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Project Title:

*“GRaduates Advancement and Development of University
capacities in Albania”*

GRADUA

REPORT

**The best practices for internship promotion in
Albania**

(Enterprise survey)

Tirana, May 2019

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Table of Contents

I. Abstract.....	4
II. Introduction and approach.....	5
III. Analysis of the companies – profile.....	7
IV. Conclusions.....	15

I. Abstract

This report was prepared in the context of the GRADUA Project, which aims to support the advancement of graduates and development of higher education institutions (HEI)'s (higher education institutions) capacities in Albania through building a graduates' data platform for matching the educational supply and the demand for qualified labor, enhancing university-enterprise cooperation and building related institutional capacities in partner HEIs.

One of the activities foreseen in this project, was to carry out a survey with enterprises regarding internships and employability, taking into considerations various sectors and areas of employment (corresponding to various disciplines).

Since the early transition, Albanian economy has grown at high pace. Despite constant growth, industrial and trade performance still show lack of competitiveness of the economy. Among the key factors elements hampering competitiveness are lack of specialized and skilled labour force. According to the Global Competitiveness Report 2015-2016, Albania ranks in the 93rd position of 140 countries, losing 4 places from 2012-2013^{1,2}.

Strengthening the education system and its links to the labor market is expected to contribute towards reduction of unemployment, especially among youth, which is important also in the context of Albania's EU integration (Albania is a country in transition whose main priority is the EU integration). In order to strengthen the linkages and orientation of the education market towards the labor market requirements, it is necessary to monitor the employability of graduates across disciplines, sectors and educational institutions. This is also the aim of the GRADUA project – to establish a platform to fill in this gap, including the use of the very important tool of “internships”, by strengthening the scheme of internships in the context of different study programs, through strengthening cooperation with the private sector.

Internships have been traditionally considered as very important instrument to bring students closer to the (private) enterprises. Development of new study curriculum has typically reflected this

¹ Schwab, K., & Sala-i-Martin, X. (2016). The global competitiveness report 2015–2016, Geneva. In The World Economic Forum (Vol. 403, pp. 1-92).

² GRADUA (2018) Employment, skills and education in Albania, technical report.

importance, by offering substantial space to internships, usually in the last study program. There are several benefits, that can be observed from internships – they can improve employability opportunities, by bringing closer students (potential employees) with potential employers, while also contributing to achieving more intensive interaction between supervising/coaching academic staff and host companies, which can give birth to joint interest for cooperation beyond internships, such as research on solving problems of the company, etc.

In this context, Gradua project conducted a survey, to assess private enterprises views and perceptions about internships. The survey findings confirm that most enterprises are strongly interested in internships, and one major motivation is to identify future potential employees. There are different views or preferences about the length of the internships, but there appears that it should be at least 3 months, and preferably 6 months. However, that can vary by type of study program (eg. Bachelor vs Master) and type of studies and companies. The findings of this survey can serve as a useful guidance for universities when they design their internship programs.

II. Introduction and approach

This report was prepared in the context of the GRADUA Project. The 3 year (2017-2020) GRADUA Project aims to support the advancement of graduates and development of HEI's capacities in Albania through building a graduates' data platform for matching the educational supply and the demand for qualified labor, enhancing university-enterprise cooperation and building related institutional capacities in partner HEIs. One of the activities foreseen in this project, was to carry out a survey with enterprises regarding internships and employability, taking into considerations various sectors and areas of employment (corresponding to various disciplines).

Since the early transition, Albanian economy has grown at high pace. Despite constant growth, industrial and trade performance still show lack of competitiveness of the economy. Among the key factors elements hampering competitiveness are lack of specialized and skilled labour force. According to the Global Competitiveness Report 2015-2016, Albania ranks in the 93rd position of 140 countries, losing 4 places from 2012-2013 (Schwab & Sala-i-Martin³, 2016; Gradua 2018⁴).

³ Schwab, K., & Sala-i-Martin, X. (2016). The global competitiveness report 2015–2016, Geneva. In The World Economic Forum (Vol. 403, pp. 1-92).

⁴ GRADUA (2018) Employment, skills and education in Albania, technical report.

Strengthening the education system and its links to the labor market is expected to contribute towards reduction of unemployment, especially among youth, which is important also in the context of Albania's EU integration (Albania is a country in transition whose main priority is the EU integration). In order to strengthen the linkages and orientation of the education market towards the labor market requirements, it is necessary to monitor the employability of graduates across disciplines, sectors and educational institutions. This is also the aim of the GRADUA project – to establish a platform to fill in this gap, by using a combined set of tools to collect and process information about students and graduates' position in relation to the labor market. Another important tool, is to strengthen the scheme of internships in the context of different study programs, through strengthening cooperation with the private sector.

Internships have been traditionally considered as very important instrument to bring students closer to the (private) enterprises. Development of new study curriculum has typically reflected this importance, by offering substantial space to internships, usually in the last study program. There are several benefits, that can be observed from internships:

- Students implement theoretical knowledge, tools and concept acquired at university, thereby improving understanding of the knowledge from a more practical prospective viewpoint.
- Improve employability opportunities. It happens often, that, when students perform well during the internships, the hosting company provides them employment opportunity. Even in the case when this does not happen, students have better chances to find a job after successful conclusion of the internships, due to acquired experience, reflected in know-how as well as enriched cv.
- Stronger collaboration between academia, research and private sector. Student internships enable more intensive interaction between supervising/coaching academic staff and host companies, which can give birth to joint interest for cooperation beyond internships, such as research on solving problems of the company, etc.

While the above points express a common sense or general understanding of the role or importance of the internships, in the context of the nature and objectives of our Project, it was necessary to conduct a survey, to assess private enterprises views and perceptions about internships. The survey was implemented in collaborate with Chamber of Commerce and Industry of Tirana and share among the companies.

The questionnaire contains questions about the profile of the company, interviewee (profile, including education and role/position within the company), and aspects related to employment and internships. The sample consists of 65 enterprises. The data were entered into excel and analyses through descriptive statistics (eg. tables and graphs).

III. Analysis of the companies – profile

The sample targeted enterprises operating in different fields/sectors, as shown in table 1 below. Most companies operate in production, construction and trade (using the standard classification applied also by INSTAT).

Table 1: The structure of the enterprise survey sample by sector

The main sector	Frequency
Production	11
Construction	9
Wholesale and retail trade	10
Financial activity, banking, insurance	6
Education and training	3
Electricity, gas, steam and air conditioning	3
Professional, scientific and technical activities	2
Accommodation/hotels, catering, restaurants etc	4
Health services	3
Transport	3
Other such as: telecommunications, travel agency, agriculture, fishing forests, etc.	11

Source: Enterprise survey

In order to obtain informed opinion, the aim was to target senior management or key employees from the surveyed companies. Indeed, table 2 below shows the interviewees’ professional profile or position within the enterprises.

Table 2: Distribution of the enterprise survey sample by interviewees’ position or professional profile

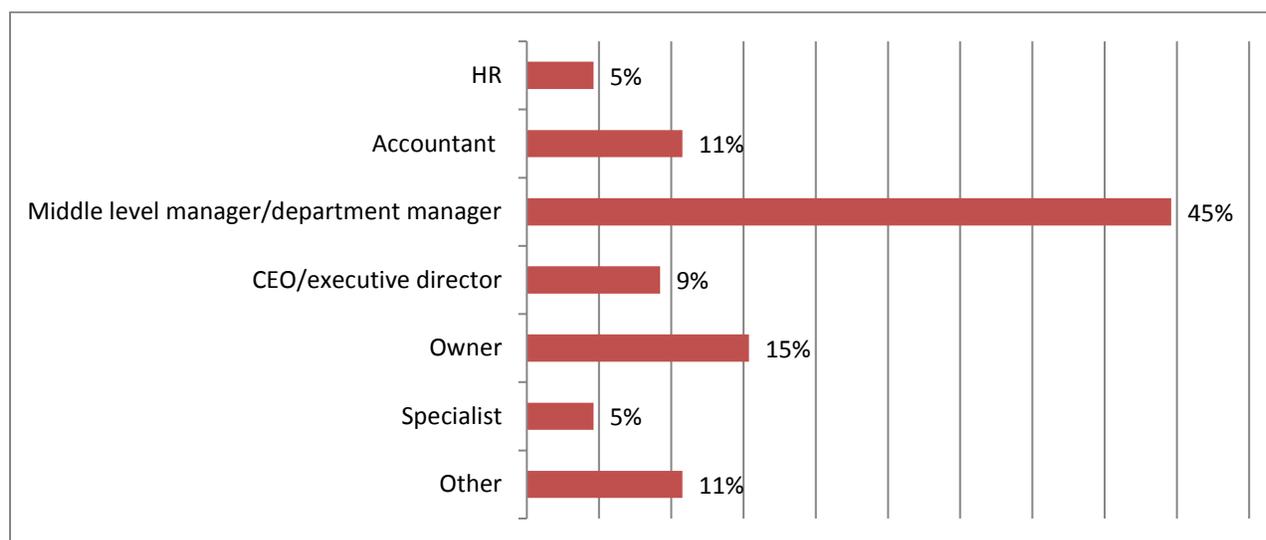
Position of the interviewee	Frequency	Percent
HR	3	5%
Accountant	7	11%
Middle level manager/department manager	29	45%
CEO/executive director	6	9%
Owner	10	15%
Specialist	3	5%

Other	7	11%
Total	65	100%

Source: Enterprise survey

As the figure 1 below depicts, the sample was dominated by middle level managers, such as department heads. Overall, more than 2/3 of interviews are either high level managers or owners, which imply that most interviewees could provide informed answers.

Figure 1: Distribution of the enterprise survey sample by interviewees' position or professional profile



Source: Enterprise survey

Except for 2 interviewees (3% of the sample) all the other interviewees have university education.

Table 3 below shows the highest level of education achieved by interviewees.

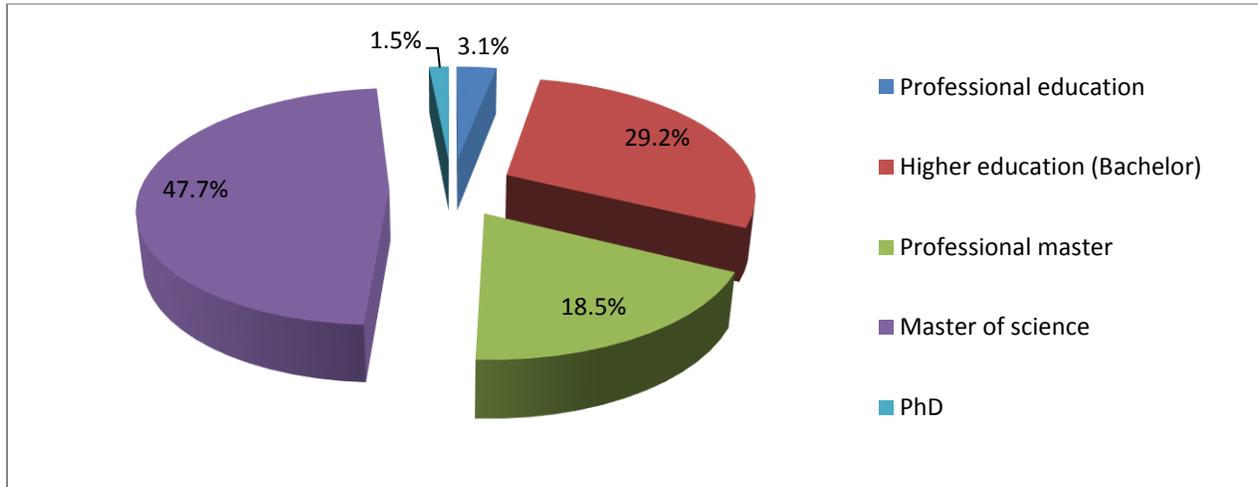
Table 3: The level of education achieved by interviewees.

Highest achieved education	Frequency
Professional education	2
Higher education (Bachelor)	19
Professional master	12
Master of science	31
PhD	1
Total	65

Source: Enterprise survey

Figure 2 below depicts the highest level of education achieved by interviewees.

Figure 2: The highest level of education achieved by interviewees



Source: Enterprise survey

Less than half of the samples companies have limited local operations, in terms of offices or branches. Most companies have various branches within or outside Albania.

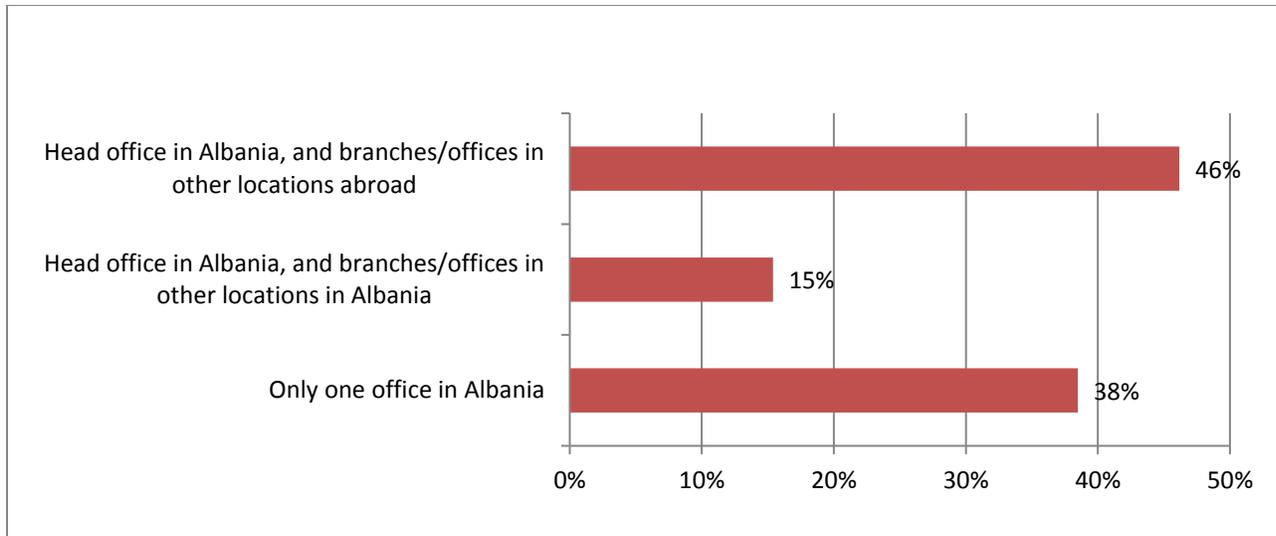
Table 4: Distribution of sample according to the location of the sample companies’ offices

Location of the company	Frequency
Only one office in Albania	30
Head office in Albania, and branches/offices in other locations in Albania	25
Head office in Albania, and branches/offices in other locations abroad	10
Total	65

Source: Enterprise survey

More specifically, 38% of the surveyed companies have various branches within Albania and 15% have offices/branches outside Albania, as figure 3 below depicts. This distribution is related to the nature of sectors and size of the sampled survey – overall, there is a diversity of companies that have been included in the survey.

Figure 3: Distribution of sample according to the location of the sample companies’ offices



Source: Enterprise survey

Another important aspect which reflects the size of the company but also the potential for hosting interns (for internship programs) is the number of employees. As table 5 below shows, most companies hire 10 or more employees, which imply that they are better positioned to hoist internship students when compared to small companies.

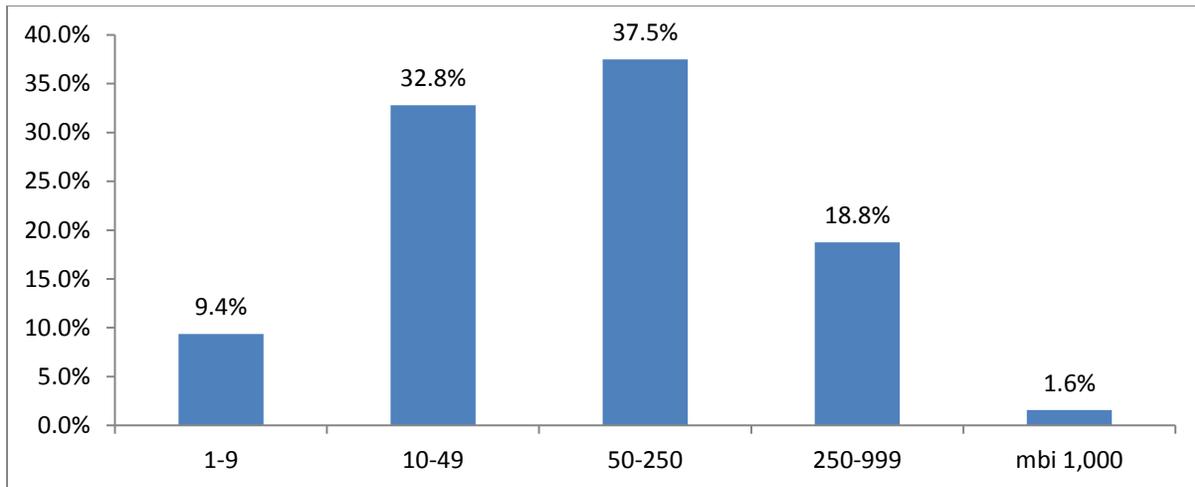
Table 5: Distribution of sample according to the number of employees

Number of employees	Frequency
1-9	6
10-49	21
50-250	24
250-999	12
1,000 and above	1
Total	64

Source: Enterprise survey

More specifically, Figure 4 below shows, that more than 90% of the companies hire 10 or more employees, and more than 20% of the sample companies employ more than 250 employees, which can be considered rather big – such companies can host multiple (many) interns (students) simultaneously.

Figure 4: Distribution of sample according to the number of employees



Source: Enterprise survey

Overall, there is observed a mismatch between demand and supply in the labor market. However, there is lack of systematic quantified estimation of such gaps, which Gradua intends to fill. In order to get some insight through this survey about the (miss) match, in terms of major (graduation) and type of job. The interviewees were asked if they employ staff to carry out tasks or work outside their study background (degree major).

As it is shown from table 6 below, it is common for companies to employ staff without relevant study/university background in the sectors of sales/marketing, while this is rather rare in the case of Information Systems.

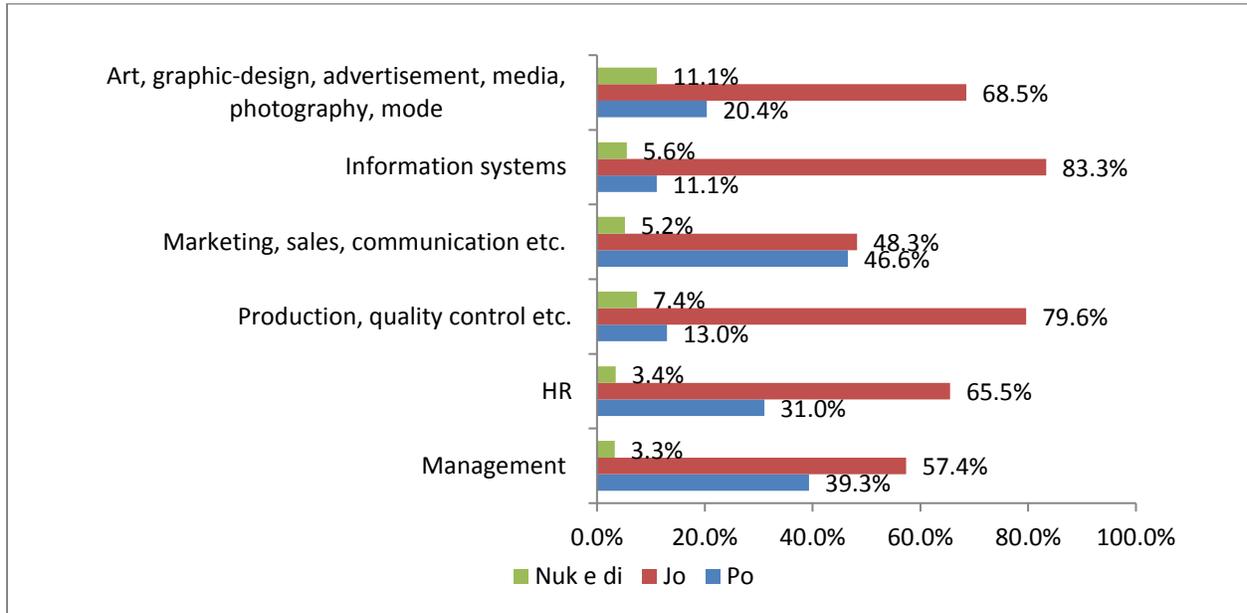
Table 6: Answer to the question “do you have employees that work mainly or exclusively outside their study background in the following positions?”

Field	Yes	No	Nuk e di
Management	39.3%	57.4%	3.3%
HR	31.0%	65.5%	3.4%
Production, quality control etc.	13.0%	79.6%	7.4%
Marketing, sales, communication etc.	46.6%	48.3%	5.2%
Information systems	11.1%	83.3%	5.6%
Art, graphic-design, advertisement, media, photography, mode	20.4%	68.5%	11.1%

Source: Enterprise survey

Figure 5 below depicts the findings shown in the table above.

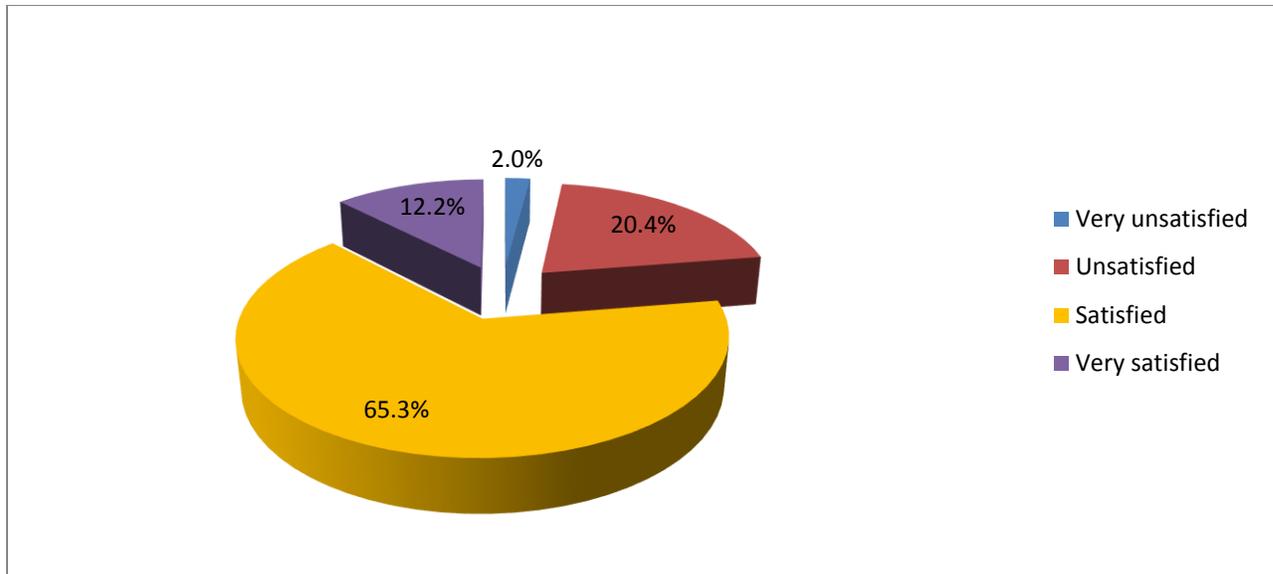
Figure 5: Answer to the question “do you have employees that work mainly or exclusively outside their study background in the following positions?”



Source: Enterprise survey

Most interviews state that they are satisfied with the students or graduates who are engaged for professional internships – only one interview states that he/she is not at all satisfied, as shown in figure 6 below. This implies/confirms the interest of the surveyed companies to further utilize or host interns (internships). thus, not only, that can be considered as indicative for the view other companies too (that were not part of the survey), but also, implies that the specific companies that have been included in the survey can be targeted to increase the number of students who are engaged in internships, especially those companies that state that they are satisfied with interns.

Figure 6: Answer to the question “In general, what is the level of satisfaction with the students or graduates who are engaged for professional internships (at your company)?”



Source: Enterprise survey

There are different views regarding the (perceived) benefits from internships. The main perceived benefit is the “head hunting” motivation – namely companies see the internships as an opportunity to identify and recruit future employees. About 1/5 are more motivated by altruistic reasons – simply helping the students to develop their professional capacities. Interestingly, only 3 (or 6%) see the benefit of cooperation with qualified staff (eg. professors who mentor students) as the main motivation – here there is space to improve. Organized internships can incorporate more active involvements of experts or academic staff, who through and in cooperation with students who are part of internships, can assist companies (to improve management).

Table 7: The main perceived benefit from internships

Category	Frequency	Percent
Cooperation with qualified staff (professor or interns)	3	6.1%
Support graduates to develop their professional capacities	10	20.4%
Possibility of carrying out tasks for which there are no resources available, thus contributing to addressing human resources scarcities.	4	8.2%
Opportunity for update with innovation, know-how, methods etc.	4	8.2%
Opportunity to assess future potential employment of the students	22	44.9%
Direct understanding of the level of qualification	2	4.1%
Implement projects that cannot be implemented without internships	1	2.0%
Implementing/developing joint projects with universities	3	6.1%
Total	49	100.0%

University structures, such as career orientation offices, play a crucial role to enable internships, in cooperation with the enterprises. However, also informal network, tend to play an important role

(second category, as shown in table 8 below), which is quite understandable in the context of the local context, where informal networks are very important (in the case of Albania).

Table 8: Answer to the question: “What are the channels of communication or cooperation to ensure internships at your company?”

Category	Yes	No	Total
Through university (eg. career offices, other relevant offices or professors	65%	35%	49
Through friends/acquaintances or other companies that host internships	31%	69%	49
Through public institutions or organizations who are involved with recruitments.	8%	92%	49
Through interns (students – eg. direct contacts)	35%	65%	49

Source: Enterprise survey

The period of internship is very important. Often internships last for short period, which is not sufficient for the students to acquire substantial professional experience or for the companies to benefit from the interns. It is understandable, that the first weeks, or even months, serve mainly to the purpose of becoming familiar and in the case when internships last for shorter period (shorter than 3 months), than there is no sufficient time for the interns to provide valuable contribution. More than ¾ of the interviewees suggest that internships should be at least 3 month, of whom more than ¼ of the sample prefer 6 months. Future internships should take into consideration such views or preferences.

Table 9: Answer to the question: “How long should the internships be?”

Number of months	Frequency	Percent
0	4	8.5%
2	7	14.9%
3	12	25.5%
3-6	5	10.6%
6	12	25.5%
12 or more	7	14.9%
Total	47	100%

Source: Enterprise survey

IV. Conclusions

Unemployment is one of the major socio-economic challenges faced by the Albanian society, which is more common among young – unemployment is also one of the drivers behind mass migration. There have been observed a deep mismatch between skills demanded by the business and the ones provided by the workers has been occurring in Albania, mainly due to the education performance and structure, which has been causing gaps in the labor market.

Considering the above developments, the Albanian Government (AG) adopted an Employment and Skills Strategy 2014-2020 in order to achieve a competitive economy and an inclusive society that are built on: “Higher skills and better jobs for all women and men”. Great importance is attached to the linkage between employment and the VET system focusing the governmental actions on facing this challenge. Internships can serve as an important platform to strengthen cooperation between universities and the labor market.

This report was prepared in the context of the GRADUA Project, based on a survey with enterprises regarding internships and employability, taking into considerations various sectors and areas of employment (corresponding to various disciplines).

There are several benefits, that can be observed from internships – they can improve employability opportunities, by bringing closer students (potential employees) with potential employers, while also contributing to achieving more intensive interaction between supervising/coaching academic staff and host companies, which can give birth to joint interest for cooperation beyond internships, such as research on solving problems of the company, etc.

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