SKILLS ANTICIPATION AND MATCHING
RATIONALE AND METHODOLOGIES

Cristina Mereuta, Labour Market Specialist, ETF

Learning programme on measuring labour market outcomes of participants in VET courses – implementation of tracer studies, Prizren, 3-5 May 2017
CONTENT

RATIONALE FOR SKILLS NEEDS ANTICIPATION

LABOUR MARKET INFORMATION SYSTEM

METHODS TO SCAN SKILLS SUPPLY AND DEMAND

USE OF SKILLS INFORMATION INTO POLICIES AND PROGRAMMES (EMPLOYMENT, EDUCATION, TRAINING)

THE ROLE OF EMPLOYMENT SERVICE PROVIDERS

COUNTRY EXAMPLES
WHY SKILLS ANTICIPATION AND MATCHING 
LABOUR MARKET INFORMATION SYSTEM
3 basic functions of anticipation and matching:

- Knowledge creation: data analysis of present and past, and future trends
- Knowledge dissemination to reach the actors
- Deliberate anticipation and matching policies

Success depends on the systemic quality of interaction and interplay of these components (and not so much on a single methodology)
WHY SKILL ANTICIPATION MATTERS?

Skill supply
- Skill gaps
- Obsolete skills
- Unemployment
- Social consequences (social exclusion)

Skill demand
- Skill shortages
- Low product quality
- Investment in retraining
- Low productivity
- Loss of competitiveness

Drivers of change
- Globalisation
- Technological progress
- Digitalisation
- Demographics
- Climate change

Outcomes
- Growth and productivity
- Innovation
- Transition to work
- Earnings
- Social inclusion

Systemic aspects
- Structure and quality of the education system
- Ineffective PES
- Information asymmetry
- Weak career guidance
- Mobility barriers
WHAT IS LABOUR MARKET INFORMATION SYSTEM

MAIN FUNCTIONS:
(F1) LABOUR MARKET ANALYSIS;
(F2) MONITORING AND REPORTING ON EMPLOYMENT AND LABOUR POLICIES;
(F3) MECHANISM TO EXCHANGE INFORMATION OR COORDINATE DIFFERENT ACTORS AND INSTITUTIONS THAT PRODUCE AND USE LMI.

MAIN COMPONENTS:
(C1) COLLECTION AND COMPILATION OF DATA AND INFORMATION;
(C2) ANALYTICAL CAPACITY AND TOOLS;
(C3) INSTITUTIONAL ARRANGEMENTS AND NETWORKS.
GUIDANCE ON SIX STEPS TO BUILD LMI SYSTEM AND MAKE BETTER INFORMED DECISIONS BOTH AT ORGANISATIONAL AND INDIVIDUAL LEVEL

0. Building a conducive institutional setting for generation and use of LMI

1. Define aims and objectives of the LMI based analysis

2. Data audit on sources (standard, skill specific, qualitative)

3. Building capability (statistical infrastructure, training, trust)

4. Analysis (define key topics, appropriate sources, relevant indicators; validate results)

5. Dissemination and use of LMI
GOOD QUALITY INFORMATION

- RELIABLE AND ACCESSIBLE DATA
- MULTIPLE FLOWS OF DATA ON SKILLS SUPPLY AND DEMAND
- DIFFERENT SOURCES AND TYPOLOGY
- UNDERSTAND LIMITATIONS OF EACH SOURCE
DATA GAPS
- Data are not being collected or not fully compliant to international standards
  - E.g. Job vacancy survey, employment by occupation & wages survey (no long time series, break in data)
- Data sharing among institutions (e.g. privacy protection laws; weak interinstitutional cooperation)

INFORMATION GAPS
- Raw data collected but trends and patterns not monitored
  - E.g. LFS data not fully used to monitor LM trends
- Tabulation ≠ analysis
- Dissemination and follow trends = presenting information in a structured way, relevant and understandable for the end users (policy makers, education providers, individuals)
METHODS TO SCAN SKILLS SUPPLY AND DEMAND
USE OF SKILLS INFORMATION INTO POLICIES AND PROGRAMMES
### Exploring Current and Future Skills Demand (Examples)

<table>
<thead>
<tr>
<th>Time Horizon</th>
<th>Short-term (0-1 year)</th>
<th>Mid-term (1-5 years)</th>
<th>Long-term (&gt;5 years)</th>
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<tbody>
<tr>
<td><strong>Levels</strong></td>
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<td><strong>Micro-level</strong> (people, enterprises)</td>
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**Tracer Studies**
- Skills needs assessment at company level
- Surveys about labour market transitions

**Employer Surveys, Vacancy Monitor**
- Sector skills analyses
- Sector forecasts

**Formal, National or Regional Quantitative Projections**

Source: ETF Position Paper on Anticipating and Matching Demand and Supply of Skills in ETF Partner Countries, 2012
## TRANSFERRING FINDINGS INTO EFFECTIVE ACTION (EXAMPLES)

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<td>(&gt;5 years)</td>
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<tr>
<td><strong>Micro-level</strong> (people, enterprises)</td>
<td>Placement and referral systems (PES)</td>
<td>Labour market training (unemployed, preventive measures)</td>
<td>VET reform</td>
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<td></td>
<td>Personal development plans (PES)</td>
<td>Social responsible restructuring</td>
<td>NQF systems</td>
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<td></td>
<td>Workplace training (biz)</td>
<td>Career counselling and guidance</td>
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<tr>
<td><strong>Meso-level</strong> (sectors, regions)</td>
<td>Demand oriented training provision</td>
<td>Sectoral and regional (local/spatial) policies and strategies</td>
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<tr>
<td><strong>Macro-level</strong> (macro economic, national level)</td>
<td></td>
<td>Active labour market policy</td>
<td>National employment strategy;</td>
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<td></td>
<td></td>
<td>National HRD strategies</td>
<td>Education/lifelong learning strategy</td>
</tr>
</tbody>
</table>

Source: ETF Position Paper on Anticipating and Matching Demand and Supply of Skills in ETF Partner Countries, 2012
WHEN PREPARING SKILLS ANTICIPATION EXERCISES LOOK AT:

- policy objectives and needs
- research objectives, methods and means
  - Level (micro, meso, macro) and life span (short to long)
  - Data availability and reliability
  - Expertise resources and funds available
- partners and end users of research findings
Success factors

OWNERSHIP AND COOPERATION
• Policy makers and other stakeholders create and use skills needs’ information

RESPONSIVE TO THE DEMAND
• Effective governance structure and well defined objectives
• Actively identifies information needs and gaps; Adequate analytical capacity (in-house, external)
• Produces information that is relevant to the needs of users; Presents information in a clear and simple way intelligible to the users
• Timely, up-to-date products and effective dissemination; Interacts regularly with users of information (feedback mechanism)

EFFECTIVE USE IN DECISION MAKING AND HCD POLICY IMPLEMENTATION
• Proper utilization of the results (e.g. short time skills demand to update continuous training courses not longer term strategies)
• Counseling and advice, proper interpretation of results, multi-source evidence in decision making
**MAIN CHALLENGES/DIFFICULTIES WORLDWIDE**

<table>
<thead>
<tr>
<th>Skills needs anticipation</th>
<th>Transfer findings into policy action</th>
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<tbody>
<tr>
<td>• expertise</td>
<td>• lengthy data processing;</td>
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<td>• resources</td>
<td>• insufficient outreach/dissemination;</td>
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<td>• lack of interest</td>
<td>• too technical outputs;</td>
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<td>• insufficient involvement of stakeholders</td>
<td>• too general information or insufficient to inform education and</td>
</tr>
<tr>
<td>• insufficient reliability</td>
<td>training planning and content</td>
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</table>

Source: OECD, CEDEFOP, ETF and ILO screening of various countries’ policies and practices for skills needs assessment, anticipation and policy use (2014-2016)
THE ROLE OF EMPLOYMENT SERVICE PROVIDERS IN SKILLS MATCHING
TYPICAL INSTITUTIONAL AND LEGAL PATTERNS (highly variable across countries)

PUBLIC EMPLOYMENT SERVICES: Jobseekers’ activation (job matching, guidance, up/reskilling, hiring and incentives, entrepreneurship schemes, public works); Passive support (unemployment and/or other income-replacement benefits); Employers (services, partnerships); LMI contribution (vacancy and jobseekers registration).

PRIVATE EMPLOYMENT AGENCIES: temporary work agencies or recruitment and placement services

NON-GOVERNMENTAL ORGANISATIONS: typically deliver specialised services for specific target groups

*CAREER GUIDANCE AND COUNSELLING SERVICES AT SCHOOLS AND UNIVERSITIES
MATCHING AT INDIVIDUAL LEVEL

- Empl Service Providers

- < -- active job search
- counseling support -- >

- Employer

- < -- job vacancy
- "hard to place" job seekers -- >

- Job seeker

- < -- candidate with good skills
- gainful job -- >
## TYPOLOGY OF ESPs BY MATCHING ACTIVITIES

<table>
<thead>
<tr>
<th>Type of employment service provider</th>
<th>Registration (of vacancies and jobseekers)</th>
<th>Direct matching of vacancies with jobseekers</th>
<th>Labour market information</th>
<th>Career guidance and counselling</th>
<th>Labour market training</th>
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</thead>
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<td><strong>Public bodies</strong></td>
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<tr>
<td>PES</td>
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<td>Public career guidance centres (outside PES)</td>
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<td><strong>PReA</strong></td>
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<tr>
<td>Private job brokers</td>
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<tr>
<td>Temporary work agencies</td>
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<tr>
<td>Private providers of guidance and counselling</td>
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<tr>
<td><strong>NGOs</strong></td>
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<td>Org. promoting interests of LM exposed groups</td>
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ROLES IN MATCHING: POLICY LEVELS AND TIME HORIZONS

MATCHING

- Policies, regulation, targets, financing
- Planning; management; provision of infrastructure; provision of methods, systems and procedures; staff development
- Compliance with procedures; gathering, combining and using information from companies, jobseekers and training providers

ANTICIPATION

- Time horizon

Level

Policy level: governments ministries
Institutional level:
Operational level: employment services/training providers

Current
Future
Skills-related functions of PES at operational level

- Identification of skills demands
- Guidance and orientation on skills
- Validation and verification of skills
- Profiling of skills (assessment of skills and competencies)
- Adapting skills (training and re-training)
- Matching of people’s skills with jobs

Source: ETF/ILO/CEDEFOP Guide on the role of the employment service providers in skills anticipation and matching
COUNTRY CASES
GEORGIA: INTEGRATED LABOUR MARKET INFORMATION SYSTEM

- on the way to establish an integrated labour market information system (EU project support);
- LMIS IT – one stop shop portal with information on labour market conditions and trends, career guidance information, occupational profiles (user friendly interface in Georgian and English)
- Targets decision makers, business, jobseekers, learners/students;
- Will support decision making on career, educational and employment of individuals;
- Comprehensive sources of data and processing that feeds into education and labour policy analysis
- Interagency Coordination Council established for coherent functioning and timely information flow (State institutions, social partners, civil society)

(Based on a contribution the George Gamkrelidze, Acting Head of Labour Market Analysis Division, Ministry of Labour, Health and Social Affairs of Georgia to ETF’s Leaning Programme on Skills anticipation, October 2016)
LMIS Interface
Web design is in process...
CORE FUNCTIONS

• LM SURVEYS & ANALYSIS

• ACTIVE LM PROGRAMMES
  (vocational training; on the job training, measures for disadvantaged groups; public works)

• PASSIVE LM PROGRAMMES

• JOB & VOCATIONAL COUNSELLING

• JOB PLACEMENT SERVICES

DATA COMPILATION METHODS

SURVEY DATA - LM demand survey
– identify short term labour demand at local level (current employment, vacancies, diff. to fill occupations, empl. trends) and supports ALMMs planning;
- annual; representative; face to face & internet based

ADMINISTRATIVE DATA
- employment services, unemployment insurance, ALMPs, job and vocational counselling

(based on the contribution of Eser Erol, Employment Expert, Turkey Public Employment Service – ISKUR, to ETF’s leaning Programme on Skills Anticipation, October 2016)
CURRENT GAPS: regular and comprehensive evidence on education and training; employability and employment; migration and skills; methodologies and instruments; governance and effectiveness

LMO MISSION: to contribute to effective identification and analysis of trends in the labor market, skills / education and training needs, and to support policy decision as well as timely and useful information for the wider public

MAIN TASKS: synergy of existing data and information sources; support systematic stakeholders’ dialogue and cooperation; provide information to decision-makers and wider public; foster capacity building on skills anticipation

RISKS/THREATS: fragmented approach to data collection and use; weak methodological capacity (esp. longer term projections), lack of financial resources and technical capacities, difficult to agree on the best place of LMO within institutional structures (e.g. possible options explored: National Institute for Economic Research, Ministry of Labour or National Employment Agency)
Thank you for your attention