



## **EMPLOYEES ARE IN NEED OF TRAINING**

Almost a half of employees at Russian companies are underqualified.

45% of employees in Russia are affected by a skills mismatch because they do not fit their job requirements, according to a report by Boston Consulting Group (BCG) entitled “Alleviating the Heavy Toll of the Global Skills Mismatch”.

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This imposes a constraint on the economy as low productivity slows down GDP growth. According to BCG, Russia could boost its predicted annual GDP growth rates by at least 1% by eliminating the skills mismatch.

“The skills mismatch is a problem facing the global labour market,” say BCG analysts. In the country rankings by skills mismatch score, Russia takes 52nd place out of 75, between Mexico in 51st and Greece in 53rd. The top spot was given to the Netherlands, where the percentage of the labour force that is underqualified or overqualified lies at 37.7%. The USA, Switzerland, Singapore and Australia also made it into the top five countries.

Among the root causes of the skills mismatch in Russia, the authors cite the low social and professional mobility of the labour force. “The country is 81st in the Global Social Mobility Index and 106th in terms of geographic mobility,” says BCG. On the other hand, Russians love to learn: more than 15% of adults are lifelong learners, and online education is growing by almost 18% annually. This alleviates the problem to an extent and may be leveraged to improve the current situation. “Proactive labour policy measures should include the development of digital platforms for online learning and retraining as well as provide financial incentives for upskilling,” says Sergey Perapechka, a BCG partner and coauthor of the report.

International experience may prove useful in this respect. “Singapore’s Skills Future Credit programme encourages individuals to own skills development and lifelong learning. In addition to gaining a standard credit of SGD 500, people who are over 25 years old and working in sectors affected by the crisis have received a further SGD 500 this year, and those who are 40 to 60 years old have received an extra SGD 1,000. They can use the money to enrol in any of the 8,000-plus courses,” the survey reports.

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In Australia, as part of its COVID-19 relief package, the government launched a programme to subsidise short online courses for unemployed workers and introduced a six-month payment holiday for student loans.

Russian experts agree with BCG’s conclusions. “The pandemic has worsened the skills mismatch as home workers need knowledge of maths and self-management skills,” says Alexey Zakharov, President of the Superjob.ru recruitment portal. “All modern qualifications rest on digitisation,” he comments, and it is true not only for narrow, industry-specific areas but also for all other sectors – healthcare, retail, service, etc. “Today’s economy requires a creative approach and a knowledge of maths, along with an understanding of the concepts behind synthesis and analysis. This is the biggest challenge, as over 80% of Russians are mathematically illiterate. The required minimum maths grade is lowered each year, even at industry-specific universities,” he notes.

But the worst thing is that the state is not interested in promoting upskilling. “Major enterprises have an excess number of low-skilled workers,” says President of Superjob.ru. “At large companies like AVTOVAZ, the government prohibits these under-skilled workers from being dismissed, so that unemployment rates do not go up. They also accommodate the needs of business, which benefits from employing low-paid migrant workers. This is what we can see today in many economic sectors – construction, agriculture, utilities,” he said, underscoring that “the skills mismatch should be addressed at the government policy level.”

Dmitry Porochkin, ombudsman for entrepreneurs covering sanitary and epidemiological control and overseeing labour compliance, member of the General Council of the Growth Party, and Director General of the NSS Consult centre for labour protection, believes, on the contrary, that the pandemic will help to mitigate the skills mismatch. “During this year’s pandemic, when the majority of processes from the daily routines to workflows shifted online, we saw a leapfrog effect, with many taking this excellent opportunity to either upskill or learn a new, more in-demand and modern profession. So it is logical to assume that the pandemic may reduce the degree of skills mismatch,” he says.

*Source (<https://www.vedomosti.ru/economics/articles/2020/12/15/851108-polovina-rabotnikov>)*