**ANNEX**

**Understanding Employers’ Demands in The Bahamas and in New Providence:**

**Results from the 2012 Wages and Productivity Survey**

The Wages and Productivity Survey (2012) is the first survey to collect information on critical issues that allows quantifying data on skills needs and training practices from the perspective of the employers in most economic sectors in The Bahamas. The survey is part of a series of surveys conducted for Honduras, Panama and Uruguay; and it is the first in the Caribbean region.

The survey was conducted in 505 establishments in New Providence and Grand Bahama and also includes a comprehensive set of related labour market topics such as hiring trends, staff retention, productivity, firms’ characteristics and introduction of innovations, amongst others.

According to the 2012 WPS, employers value workers' skills sets more than the level of formal education, but cite applicants' skills levels as a main constraint on hiring and productivity increases.

The most important criteria for selecting new hires was occupation-specific knowledge and

skills (cited by 66% of firms) followed by prior work experience (35%) and soft skills, such as

responsibility/commitment (25%). When disaggregated by island, the case of New Providence shows more emphasis on specific skills as top criteria for selecting, and similar emphasis on soft skills, compared to Grand Bahama (GB). According to the employers in NP, specific-job technical skills are the top criteria (68% in NP vs. 55% in GB), followed by behavioural skills (24% in NP vs. 25% in GB) and numeracy skills (13% in NP vs. 26% in GB). Wages and Productivity Survey (2012).

Besides, for The Bahamas, the most frequently cited difficulty in hiring new staff was related to specific skills or “underqualified applicants” (34%), followed by applicants’ lack of experience (29%) and applicants’ lack of soft skills (28%).

• The majority of firms (79%) used a probationary period after hiring.

• The most commonly cited reason for dismissals was related to problems with soft skills or

“problems with behaviour/conduct” (65%).

The WP survey and consultations with employers from every industry indicate that firms are affected in several ways by skills-related issues:

1. The lack of skills (particularly soft skills) is identified with productivity losses due to unsatisfactory performance, absenteeism, lack of responsibility and commitment to the job.
2. The lack of specific skills increases the time spent on recruiting workers.
3. The lack of soft skills is the main reason for dismissals, increasing turnover costs for the firms.

During 2010–2011, almost 50% of the firms provided training to workers (mainly in improving productivity, sales and soft skills); 80% of the firms that hired a new employee provided training upon hiring.

Overall, the analysis tells that more integration is needed between the private sector labour demand and the provision of training in the country. On-the-job training strategies can align workers’ skills with specific skills demands, benefitting both the labour force and overall productivity. Focus on soft-skills training is key to enhancing worker employability and retention, and job seekers must be told what skills and training the current labour market demands.

Investing successfully in labour force skills development can be a main driver of economic and social growth, and will demonstrate that upgrading both technical and soft skills is key to increasing productivity and competitiveness, adapting to new technologies and creating stable work opportunities for workers.