

ORIGINAL

## Basic skills required in the labor market in Azerbaijan

### Competencias básicas requeridas en el mercado laboral en Azerbaiyán

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#### ABSTRACT

In the current era, the skills required in the labor market in connection with the technological development have also started to change and adapt to the current situation. It's just that, compared to 30 years ago, the demand for skills, especially digital skills, is changing at a much faster rate. This continues in the same form in many countries and not only in non-tech sectors, but also in many different fields.

Along with digital skills, personal skills continue to be in demand for the modern age. On the other hand, more indicators are not only the diplomas and certificates that the person will present, but directly his skills in the real work environment.

In the article, the skills required in the modern labor market, as well as its situation in the global position, were considered, and the requirements of the modern labor market in Azerbaijan were noted taking into account the questionnaire survey.

**Keywords:** Labor Market; Global; Azerbaijan; Digital Skills; Personal Skills.

#### RESUMEN

En la era actual, las habilidades requeridas en el mercado laboral en relación con el desarrollo tecnológico también han comenzado a cambiar y adaptarse a la situación actual. Es solo que, en comparación con hace 30 años, la demanda de habilidades, especialmente habilidades digitales, está cambiando a un ritmo mucho más rápido. Esto continúa de la misma forma en muchos países y no solo en sectores no tecnológicos, sino también en muchos campos diferentes.

Junto con las habilidades digitales, las habilidades personales continúan siendo demandadas en la era moderna. Por otro lado, más indicadores no son solo los diplomas y certificados que presentará la persona, sino directamente sus habilidades en el entorno laboral real.

En el artículo, se analizaron las habilidades requeridas en el mercado laboral moderno, así como su situación en la posición global, y se señalaron los requisitos del mercado laboral moderno en Azerbaiyán teniendo en cuenta la encuesta por cuestionario.

**Palabras clave:** Mercado Laboral; Global; Azerbaiyán; Habilidades Digitales; Habilidades Personales.

## INTRODUCTION

One of the main concerns in today's labor market is to facilitate skills matching and overcome skills mismatch.<sup>(1)</sup> This statement can be recorded depending on the person's level of education.<sup>(2)</sup> It is known that one of the main indicators of skills in the labor market is having a higher education. However, the situation in the developing world has already begun to change relatively.<sup>(3)</sup> Although the indicator of an employee before entering the labor market is a higher education diploma, nowadays modern entrepreneurs require more talented people.<sup>(4)</sup> That is, in the modern era, the diploma of higher education has begun to lose its ability to be the main indicator.<sup>(5)</sup> And accordingly, individuals with personal skills and talents about the work represented are attracted to suitable fields.

The Fourth Industrial Revolution brought robotics, artificial intelligence, 3D printing and other new technologies to our lives, causing serious changes in the labor market.<sup>(6)</sup> According to research by the World Economic Forum, by 2030, most of the current skills will be replaced by new skills. Among the key skills, creativity and analytical thinking will be at the forefront.<sup>(7)</sup>

According to a report by the World Economic Forum, automation and the advancement of technology led to the loss of 5,1 million jobs worldwide between 2015 and 2020.<sup>(8)</sup> For example, cashiers are no longer needed in Amazon Go stores thanks to artificial intelligence and cameras. Such changes have already become a reality and are expected to become more widespread in the future.<sup>(9)</sup>

These changes show that the old career model of "study-work-retire" is losing its relevance.<sup>(10)</sup> It is replaced by the principle of "lifelong learning". Experts emphasize the need to spend 60 % of working time on work and 40 % on continuous education.

Employment of graduates is one of the main indicators for measuring the effectiveness of universities.<sup>(11,12)</sup> The competitiveness of graduates in the labor market reflects the practical application of the knowledge and skills they have acquired during their studies.<sup>(13,14)</sup> This indicator also shows how efficient the university's career services, cooperation with the business world, and alumni communication mechanisms are.<sup>(15,16)</sup>

Employment of graduates of higher educational institutions is one of the most urgent and difficult issues in the modern labor market. Every graduate wants to find a job suitable for their qualification, get a suitable salary and see career prospects. However, these expectations are not always realized. The main reasons for this include:

- High expectations of graduates: requirements that do not correspond to the real situation of the labor market.
- Knowledge and skills that do not correspond to the specialty: the lack of training of educational institutions to meet the requirements of the labor market.
- Lack of practical knowledge and skills: difficulty of adaptation of graduates to the work environment, etc.

We all know that the world is not the same anymore. More than 1/3 of the skills that were considered important in business life 5 years ago are no longer considered relevant.

In today's era of rapid digitization and increased innovation, the expectations of employers in the labor market are also changing.<sup>(17,18)</sup> Technical knowledge and professional experience are no longer enough; workers are required to have universal and deep skills in various fields. Below are some skills that are particularly valued in today's business world:<sup>(19,20)</sup>

- Digital Literacy: digitally literate workers are more in demand in the labor market, as they can support organizations to adapt and thrive in digital transformation processes.
- Creativity and strategic thinking: creativity is an important skill for gaining competitive advantage in today's world. Creative approaches allow new ideas to emerge and problems to be solved in different ways.
- Problem solving skills: such employees are able to analyze data and make logical decisions, and offer creative and practical solutions to the challenges faced by the organization.
- Emotional intelligence: emotional intelligence (EQ) refers to a person's ability to understand, manage, and positively channel their own emotions and the emotions of others. This skill enables employees to communicate effectively in a work environment, collaborate with a team, and successfully resolve conflicts. For employers, employees with high EQ are valuable individuals with potential for collaboration and leadership.
- Behavioral and communication skills: communication skills within the team enable mutual cooperation and joint work to be carried out with high productivity.

In particular, in addition to personal skills, digital skills are also among the most in demand. It manifests itself to different degrees in different countries.

Digital skills can be broadly interpreted in two different categories. First, digital skills needed to work

directly in ICT or digital industries, including computer science skills needed to code software, AI and other computer systems; electrical engineering skills for the design of semiconductors, high-performance computers, and quantum computers; cyber security skills; skills to manage data centers and telecommunications networks. It is these digital skills that have given rise to the Internet/digital technology sector, which accounted for \$2,1 trillion of the US economy in 2018, or about 10 percent of GDP.<sup>(21)</sup>

In 2002, 56 percent of the jobs studied required low amounts of digital skills. Nearly 40 percent of jobs required medium digital skills and just 5 percent required high digital skills. A lot has changed. By 2016, the share of jobs requiring high digital skills had jumped to 23 percent. The share requiring medium digital skills rose to 48 percent. And in a huge shift, the share of jobs requiring low digital skills fell from 56 to 30 percent.<sup>(22)</sup>

At the same time, last year - February 2023 - the National Skills Coalition in America released a related report, "Closing the Digital Skill Divide".

According to the report, 92 % of jobs analyzed require digital skills. finds strong demand for digital skills in every industry (dispelling misconceptions that exist mainly in the tech sector) and in almost every occupation, including entry-level and front-line positions.<sup>(23,24)</sup> It is possible to see similar issues in Azerbaijan.

### **Skills required in the Azerbaijani labor market**

The emerging labor market in Azerbaijan requires the acquisition of new skills. The government, the business sector and universities should cooperate and respond to these challenges.

According to research, candidates in Azerbaijan face the following difficulties during recruitment:

- Poor presentation skills: 52 %.

Candidates find it difficult to effectively present their knowledge and skills to employers. This leads to problems in self-expression during interviews and reduced chances of employment.

- Lack of communication skills: 45 %.

Effective communication plays an important role in the work environment. Candidates' inability to convey their ideas or communicate appropriately with the employer can reduce their chances of getting hired.

- Ignorance about the vacancy and the company: 43 %.

The fact that candidates do not know the requirements of the vacancy they are applying for and the directions of the company they want to work for creates a negative impact for employers. This can be seen as an indication of lack of preparation and lack of interest.

- Unpreparedness for the interview: 36 %.

In order to succeed in interviews, it is important for candidates to prepare in advance. Not being prepared for the question-and-answer process, inaccurate or superficial answers lead to negative consequences.

- Providing false information: 25 %.

Candidates giving false information about themselves in CVs or during interviews undermines the credibility of employers. Such cases create a serious obstacle in the recruitment process.

Employers' requirements for the educational level of graduates at the time of recruitment are as follows:

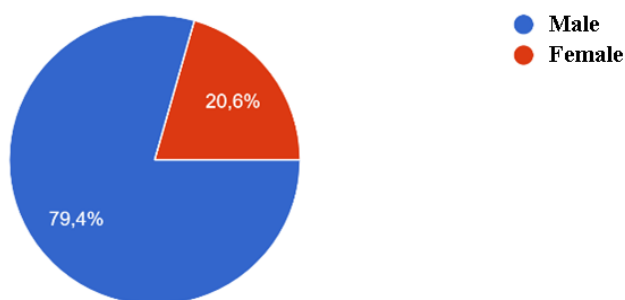
- Bachelor's education: 80 %.
- Master's education: 50 %.
- Field training and certifications: 45 %.

The Graduate Satisfaction Survey conducted among graduates of the 2023-2024 academic year at the Azerbaijan State Academy of Physical Education and Sports aimed to better understand the experiences, expectations and satisfaction levels of students and graduates of the educational institution. The survey was also designed to assess the successes and challenges faced by graduates in their professional lives.

The main purpose of the survey is to find out the opinion of the graduates about the quality of the education they received from the Academy, to evaluate the relevance of the educational programs to the labor market, to determine the support for the career development of the students and the needs of the graduates in their professional life, and to collect suggestions and recommendations of the graduates to improve the activities of the Academy.

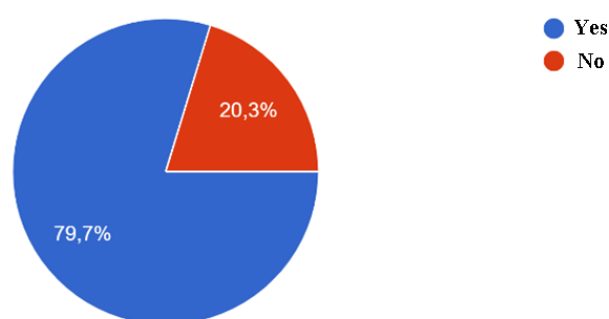
Of the 675 graduates who participated in the survey, 79,4 % were men and 20,6 % were women. These results show what skills employers prefer in candidates.

**Gender**  
675 answer



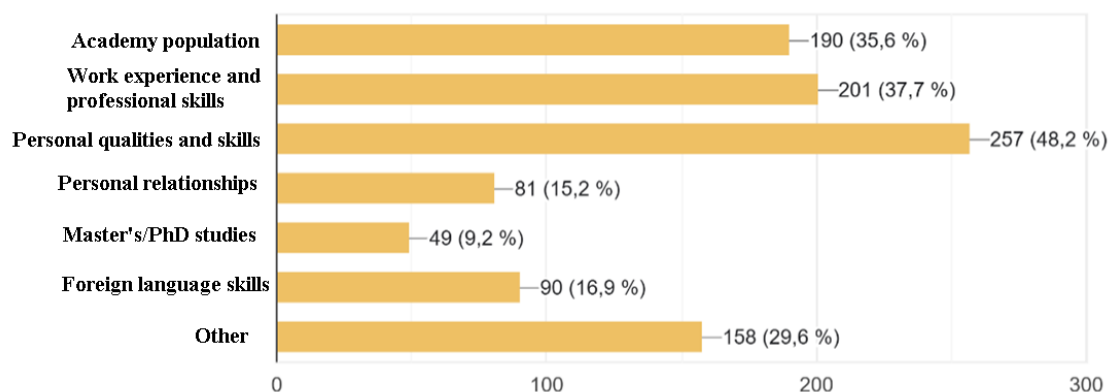
**Figure 1. Question 1**

**Did the knowledge and skills you gained at the academy help you get hired?**  
572 answer



**Figure 2. Question 2**

**Which of the following factors played a role in your hiring? (You can choose several options.)**  
533 answer



**Figure 3. Question 3**

In addition, the results show that the main skills required among graduates are:

- Communication skills.
- Problem solving and initiative.
- Teamwork.
- Technological knowledge.

72 % of the survey participants indicated that there were sufficient opportunities for career preparation during their studies, and 62 % rated the support of the career center highly.

Integration into the labor market:

- 58 % of the graduates stated that they have already found a job according to their qualification, and 27 % said that they are looking for a job.

- Lack of suitable vacancies (45 %) and high competition in the recruitment process (35 %) were mentioned as the main difficulties encountered in the labor market.

In order to be successful in today’s labor market, it is important for universities to adapt their curricula to modern requirements and to develop key skills such as innovative thinking, creativity and emotional intelligence in students. Investing in skills development is key to our future in the face of the challenges posed by the Fourth Industrial Revolution.

**Global comparison**

Compared to Azerbaijan, we can consider the skills required in the global environment according to the report presented by the State Employment Agency of Azerbaijan. In the report, the basic skills required for specialists in Azerbaijan and in the world in general are mentioned. The following table shows the comparison.<sup>(25)</sup>

Table 1. Basic skills required in the labor market in Azerbaijan and globally		
Basic skills required in the labor market in Azerbaijan and globally		
№	Azerbaijan	World Economic Forum (2023 report)
1.	Willingness to learn (90,3 %)	Willingness to learn
2.	Operability	Operability
3.	Ability to work with a team	Ability to work with a team
4.	Attention to detail	Attention to detail
5.	Flexibility and adaptability	Flexibility and adaptability
6.	Effective communication	Effective communication
7.	Focus on results	Focus on results
8.	Active listening skills	Active listening skills
9.	Initiative	Initiative
10.	Technological skills (76,7 %)	Technological skills

As can be seen from the table, the required skills are the same in Azerbaijan as in the general global scale. Which shows the suitability of the existing work environment.

**CONCLUSIONS**

The skills required in the labor market are constantly changing to match the current era. Recently, along with personal skills, digital skills are also preferred. So, this is one of the important skills, especially in terms of adapting to the ongoing technological development. On the other hand, as technological development continues, the areas where this skill is required will continue to increase. Not only in the technological fields, digital skills are required even in the simplest fields today.

As mentioned above, many jobs - at least 92 % - require digital skills. At the same time, the labor market in Azerbaijan is adapting to global requirements. Although the skills required in terms of personal quality currently dominate, it is an accepted fact that soon digital skills will also rise to the top level.

Both in other countries and in Azerbaijan, the skills that are especially required for a recent graduate are communication skills, problem solving and initiative, teamwork and technological skills.

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