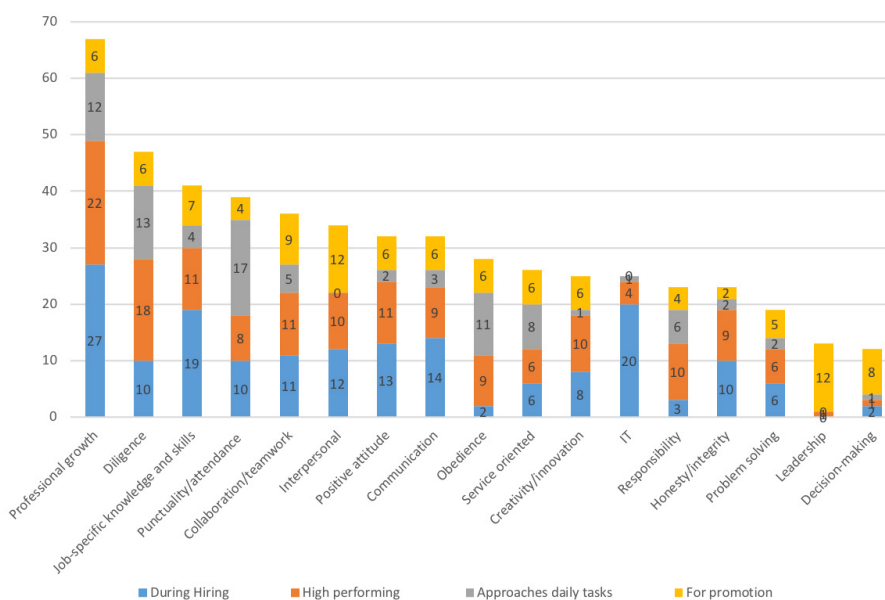
The goals of the EQI tool are to identify **key performance domains and skills** that industry and employers value and measure and to provide a pathway for stakeholders to potentially **better align to improve the talent pipeline** for youth to succeed in a 21st century workforce.

**Approach and Methodology:** The EQI was developed across three phases consisting of three rounds of data collection to:

- Develop a master list of priority skills valued by employers (Phase 1),
- Determine the most valued skills and array those against a firm’s level of digital engagement (Phase 2A),
- Conduct qualitative research to validate most valued skills and to understand drivers of firm skill preferences (Phase 2B), and
- Pilot the EQI tool with employers of AWARE 2, and non-AWARE 2 graduates (Phase 3).

**Phase 1: Engage Firms in Tool Development:** The first phase of EQI consisted of 66 in-depth interviews with employers across Philippines, Indonesia and Thailand, focusing on the job performance and skill areas that they prioritize in entry-level employees. Specific questions focused on: 1) skills prioritized *when hiring*; 2) skill areas in which *high performing* entry level employees distinguish themselves; 3) key skill areas needed for *satisfactory performance of daily tasks*; and 4) skill areas considered important when *promoting entry level employees*. Figure 1 shows the number of times that firm representatives mentioned various skill areas.

**Figure 1. Phase 1 Findings: Entry-level Skills Valued by Employers (N=66)**



**Phase 2: Develop EQI:** The first phase of the EQI resulted in a master list of 16 priority skills. These were incorporated in the design of the survey in Phase 2, which asked employers to rank those skills they most valued in entry level workers. The survey also included a section assessing the firms’ level of digitalization across 7 domains to see whether increasing levels of digitalization corresponded to a shift in priorities. The survey was implemented over 2 months, with 241 respondents (111 from Philippines, 67 from Thailand and 63 from Indonesia.)

Overall, the survey confirmed that the most valued skills from Phase 1 were also consistently rated highly in Phase 2. Honesty/ethical conduct was the highest ranked area across the board, while basic digital skills ranked at the bottom. Skills reflecting “dependability”, such as punctuality and compliance, were ranked higher, generally speaking, than “growth” skills, such as creativity, initiative, and problem solving. This surprising finding ran counter to global rankings, such as those presented in the World Economic Forum’s Future of Jobs Report.

**Figure 2. Overall Ranking of Key Performance Skills**

TOTAL	PHILIPPINES	THAILAND	INDONESIA
<ul style="list-style-type: none"> <li>● Honesty/ethical conduct</li> <li>● Collaboration/teamwork</li> <li>● Customer service</li> <li>● Punctuality/attendance</li> <li>● Compliance/obedience</li> <li>● Focus/diligence</li> <li>● Behavior/social &amp; interpersonal skills</li> <li>● Positive attitude</li> <li>● Communication skills</li> <li>● Learning/professional growth</li> <li>● Problem solving/critical thinking</li> <li>● Adaptability/flexibility</li> <li>● Job-specific knowledge &amp; skills</li> <li>● Creativity/innovation</li> <li>● Initiative</li> <li>● Basic digital skills</li> </ul>	<ul style="list-style-type: none"> <li>● Honesty/ethical conduct</li> <li>● Positive attitude</li> <li>● Collaboration/teamwork</li> <li>● Customer service</li> <li>● Focus/diligence</li> <li>● Punctuality/attendance</li> <li>● Compliance/obedience</li> <li>● Communication skills</li> <li>● Behavior/social &amp; interpersonal skills</li> <li>● Problem solving/critical thinking</li> <li>● Learning/professional growth</li> <li>● Adaptability/flexibility</li> <li>● Initiative</li> <li>● Creativity/innovation</li> <li>● Job-specific knowledge &amp; skills</li> <li>● Basic digital skills</li> </ul>	<ul style="list-style-type: none"> <li>● Honesty/ethical conduct</li> <li>● Focus/diligence</li> <li>● Customer service</li> <li>● Punctuality/attendance</li> <li>● Behavior/social &amp; interpersonal skills</li> <li>● Compliance/obedience</li> <li>● Collaboration/teamwork</li> <li>● Learning/professional growth</li> <li>● Job-specific knowledge &amp; skills</li> <li>● Problem solving/critical thinking</li> <li>● Adaptability/flexibility</li> <li>● Communication skills</li> <li>● Positive attitude</li> <li>● Creativity/innovation</li> <li>● Initiative</li> <li>● Basic digital skills</li> </ul>	<ul style="list-style-type: none"> <li>● Honesty/ethical conduct</li> <li>● Collaboration/teamwork</li> <li>● Communication skills</li> <li>● Compliance/obedience</li> <li>● Punctuality/attendance</li> <li>● Customer service</li> <li>● Positive attitude</li> <li>● Learning/professional growth</li> <li>● Behavior/social &amp; interpersonal skills</li> <li>● Focus/diligence</li> <li>● Creativity/innovation</li> <li>● Job-specific knowledge &amp; skills</li> <li>● Adaptability/flexibility</li> <li>● Initiative</li> <li>● Problem solving/critical thinking</li> <li>● Basic digital skills</li> </ul>

KEY: ● Dependability Skills ● Social Skills ● Growth Skills ● Job Related Skills

Additionally, we found that **digital engagement levels** correlated positively to the size of the firms, as well as to the level of digital tasks that employees were expected to do. Ratings did not change drastically as firms became more digitalized, with the exception of compliance/obedience, which increased with digitalization. Firms with employees at all levels (entry, mid, upper) who spent more of their time engaging with digital work showed a higher preference for basic digital skills and creativity/innovation.

When considering **firm sizes**, micro (2-9 employees) and small (10-25 employees) firms showed a greater preference for problem-solving and adaptability than larger firms. The trend confirmed inputs during the interview phase where employers of microenterprises shared their preference for employees who can resolve emerging issues quickly and well, with limited direction. To better understand the factors driving firm skill preference, including the role of firm size, and the impact of digitalization on skill demand, the AWARE2 project is engaging qualitative research. This research phase will consist of focus group discussions with firm hiring managers and front-line managers.

**Phase 3: Pilot the EQI:** The EQI Tool pilot involves a process of measuring performance of AWARE2 entry-level workers on the most highly prioritized skills/domains and comparing this with the performance levels of non AWARE2 entry-level workers. The **indexed results** would be a numerical measure showing how AWARE2 graduates’ performance compared with non-AWARE2 graduates on prioritized skill areas. The tool would also show additional trends on performance/skill preferences valued by supervisors.

Following the pilot implementation, the team will consider ways of strengthening the tool and considering it as a resource for other youth projects who may benefit from the analysis. Engaging with schools and other stakeholders on applying the emerging findings is another goal of the tool and its future applications.