

# FieldNotes

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## Working with the Business Sector to Advance Employment

In 2004, youth unemployment worldwide rose to an all time high, with 88 million youth unable to find jobs. In Latin America alone, 9.5 million young people were unemployed in 2005—a 23 percent increase over the previous decade. These worrisome statistics mask an even larger problem of low wages in the informal sector, which is particularly pronounced among youth living in the poorest communities in the region.

In response to this global challenge, a growing number of organizations and government agencies are working to expand effective job and employability training opportunities among young people worldwide. One such effort comes under the framework of Youth:Work, a global partnership launched in 2008 between USAID and the International Youth Foundation (IYF), to facilitate

the development of new public-private partnerships to support youth employment programs around the world. In furtherance of this aim, this issue of *FieldNotes* focuses on how developing alliances with the private sector is critical to a program's success in providing youth with marketable skills and placing them in decent employment. By highlighting experiences drawn from *entra21*, a regional youth employment initiative in Latin America and the Caribbean, we hope to provide other programs with practical lessons and tips on how to engage the business community. Managed by the International Youth Foundation with funding from the Inter-American Development Bank and other donors including USAID, *entra21* has provided over 19,000 youth with comprehensive IT and life skills training, internships, and job placement services. Over 50 percent of the graduates have found work either

in formal jobs or by creating micro-enterprises. A second phase of the program, launched in July 2007, will benefit another 50,000 young people. This *FieldNotes* focuses on both the challenges and lessons learned from *entra21* projects implemented in Brazil, Argentina, and Peru during the first phase of the Program.

## ADDRESSING SOCIAL CHALLENGES WITH BUSINESS PARTNERS

### Case Study I: *Entra21* in Brazil

A number of elements have contributed to the success of the *entra21* project implemented in Salvador, Brazil. First of all, it was implemented by the Hospitality Institute (IH), which was created by the private sector to promote sustainable economic development in Salvador, a major tourist destination in Brazil. When IH designed the *entra21* program in 2002, it had already established relationships and credibility within the tourism sector. In addition, its decision to focus its youth employment project on one industry—tourism—afforded it a solid understanding of the labor market upon which to build its curriculum and job placement strategy.

The Brazilian government also created a positive environment, offering tax incentives for businesses to hire low-income youth and the Apprentice Law, which requires companies to offer internships to youth in training programs such as the one operated by IH. As a result of these favorable circumstances, in the first four years of *entra21*, IH garnered the participation of 150 companies and placed 66 percent of its graduates in decent jobs. However, securing commitments with the business sector was hard work. Initially, IH had a team of seven people working intensely on raising awareness about the project among local companies. Individual visits to each company, including much follow-up and persistence, were required. Developing individual relationships with the executives or managers was the most successful tactic. In the end, personal relationships formed with each business were key to a viable partnership.

Even after IH secured a company's commitment to accept an intern or hire a graduate, the work of maintaining the relationship was just as intense. Communication continued throughout internships and several months after a youth was hired as an employee to ensure each company was satisfied. This sustained communication effort was critical in securing the companies' interest in taking on another youth intern or employee.

According to Mariah Oliviera, IH's Project Director, the process of engaging companies has become easier over the years. Today, she says, three, not seven, people handle cultivating and maintaining relationships with businesses. This is due, in part, to tested procedures and proven results. As a result, some companies have begun to contact IH for more youth trainees, while others still need to be called repeatedly.

Establishing the relationships is not the only key to success. Providing a quality "product" (well-trained and motivated employees) is critical to maintaining business collaboration. IH does this by:

- Constantly improving course content by using feedback from employers and the youth to ensure that training is up-to-date and relevant
- Training a company mentor to help interns adjust to the working environment and technical requirements of the company
- Providing training in life skills, including professional appearance and communication skills, to help a young person make a good impression and interact successfully with colleagues
- Pre-selecting the most appropriate candidates who match the requirements for a particular company and job opening

All these elements contributed to a 100 percent satisfaction rate among companies with interns provided by IH. Over 80 percent of the employers who hired IH graduates rated their performance as equal to or better than other employees doing similar work.

While the ethos of corporate social responsibility among tourism businesses in Salvador facilitated private sector participation in

ENTRA21 BY THE NUMBERS...	BRAZIL	ARGENTINA
LOCATION	Salvador	Córdoba
PARTNER	Hospitality Institute (IH)	Córdoba Economic Development Agency (ADEC)
# OF YOUTH TRAINED IN PHASE 1	600	400
HOURS OF TRAINING PROVIDED	580	530
GRADUATION RATE	92%	90%
JOB PLACEMENT RATE	66%	61%
# OF COMPANIES ENGAGED	More than 150	130-150
INDUSTRY FOCUS	Tourism	Manufacturing, commerce, food, tourism



■ **Over 50 percent of *entra21* participants have either found jobs or have started their own businesses.**

the project, particularly among the larger companies, IH's Mariah Oliveira believes that IH's success lay in its ability to meet the needs of Salvador's tourist industry with well-trained, professional employees. As a result, participating companies could be responsible corporate citizens while advancing their business goals.

Since 2006, IH has begun to expand the program model to 10 additional cities in Brazil. Once again, a critical factor in successfully replicating the model has been the local organizations' contact with the business community. Where these connections are weak, IH is using its contacts with national business associations to help the local organization cultivate local support. Among the ways IH has helped local NGOs increase their visibility with the business sector:

- Sending electronic bulletins to the local tourism-related businesses about youth achievements and the project in general
- Leveraging existing business partners to open doors with other businesses
- Inviting businesses to events where youth showcase their personal stories and skills
- Recruiting business leaders to meet and talk with youth as part of their training.

### Case Study II: *Entra21* in Argentina

The Córdoba Economic Development Agency (ADEC in Spanish) is a nonprofit alliance made up of business associations, local governments, and professional associations in Córdoba, Argentina.

“The search for partner companies is constant, not just for internships but also for job placement. For each group of graduates, we had to identify new companies.”

— Paca Villanueva, Project Director, ITDG, Peru

Recognizing a need to improve the city's employment strategies that would benefit both young people and local businesses, ADEC decided to convene a multi-stakeholder group of more than 140 companies, NGOs, and training institutions to execute the *entra21* youth employment project.

ADEC began by collecting market data that helped to pinpoint those industries most likely to need the type of youth targeted by the project. The studies also informed the design of the training curriculum, ensuring it met the needs of the market. ADEC then launched a large promotional campaign, including electronic bulletins, a website and other media aimed at chambers of commerce, industry associations, and others. They also gave presentations to business associations, handed out brochures and information packets, and placed flyers in trade magazines.

With a clearer picture of businesses' human resource needs, ADEC began to visit individual businesses to discuss the project and followed up with telephone calls until they had enough commitments for internships for the first cohort of students. However, the work did not end there. Communication with those businesses continued through the four-month internship, to ensure the satisfaction of the company and to make sure the youth had the resources and skills they needed to be successful. When the internship led to a job placement, ADEC continued to be in constant communication with the company. As one businessman noted, “To this day, they (ADEC) still call to see how the young person is, whether he or she continues to have work, and is well taken care of.”

Even though ADEC's *entra21* project was helped by its existing relationships with the business sector, work remained to sell the project and prove its value. While a few of the companies asked for additional interns or youth to hire, the cultivation of new companies to absorb the new cohorts of graduates was continuous. Says Edith Bonnelly, ADEC's Project Director: “The job placement work is constant. It is complex, arduous and difficult.” Two people at ADEC worked full-time and another half-time to maintain these relationships and cultivate new ones. Over time, outreach has become easier as the project has gained public recognition for its



positive results. The project is now well positioned in the private sector. A number of companies now come to ADEC asking about interns and youth for employment, and at least 10 companies have repeatedly hired graduates from the program.

ADEC found that many of Córdoba's business leaders had a strong social consciousness that helped them to commit to a program with both social and business goals. As one business leader said: "If we do not carry out a social function and we only think about profits, our company is destined to fail." On the other hand, he added, if businesses were dissatisfied with the youth they hired, having a sense of social responsibility would not have been sufficient reason to participate in the program.

### Additional Reflections from Peru

The experience of *entra21* projects has shown that developing working relationships with businesses and business associations requires creativity, time and considerable effort, especially if the executing NGO has limited visibility with the private sector. For example, Alternativa, an NGO that implemented *entra21* in Peru, found that a reference letter from an industry association facilitated getting a meeting with a company director. Another *entra21* partner in Peru, ITDG, compiled a database of 500 potential business allies and key contacts, and ended up working with nearly 180 of them. Says Paca Villanueva, ITDG's Project Director: "The search for partner companies is constant, not just for internships but also for job placement. For each group of graduates," she adds, "we had to identify new companies." Promotion became an even more important part of the effort. ITDG used local radio, newspapers, informational bulletins and talks to spread the word. They also used the incentive of an enhanced capacity in information technology to attract the companies since they offered trained workers in this area.

## COLLABORATING WITH THE PRIVATE SECTOR: LESSONS AND CHALLENGES

The following recommendations reflect "lessons learned" from the full range of experiences of those who have helped implement an *entra21* project in their communities throughout the region.

- **Plan for costs of involving business.** It is important to budget ahead of time for the costs involved in cultivating and maintaining relationships with companies. These costs include hiring a business outreach coordinator and assigning sufficient staff, promotional materials, participation in events, database development and maintenance, as well as costs relating to meeting with business executives. Also, make sure your staff has the appropriate skills and resources to effectively interact with business leaders.
- **The best strategy is a good product.** By training youth in the skills companies need, you can help companies identify qualified entry-level employees while providing youth with opportunities they otherwise would not have. A good product (well-trained, motivated young workers) establishes the credibility of the program and encourages greater business participation. Offering a business solution rather than appealing to a social cause may help create more sustainable relationships over time.
- **Take advantage of your connections.** Personal contacts are very useful to get in the door to meet potential business partners face-to-face, so be sure to examine your list of contacts for those that can be useful. In addition, business associations (chambers of commerce, trade groups, industry alliances) have proved to be a good entry point to reach a large number of potential employers. Expect your database of businesses to be two to three times as large as your target—so use all the connections you can.
- **One-on-one relationships are key.** Successful partner relationships need to be formed one by one with relevant individuals. It takes time and patience to cultivate a relationship of mutual trust—especially if the executing agency does not already have established relationships with the private sector.
- **Promote your project effectively.** Good strategies to make connections and share information about the project include distributing promotional materials, personal visits, web pages, youth-run events, presentations and attendance at business events and trade shows.
- **Be prepared to make a deal.** Be clear about what you want from a business and what you offer them in return. Know how to communicate the project's strategic and business goals. Be realistic. Start small if you don't yet have strong business allies.
- **Know the local labor market.** Market studies are critical to ensure a good fit between jobs in

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## BENEFITS TO EMPLOYERS

- Access to a well-trained, responsible and motivated workforce
- The chance to try out potential new employees through internships
- Reduced cost of recruitment since candidates are pre-screened
- Opportunities to help shape the training so it matches employers' needs
- Broadened base of potential employees since the young people involved are new entrants to the labor market
- A chance to exercise social responsibility while also helping the bottom line

**entra21 graduate**

Argentina

"I learned so much, not only how to use the computer and get IT skills, but also how to write a resumé, develop a career plan, and feel confident about myself. **This job has given me hope, has given us all hope.**"

**ROMINA COLLMAN, 22**



**entra21 employer**

Argentina

**"If I have an opening in our company, I would chose an entra21 graduate.** I recognize that these (*entra21*) kids don't have as many skills in the beginning as others who are more fortunate, but this program—and the opportunity to work here at the company in internship positions—is giving them a chance to be successful that they would otherwise not have."

**PABLO VERSANO**

Human Resources Director at Edelap,  
an energy distribution company

**entra21 employer**

Brazil

**"Education doesn't change the world. Education changes people who then change the world.**

They come to work one day, I show them the kitchen, the lockers, the restaurant, and they start to work immediately." The *entra21* program helped his hotel help less fortunate youth while improving the bottom line—selection and hiring costs went down.

**CARLOS JACOBINA**

General Manager, Ibis Hotel,  
on how IH interns and graduates  
come to work already familiar  
with hotels and ready to work..

## HOW COMPANIES CAN PARTICIPATE

In addition to offering internships and job opportunities, companies can participate in the project in other ways. Taking examples from *entra21* projects, companies can:

- **Provide information on hiring trends**, human resource needs and industry standards in different occupational areas
- **Help define and refine the training curriculum**, thus ensuring that the youths' preparation is appropriate for the labor market
- **Promote the program** among other companies and be a good reference for new business contacts who are considering offering youth internships or jobs.
- **Offer their hotel rooms**, offices, dining rooms and kitchens as practical training sites
- **Provide speakers and instructors** for training classes
- **Accept youth as interns** and ultimately provide them with a job.
- **Serve as a mentor to youth** who decide to create their own micro-businesses or advise them on their business plans.

(continued from Page 4) demand and young people trained to fill them. That knowledge also helps in the design of the training curriculum. To gain the support of potential business partners, be knowledgeable about the local labor market and prove it is capable of training youth in relevant skills. A focus on a particular sector or industry can be advantageous. Keep youth training up-to-date by staying on top of local market demands and trends and by using feedback from employers and youth.

- **Research related laws and incentives.** Identify any legal/tax incentives to businesses for hiring or providing internships to low-income or at-risk youth and share those with potential partners. Be informed about any legal requirements related to youth employment and internships prior to meeting with potential partners.
- **Take advantage of internships.** Internships are a valuable and practical way of starting a relationship with a

business partner. They may only require a short-term commitment, which allows the company to get more comfortable with the program and allows your organization to see if the company is a good fit as well. For the young person, internships serve as a real-life training opportunity as well as a pathway into the job market.

- **Relationship maintenance is critical.** Do not underestimate the time and resources needed to follow-up and maintain good relations with your business allies. Keep lines of communication open and follow up with those companies that have project interns or employees to see how the placements are working. Listen carefully to the feedback from your employers, and remember: your relationship with a business partner does not end when the young person is placed in the job.

## Additional Resources

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