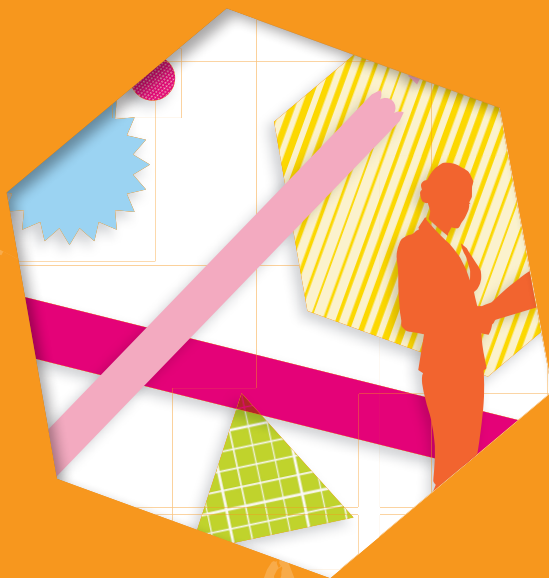


# THE ROLE OF EMPLOYMENT SERVICE PROVIDERS

GUIDE TO ANTICIPATING AND MATCHING SKILLS AND JOBS VOLUME 4



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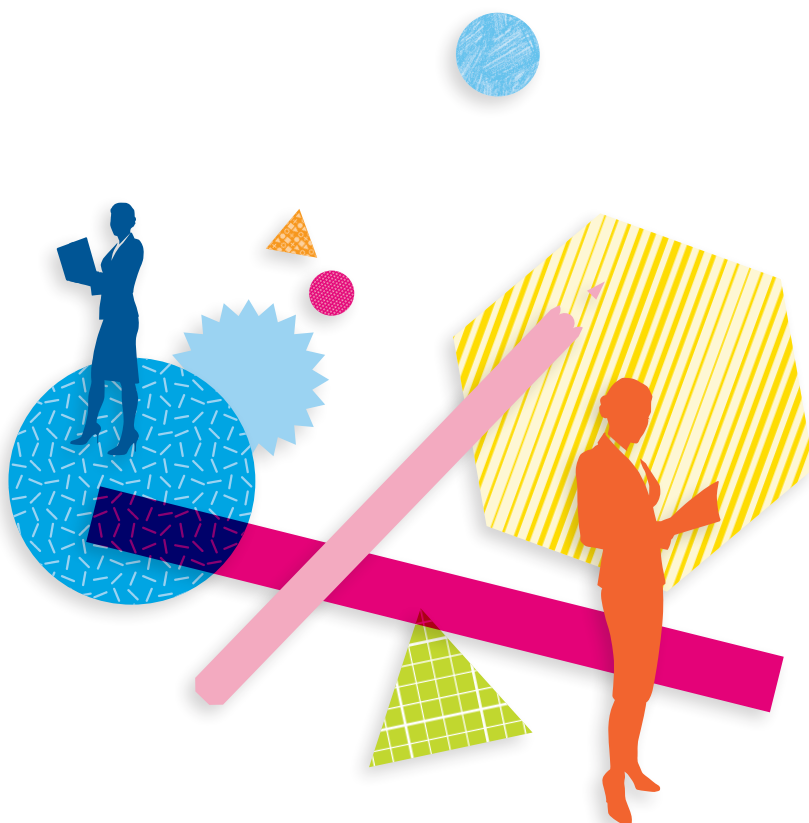
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# THE ROLE OF EMPLOYMENT SERVICE PROVIDERS

**GUIDE TO ANTICIPATING AND MATCHING SKILLS AND JOBS** VOLUME 4

Tine Andersen, Lizzi Feiler and Gregor Schulz





# FOREWORD

In a context of dynamic and complex labour markets, gathering intelligence on current and future skill needs can support better matching of training and jobs, which is of paramount importance for every country in the world. In recent years, better understanding of labour market needs and skills matching have featured high on the policy agenda of many countries, driven by both rapid technological advances and global competition. Skills matching can also help reduce unemployment, particularly among young people. It helps build a better life for individuals by improving employability, social mobility and inclusion.

The European Union (EU) places great emphasis on skills anticipation and better matching. The Europe 2020 strategy and, in particular, the Agenda for new skills and jobs, recognise that anticipation and matching approaches and methods can help develop a skilled workforce with the right mix of skills in response to labour market needs, in a way that promotes job quality and lifelong learning. The EU Skills Panorama, launched in 2012, supports the effort to provide better data and intelligence on skill needs in the labour market.

The tripartite representation of International Labour Organization (ILO) Member States agreed that countries that have succeeded in linking skills to gains in productivity, employment and development have targeted skills development policy towards three main objectives:

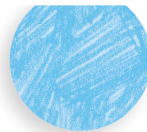
- matching supply to current demand for skills;
- helping workers and enterprises adjust to change;
- building and sustaining competencies for future labour market needs.

Such a strategy includes anticipating and delivering the skills that will be needed in the future. The ILO/G20 training strategy A skilled workforce for strong, sustainable and balanced growth (ILO, 2010) recognises anticipation of skill needs as one of the principal building blocks of effective skills development systems.

Skills matching is a complex and dynamic process involving multiple stakeholders making multiple decisions at different times: individuals and their families, as they make decisions regarding their own education and training; education, training and labour market policy makers, as they decide on the configuration of education and training systems, employment policies and investments; training

institutions, as they make decisions on the type and content of the training courses to be delivered; and employers, as they take decisions on how to train workers and utilise skills.

Jobs are changing rapidly and individuals are also changing their skill sets, either through education and training or through their work and life experience. Education and training systems, in particular, have a key role to play in ensuring that opportunities are provided for all individuals to develop their skills continually in a lifelong learning perspective, enabling them to adapt to rapidly changing labour market requirements and conditions.



Given the complexity and dynamics of the process, perfect matching between skills demand and supply is neither feasible (especially in rapidly changing labour markets and economies) nor necessary, given the fact that many people can do many different jobs and many jobs can be done by people with different skill sets. However, it is important for policy makers to be aware of the importance of reducing the risk of creating large skills gaps that undermine the employability of individuals and impede the productivity of enterprises and the growth of economies.

International experience suggests that a comprehensive labour market information system is the backbone of any education and employment strategy, but no single methodology can generate sufficient knowledge of labour markets to avoid or minimise skills mismatch. The right mix and complementarity of different methods is essential for a reliable and comprehensive overview of skills demand and matching.

For developing and transition countries, skills matching and anticipation is becoming an even more complex task given their particular socio-economic conditions, weak institutions, capacities and governance systems. Many developing countries have limited labour market information and more effort and investment is needed to build robust information systems. At the same time, even limited evidence can be better and more efficiently used, with proper methodological tools and analyses.

To respond to these challenges, the European Training Foundation (ETF), the European Centre for the Development of Vocational Training (Cedefop) and the International Labour Office have joined forces and combined expertise and geographic coverage to develop a compendium of methodological guides on anticipation and matching of skills supply and demand:

- Volume 1: how to use labour market information
- Volume 2: how to develop skills foresights, scenarios and skills forecasts
- Volume 3: what works at sector level
- Volume 4: what is the role of employment service providers
- Volume 5: how to develop and run an establishment skills survey
- Volume 6: how to carry out tracer studies

The six guides complement each other. They include both qualitative and quantitative approaches, and advocate strong social dialogue and institutions conducive to better understanding the skills needs of tomorrow. They target professionals, policy makers, researchers, social partners and experts who need an overview of how different anticipation and matching methodologies can generate reliable labour market information and how information and evidence can be analysed and used for the development of policy interventions or adjustments in education and employment strategies.

The compendium brings together state-of-the-art international good practice and experience worldwide. The most common approaches used for skills matching and anticipation in different economic and country contexts are reviewed, and their potential and methodological shortcomings for generating reliable data and information are examined. They serve as reference material for readers to explain the scope, added value and limitations of diverse methodologies. The guides also provide insight into how the results of different methodologies can be analysed to provide recommendations and policy formulations.

Any feedback from readers and users of the guides is very welcome, particularly regarding how the next editions could be improved or made relevant to their circumstances and policy dilemmas, how they are used in different countries and contexts, including especially in bringing stakeholders together, and which topics could be added in the future to complement the current compendium.

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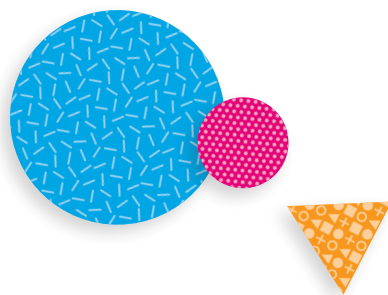
Joachim James Calleja,  
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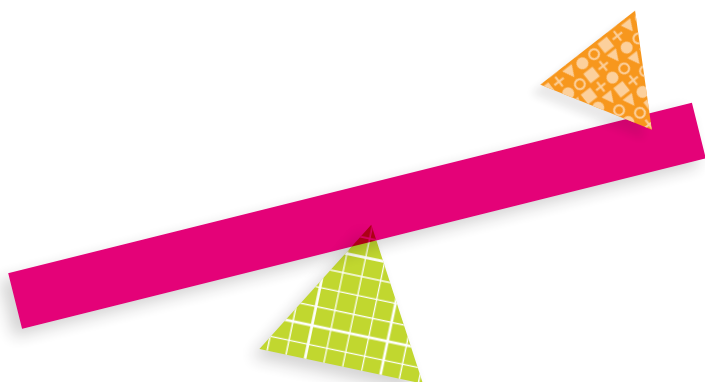
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## 1. Executive summary

The world of work is rapidly changing and the skills of the workforce must adapt to new technologies and changing forms of work organisation. Initial education is the cornerstone, but continuous lifelong learning is imperative for everyone to advance in their career or even to remain in work. Technical and organisational changes are frequently accompanied by the need for occupational and geographic mobility. An increasing proportion of the workforce either need or aspire to migrate to growth centres, from rural to urban areas or across countries and continents.

Globalisation and technological development are the main drivers of change and they combine to fuel the process. The first alters the international division of labour as emerging economies grow and the manufacturing sector in the west continues to shrink; the second, in the form of the digital revolution, constantly updates skill requirements for everyone, including the relatively small elite of highly-skilled workers in large companies.

Against this backdrop, there is increasing mismatch between the skills available in the workforce and those requested by employers, further contributing to unemployment that was already high as a result of job losses from the economic crisis. Reducing the mismatch between skills supply and demand tops the agenda for human resource policy-makers across the world. The problem could be eased through improved anticipation and matching policies and approaches, with employment services playing a key role.

This guide provides in-depth consideration of the role of employment service providers (public and private) in anticipation and matching. It is directed at employment policy-makers, managers and professionals working in the organisations that provide employment services in developing and transition countries. The aim of the guide is to provide its audience with practice-relevant policy options and practical examples from case studies across the world.

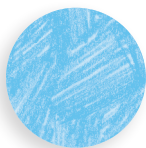
The International Labour Office (ILO) describes public employment services (PES) as follows<sup>1</sup>: 'usually part of ministries of labour or, less often, operate as separate

executive agencies. They plan and execute many of the active, and sometimes passive, labour market policies used to help workers enter the labour market, to facilitate labour market adjustments, and to cushion the impact of economic transitions. To do this, public employment services typically provide labour market information; offer job-search assistance and placement services; administer unemployment insurance benefits; and manage various labour market programmes (worker displacement assistance, retraining, public service employment, etc.). Public employment services must provide these services to both jobseekers and enterprises. The importance of tripartism and social dialogue in the administration of public employment services is reflected in the composition of their advisory bodies.'

The PES must keep pace with ever-faster changes in the world of work. Their core mandate, to aid the matching of jobseekers with job vacancies, has become a complex task, in which the matter of 'skills' sits firmly at the centre. The public employment services in transition and developing countries face specific challenges: they are often constrained by low budgets, poor staff resources and a low reach-out and market share. Budget constraints are certainly an issue but, even when funds are scarce, nearer optimal matching results can be achieved through better targeting and more effective and efficient measures. Some of the countries with larger budgets actually show poorer results on matching, demonstrating that appropriate management (such as strategic planning with a focus on results, multi-level partnerships and monitoring) are important to success.

Private employment agencies (PrEA) also contribute to better-functioning labour markets, acting either as temporary work agencies or recruitment and placement services. Some operate in a manner that is complementary to the public services, frequently cooperating closely with them. Non-governmental organisations (NGOs) play more of a supportive than leading role, providing specialised services for specific target groups.

<sup>1</sup> International Labour Office, Governing Body 306th session. ILO support for the role of public employment services in the labour market (ILO, 2009).



Anticipation in the context of this guide means that labour market actors identify future supply and demand for labour and skills, and devise strategies to resolve the needs and gaps identified. Skills matching generally aims at bringing supply and demand more in line with each other by reducing skills mismatches. In a more operational sense, relevant for employment services and for the context of this practical guide, matching denotes a process of filling vacant jobs with qualified jobseekers, including the overall matching of supply and demand beyond the individual level and the 'job matching' of individuals.

The technical conditions for matching have improved with the wider availability of e-tools, specialised software and databases that can handle huge amounts of data and make better matches. Some challenges persist, however, such as faster labour market turnover and tighter resource constraints. Also, public employment services in transition and developing countries generally have to cope with high caseloads per counsellor, with low outreach to rural areas and limited services for small and micro enterprises.

New approaches have been developed to meet the specific needs of certain target groups better and to increase the efficiency of job referral and placement services. Profiling methods involving information technology (IT) and statistical tools are used to assess the employability of jobseekers, and Internet-based self-service systems provide transparent real-time information on the jobs available. These meet the needs of most jobseekers, though some groups have needs that cannot be met in this way as they require more intensive support in finding a job.

Skills have become increasingly important in the matching process as the labour market moves more toward specialisation. Two of the most important current policy concerns are the alignment of skill demand and supply, and how to provide the two-pronged training needed to meet both the skill needs of today and those of tomorrow. The following policy documents and international labour standards are available on the subject: Recommendation No 195 concerning human resources development: education, training and lifelong learning (ILO, 2004); the New skills for new jobs initiative (European Commission, 2009); the Conclusions on skills for improved productivity,

employment growth and development (International Labour Conference, 2008); and the G20 training strategy (ILO, 2011).

Employment service providers play an important role in anticipating future skills, as they systematically track labour market information and provide regular feedback. Effective matching, strategies must be based on information about future trends and robust and reliable anticipation can only be achieved with the active involvement of employers, social partners, the education and training system, and researchers.

Today's global world of work and faster speed of changing skill demands requires better-quality and accessible labour market information. Improved data-generation processes are required in countries with less developed labour market management systems; investment is needed in terms of resources, time and coordination at policy level. Robust data are rarely available for forecasting future trends, as there may be gaps in the time series or poor coverage in rural areas. The strength of the informal economy and informal labour sectors, and common reliance on informal skills acquisition, also present problems in skills anticipation and matching.

In the short term, valuable improvements could be achieved through better use and cross-analysis of existing administrative data on jobseekers and vacancies. Employment services should ensure an upward flow of labour market information gathered at the local level, enriched with quantitative and qualitative information that may also be available from other sources, to inform strategy development.

Close cooperation between employment services and employers is essential to efficient mediation between supply and demand. This might take the form of partnerships for the implementation of programmes (that could also involve employer federations, training providers and research establishments) or basic measures to improve the orientation towards employers of the PES. A number of case studies show how local level cooperation between research entities, training providers, employers and the public employment service can provide good results, especially where there is national coordination.

Labour market and anticipation information must be transferred into action. Employment services can use the information to prepare young people for career choices and labour market entry, providing placement and job referral services, and contributing to skills adjustment to reduce unemployment. Case studies from around the world illustrate policy options with practical examples while also showing that programmes can work well as a result of local or sector level initiatives.

Youth unemployment, underemployment and inactivity have reached unprecedented levels globally: according to the ILO (2013) as much as two-thirds of the young population is underutilised in some developing economies, meaning they are unemployed, in irregular employment – most likely in the informal sector – or neither in employment nor in education or training. While it is clear that anticipation and matching approaches alone cannot solve the problem of unemployment (as job creation is needed first), they can help in addressing the problem of jobless youth. Career guidance and counselling services are early intervention strategies that must be informed by robust anticipation data. Employment services can also aid the difficult transition from school into the first gainful job through programmes to ease initial labour market entry, using strategies such as incentives for employers to hire young graduates or subsidised work practices in companies.

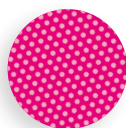
It is necessary for employees to upgrade their skills throughout their careers. Employment services offer training or work practice for jobseekers and some have also developed programmes for specific employee target groups. Training achieves greater labour market efficiency when adequate demand orientation and integrated job placement components are present.

This guide describes specific methodologies and gives examples of effective skills matching from practice, built on the two pillars of labour market information using data collected by employment services (or by other government institutions) and cooperation between employment services and employers.

A key message of this review is that skills, rather than qualifications, are at the centre of the anticipation and matching practices of the employment services. The shift from qualifications to skills as the core element has led employment services to concentrate on developing more skills-related services. Guidance and orientation services and the upgrading of skills with training measures are now the core functions.

Activities of employment service providers should be agreed at the same policy level where the regulatory frameworks, policies and budgets are defined. A coherent skills policy approach should align labour market, education and macro-economic policy with research strategies. Fully-functioning communication channels form the central nervous system of effective skills policies, allowing the bodies implementing the policy and their frontline staff to support decision-making with relevant and up-to-date information. In this way, the decisions made will be based on reliable evidence about the labour market situation at all levels.

While no single holistic solution can be proposed, and no method or policy can be transferred from one labour market setting to another without adaptation, policy-makers can take inspiration from the experiences of good practice in other contexts. The form of mutual learning practised by the employment services across many regions and continents can contribute to the design of measures for even more effective anticipation and matching.





## 2. Introduction

This chapter introduces the role of employment service providers (public and private) in skills anticipation and matching related to the specific needs and labour market backdrops of developing countries. It describes the aim of the guide and its core questions. Chapter 3 outlines the key concepts of skills matching and anticipation, introduces the actors in the labour market and explains international standards for the roles of public and private employment service providers. Chapter 4 focuses on the challenges, and the strategies and approaches available to a country looking to improve employment services support to skills matching and anticipation. Conclusions are followed by the annex which provides case studies from around the world.

Skills anticipation and matching has gained momentum as a policy issue in recent years. Impetus has come from rapid changes in labour markets and the crisis-induced persistent trend of rising unemployment, in particular among youth, in combination with efforts to improve competitiveness with a better skilled workforce. The main drivers for changing skill demand are economic globalisation and technological innovation, both of which accelerate organisational change in public administrations as well as in business. The European Union (EU) New skills for new jobs initiative (European Commission, 2009) and the ILO G20 training strategy (ILO, 2011) take account of these trends.

Countries within the European Union and the Organisation for Economic Cooperation and Development (OECD) have come under pressure to modernise their labour market management and reform labour market institutions in a way that has also extended to the transition and development countries. Better matching of skill demand and supply has become a core issue, as so many countries find themselves facing the similar challenges of underdeveloped labour market

information systems (LMIS) and high levels of informal economic activity and employment.

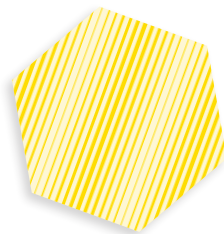
The countries affected differ greatly depending on their natural resources, geographic location, urbanisation and demographic trends, in terms of large youth cohorts versus ageing societies, migration flows and directions. Skill demands also change rapidly as a result of structural changes, such as the conversion from an industrial to service-based economy, or from a state-owned system to private enterprise, with the additional pressures of restructuring and increasing productivity. All these baseline conditions significantly impact on the national skills agenda.

This guide explores the role of employment service providers in anticipation and matching related to the specific needs and labour market backdrops of developing and transition countries. It is addressed directly to policy-makers and practitioners, and explains how the information obtained through labour market monitoring and 'intelligence' on future skill needs is translated into decisions and action. The guide is intended to be of use to employment service providers offering practical solutions for linking skill needs anticipation and matching for jobseekers with opportunities in enterprises.

The core questions approached are:

**How can employment service providers improve the collection, analysis and dissemination of information about current and future skill demand?**

**How does this information improve the different functions of employment services with a specific focus on matching and anticipation?**



To illustrate the practical side of matching and anticipation, case study examples were selected from the rich experience of countries with advanced labour market management systems mainly from EU countries, but also from the United States, Canada and Australia, as well as from the innovative approaches of transition and developing countries.

The guide addresses policy-makers and practitioners wanting to upgrade and continuously improve skills matching systems, contributing to improved labour market management. It aims to provide inspiration and support for government agencies, partners and stakeholders, public and private employment services, NGOs and non-profit organisations, all of whom share the ultimate goal of achieving a better-functioning labour market.

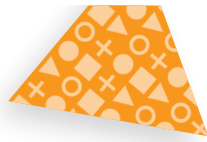
Anticipation and matching are core functions of labour market management. The central role of employment service providers, their regular and continuous activity, is matching jobseekers with job vacancies. To do this effectively, the strategies and approaches used must be based on the anticipation of future developments. As they collect and analyse 'first-hand' labour market information at national and at local levels, the PES can operate as a catalyst in tripartite consultations at advisory board level. Possible policy options would be either to guide and influence education policy and labour market policy, or to leave this dependent on market forces.

Skill needs anticipation includes approaches and procedures, with the involvement of policy-makers and practitioners. Anticipation aims to identify certain aspects of future relationships between skills supply and demand, trying to spot emerging skill and labour requirements in a country, sector or region as a result

of new market conditions, technologies or organisational change. Various methods and tools can be used to gain quantitative and qualitative, formal and informal information (see other guides).

The discourse on skills anticipation frequently assumes that governments and public institutions will identify skill demand and adjust skills supply accordingly, while the skill demand itself is viewed as being market-led and therefore not a policy issue. However, national visions and strategies for industry, innovation and research can have significant impact on the demand side when accompanied by financial incentives. For example, a national strategy to provide sustainable energy through support to manufacturers of wind turbines would have important ramifications for skill demand, as can implementation of development strategies in developing countries. At the practical implementation level, employers (especially in smaller companies) may need support from entities such as the PES to increase their human resource management capacities, to better articulate and anticipate their skill demands.





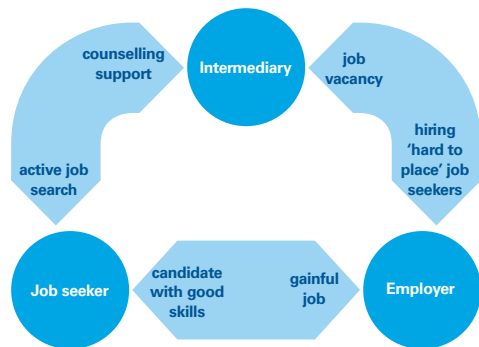
Reliable anticipation must be based on monitoring data. This is a necessary component as future developments are rooted in the present and cannot be adequately predicted without a proper understanding of the present situation. For more information on various data sources which can be used for labour market monitoring see Volume 1. Administrative data provided on vacancies, jobseekers and the results of the matching process by the employment services and other entities can contribute to better understanding of current and future skill needs.

Matching describes approaches and actions aimed at increasing the employability of the workforce, reducing skills shortages and bringing jobseekers together with enterprises that need to fill vacancies through referral and placement services. Matching requires information about the labour market derived from the monitoring and anticipation of future skill demands and supplies, transferring this information into effective policies and activities to reduce labour market imbalances. Thus, matching is enacted through the various mechanisms, instruments and policies implemented to improve the coordination of skills supply and demand in a country, its regions or sectors, from demand-oriented education and training, to placement and referral systems.

Matching can also be described as a form of mediation and coordination between the skill demand and supply sides, undertaken by professionals such as career guides and counsellors or employment services. Coordination occurs from the micro to macro levels, starting with the fit between individual workers and their tasks within a job, through the fit between the supply of initial and continuing education and training and the requirements of qualifications, to the overall fit between supply and demand on the labour market itself (ETF, 2012).

The complexity of the matching process becomes clear with closer analysis of the three actors involved and the six separate sets of expectations:

**Figure 1: Matching at individual level: three actors, six expectations**



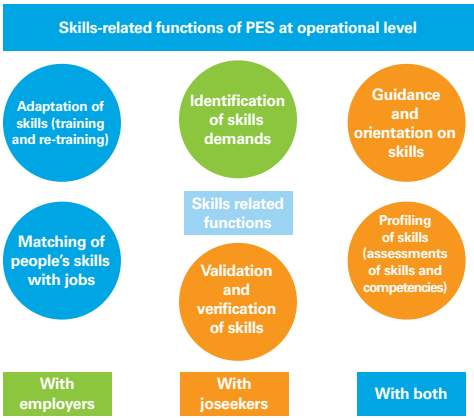
*Source: Authors.*

Matching jobseekers with job vacancies has become a more complex process where skills play a key role. The way PES look at this is evolving following the shift from formal qualifications towards skills (Scharle, 2011). The PES performs many functions related to skills: from identification of current or future skill demand, through guidance and orientation, assessment and validation of skills and competencies<sup>2</sup>; and the adaptation of skills (training), to the core function of matching skills with jobs (HoPES, 2011). Effective matching is improved where all functions are covered coherently in close cooperation with employers.

<sup>2</sup>The terms competencies and competences, although slightly different in meaning, are used interchangeably throughout this publication.



**Figure 2: Skills-related functions of employment services**



Source: Authors.

Partnership has become very important for the PES due to the increased complexity of matching jobseekers with job vacancies. Many PES find that the best way to comply with the manifold requirements of modern labour markets is to cooperate with a network of service providers.

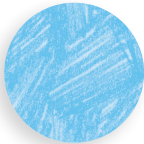
While PES plays a key role among employment service providers in matching skills and jobs, PrEA are also important, often functioning as temporary work agencies or job brokers. Some NGOs provide specialised services for groups such as jobseekers with needs for more intensive or specific professional support, especially those from vulnerable groups. Broader career counselling services are either provided by specialised agencies or by the PES, serving current or future labour market participants.

Cooperation between these employment service providers varies, largely depending on the capacities and role of the PES in each country. A current trend is for the PES to work more closely with other stakeholders such as NGOs and private training providers. The PES may play the coordinating role, much like the conductor of an orchestra, or may be more limited, retaining the coordination role as part of their mandate, but with low labour market coverage and service provision restricted to the lower-skilled workforce.

The mandate of the PES as a public agency is to contribute to the smooth functioning of national labour markets. PES are legally charged with implementing (and sometimes designing) labour market policies under the political responsibility of the Ministry of Labour (or the equivalent entity), and hence playing a key role among employment service providers. The PES has two distinct clients: enterprises that seek their help in finding suitable candidates to meet their labour force requirements and jobseekers looking for work. Their services are provided free of charge.

The strategic and operational rationale of the PES differs from that of both the PrEA and the NGOs in several ways. The PrEAs are market actors and their main clients are employers. Their services are mostly targeted at delivering the best candidates for vacant positions. Some of the online-based PrEAs offer job-search services (such as online tutorials in writing CVs) but unlike the PES, they have no legal obligations to unemployed jobseekers.

This guide places the PES at the core of the skills anticipation and matching process for two reasons: PES exist in most countries; and the PES have legal obligations toward unemployed jobseekers.



### 3. Anticipation and matching: concepts and actors

This chapter outlines the key concepts of skills matching and anticipation, introduces the actors involved in the labour market and explains international standards for the roles of public and private employment service providers.

#### 3.1. The role of employment service providers

Skills matching in its purest form is filling jobs with employees whose skills and competencies match the job requirements. According to neo-classical economic theory, in a labour market with perfect information, skills matching would require no intervention from employment service providers. However, labour markets are not perfect for a number of reasons: employers and jobseekers do not have perfect information to hand when making decisions (meaning some jobseekers are not successful in finding jobs that can sustain them); and some employers are not successful in finding the employees they need to realise their business objectives. Both types of labour mismatch are detrimental to the economy and social welfare.

This market failure is just one aspect, however, and it must be recognised that structural and equity issues also result in mismatches that require interventions in improved information and policy development and

implementation. The policy element is an important domain of public employment services.

Employment service providers are required to improve the matching situation, and most countries have PES to fulfil this role. There is also a market for private employment service providers to assist employers with recruitment and other human-resource-related activities, while some NGOs also provide matching services. These employment service providers offer a range of assisted and non-assisted resources, plus support and services to respond to the employment needs of individuals and the labour and skill needs of employers.

This guide considers four types of employment service providers:

- (a) PES;
- (b) career guidance and counselling services at schools and universities;
- (c) PrEA;
- (d) NGOs.

An outline of the ILO conventions for employment services is given to provide a common framework for these services before exploring the roles and responsibilities of each of these providers in greater detail.





### 3.1.1. The ILO conventions for employment services

The ILO employment services convention (ILO, 1948) requires employment services to:

'[...] refer to available employment applicants with suitable skills and physical capacity [and also] facilitate occupational mobility with a view to adjusting the supply of labour to employment opportunities in the various occupations' (ILO, 1948, Article 6). In addition, the convention requires employment service to aid geographic mobility, including cross-border mobility.

Fewer and fewer PES rely wholly on 'closed systems' of job brokering where neither the employer nor the employee play an active role in matching. It is now accepted that establishing a good match is dependent upon the amount and quality of information at the disposal of the caseworker or counsellor in terms of the qualifications, abilities, skills and experience of the jobseeker and the tasks involved in the vacant job.

Where the PES uses computer systems, the outcome will be dependent on system design and the data quality of the matching system. Where no information and communications technology (ICT)-based system is available, the skills and abilities of caseworkers or counsellors will be needed to spot the right match for both employers and clients.

This model of service delivery is demanding and costly, to the extent that many of the PES in advanced economies are opting for partly self-service-based models, short-circuiting the matching process by leaving employers and jobseekers to establish the match themselves. The role of the PES in this model is reduced to the provision of sufficient information to ensure that a good match is made by autonomous actors in the labour market.

The role of the PES extends further, however, as matching cannot simply be restricted to the provision of labour market information in situations where many

jobseekers do not have the skills and capabilities required in the labour market, and some may be further disadvantaged by disabilities.

In accordance with The employment services convention No 88 (ILO, 1948) the main role of the employment services in many countries today is providing both information and training. This approach is underpinned by the segmentation of jobseekers, where more intensive support is reserved for those unemployed individuals judged to be unable to find employment for themselves.

One example of this approach can be seen in the US Workforce investment act of 1998 (United States federal labour legislation, 1998) that adopted a three-tier approach to services:

- (a) core services available to everybody: career information, Internet browsing of job listings, access to labour market information, job referrals, information about education and training providers;
- (b) intensive services reserved for those unable to obtain employment through core services alone, possibly including counselling, case management and short-term pre-vocational services;
- (c) training services, consisting of skill upgrading through literacy services and occupational skills training, provided only to those unable to benefit through core and intensive services, with priority given to public assistance recipients and low-income individuals (D'Amico et al., 1999).

Figure 3 provides an overview of the main tasks of public employment services.





**Figure 3: Overview of main tasks of employment services**

**Job matching placement:**

Public employment agencies work to ensure effective job matching, recruitment and placement. They work with jobseekers to register them for employment, and with employers to register vacancies.

**Labour market information (LMI):**

In addition to job matching, public employment services collect and analyse information on the job market, and make it available to public authorities, employers and workers organisations, training providers, job seekers and the general public.

**Labour market programmes:**

LMI allow for identification of skill gaps on the labour market in a way that will steer the development of specific labour market interventions.

**Administration of unemployment insurance:**

Public employment services also manage the administration of unemployment insurance where such schemes exist.

*Source:* Manual for employment service centres for Palestinian refugees (ILO, 2013).

Employment services also take many different approaches in efforts to support the competence development of jobseekers: examples from Mexico, Turkey, Japan and Spain are explored further in Sections 4.2. and 4.6.

### 3.1.2. Public employment services

PES are established as public agencies with legal obligations, including the mandate to ensure effective recruitment and placement, meaning that they play a key role in matching people with jobs.

In principle, PES have access to information about both the supply and demand side of the labour market, enabling them to tailor services toward obtaining best match. However, PES data usually cover only registered jobseekers and a small share of all vacancies as the bulk of job-to-job transitions and internal business transitions are beyond the radar of employment services.

In most countries, PES involvement with the supply side of the labour market is focused on the unemployed segment of jobseekers. Entitlement to unemployment benefits (and other forms of social benefits in some systems) is frequently linked to registration as an unemployed jobseeker with the PES. This provides unemployed jobseekers with a forceful incentive to register and hence provides the PES with a 'pool' of labour that can be referred to employers with vacancies. Looking to advanced countries, the trend is towards strengthening the link between social benefits and registration with the PES. PES was fully merged with social security bodies in about half of the European Member States by 2009 (Fuller, 2009).

Another supply aspect concerns skills and qualifications, where career guidance, counselling services and training for specific in-demand skills are the main instruments of active labour market policies implemented by the PES. These can all be used to aid better matching in the labour market.

On the demand side, PES provides candidates to employers who register vacancies with them; registration of vacancies is mandatory in some countries. However, a study of the anticipation capacity in European PES (Andersen et al., 2010) indicated that the PES did not handle all vacancies even in countries with mandatory registration. In the transition and developing countries (TDCs), by comparison, most PES only handle a limited share of vacancies regardless of

whether registration is mandatory or not, partly, but not exclusively, due to the influence of the large informal sector. Even where companies are formally registered and follow regulations, they may opt for other recruitment channels than the PES: these include networks, advertising in the public media or using the recruitment services of private employment agencies. In many countries, personal relations and recommendations are a major source of recruitment. As a consequence, a variable, but sometimes considerable, share of actual matches in the labour market takes place without PES intervention.

There is an increasing policy focus on how mismatches can affect the growth and welfare of countries, while changes in labour skill requirements occur at an ever faster pace as a result of globalisation, increased mobility and technological change. This has prompted labour market policy-makers and the PES alike to propose an increasing role for the PES in the provision of labour market information to inform policies and the individual decisions taken by employers and jobseekers.

The provision of information relating to current and future skill needs and supply has received further impetus as a result of technological advances, most prominently those Internet-based solutions with built-in data analysis and presentation tools. These enable PES to automate registration routines and offer self-service solutions alongside near real-time information on conditions in the local, regional, national and supranational labour markets to employers and jobseekers.



### 3.1.3. Private employment agencies

Private employment service providers have a less significant role in the developing and transition countries. However, even where public employment services exist, private employment agencies often play a crucial role in providing supplementary services, although their role is often not reflected in the available research evidence.

The international convention on private employment agencies defines PrEAs as:

‘Any natural or legal person, independent of the public authorities, which provides one or more of the following labour market services:

- (a) services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise there from;
- (b) services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person (referred below as a ‘user enterprise’) which assigns their tasks and supervises the execution of these tasks;
- (c) other services related to job seeking, determined by the competent authority after consulting the most representative employers’ and workers’ organisations, such as the provision of information that do not set out to match specific offers of and applications for employment.’ (ILO, 1997, Article 1).

The first category of PrEA is private job brokers. Often, the PES concentrates its efforts on low-skilled and skilled clients, while the recruitment of highly-skilled or specialised staff and managers is supported by specialised private agencies. These often target specific sectors, occupation categories, or persons with a specific professional qualification (such as job services for engineers or for ICT professionals). The establishment of this type of targeted job-brokering services has been greatly enhanced by access to Internet tools, meaning that there are now a multitude of job portals to serve the specialised needs of jobseekers and enterprises. Some are highly specialised and some (such as Rekrute.com in Morocco or Naukri Bazaar in India) cover an entire nation, while others (such as the Manpower Group, Monster or Global Jobs Services) operate globally and across sectors<sup>3</sup>.

A second category of PrEA is temporary work agencies that act as employment service providers by employing staff they then hire out to a third party, often referred to as the ‘user enterprise’. The user enterprise does not have an employment relationship with the hired workers, although they may have legal obligations towards them in terms of aspects such as occupational health and safety. The International Confederation of Private Employment Agencies (CIETT), consisting of 47 national federations and eight of the largest staffing companies worldwide, has researched how the services of these agencies help in adapting businesses to changing markets environments (Boston Consulting Group and CIETT, 2011). According to the research, agency work delivers flexibility to the labour market, and an estimated 12 million workers in Europe each year use the services of private employment agencies to enter the labour market, change jobs, upgrade skills or move toward permanent positions. CIETT emphasises that a temporary agency work can provide a stepping stone for workers who would otherwise have difficulty entering the labour market, and that agency work can serve as a first opportunity for gaining work experience for people under 25. However, temporary work agencies have at times been used by ‘user enterprises’ as a mechanism by which to sidestep issues such as obligations derived from collective bargaining agreements.

Finally, there is a heterogeneous group of private entities outside these two clearly defined categories of PrEAs. These provide labour-market-related services to individuals and public authorities in the form of counselling services and job search assistance.

There are approximately 72 000 private employment agencies operating worldwide. They employ 741 000 internal staff and the 10 largest agencies account for 29% of the total agency work market. There is also a heavy geographical concentration, with the largest market share in Japan (24%), followed by the USA (22%) and the UK (12%). Accordingly, the agency work penetration rate is highest in these countries and in Europe, where it currently runs at 1.5%. In 2009, approximately 9 million agency workers (full-time equivalents) were employed by PrEAs across all countries. Private employment agencies often provide recruitment services for high-level executives and specialists, but most agency workers are young (60% less than 30 years old) with secondary education or lower (75%) (Boston Consulting Group and CIETT, 2011) (2009 data).

<sup>3</sup>See annex: case studies with examples of good practice.

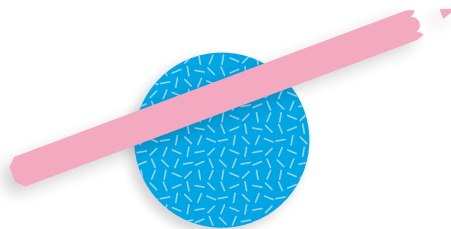


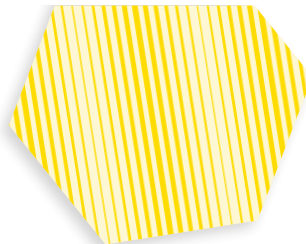
Figure 4 provides a guideline typology for employment service providers and their roles in matching.

**Figure 4: Typology of employment service providers by matching activities**

Type of employment service provider	Activity related to matching				
	Registration (of vacancies and jobseekers)	Direct matching of vacancies with jobseekers	Labour market information (collection, analysis, distribution)	Career guidance and counselling	Labour market training
<b>Public bodies</b>					
<b>PES</b>	**	**	**	*	*
<b>Public career guidance centres not within the PES (a)</b>			*	**	
<b>PRaA</b>					
<b>Private job brokers</b>	**	**		*	
<b>Temporary work agencies</b>					
	**	**	*	*	*
<b>Private providers of guidance and counselling</b>					
			*	**	
<b>NGOs</b>					
<b>Organisations promoting the interests of groups that are marginalised or in danger of being marginalised in the labour market</b>		*		*	*

(\*\*) Most important activity; (\*) frequently or sometimes undertaken; ( ) rarely or never undertaken; (a) Guidance and counselling centres in schools and universities.

*Source:* This chart was developed by the authors and discussed at a validation seminar in October 2012.



### 3.2. Anticipation of skill needs

Increasing interest has been seen in the anticipation of future skill needs in recent years, viewing this as an indispensable approach to ensuring forward-oriented matching in the labour market. Such approaches involve stakeholders in the labour market attempting to identify future supply of and demand for labour and skills in order to develop relevant strategies. As Wilson and Zukersteinova (2011) observe, the terms 'labour market assessment', 'anticipation' and 'early identification of skill needs' have become popular in policy debates. However, there is no generally agreed set of definitions and the words are often used synonymously with terms such as 'projection' or 'forecast'. The main anticipation methods vary. Quantitative and semi-quantitative approaches include econometric forecasting models (national level, sometimes allowing spatial disaggregation), surveys among employers, and skills audits. Qualitative approaches include Delphi method<sup>4</sup>, case studies, focus groups, sector scouting, trends analysis and combined or holistic schemes such as shared diagnosis, scenarios (including some proactive approaches to construction of the future strategies, back casting), and observatories (sector, regional). (See Volumes 2 and 5 for more details on relevant quantitative and qualitative skills anticipation methods).

Lassnigg (2012) explains that anticipation is not only about forecasting skill demand or identifying emerging skill needs, but also entails reacting in a constructive way to the needs and gaps identified by adjusting the volume or content of the skills supply.

.....  
**In spite of the sometimes quite strong focus on specific statistical methods used to forecast demand or supply, anticipation may best be described as a mind-set: a move away from a stock-and-flow model of labour with stable characteristics and towards a continuous state of alert and preparedness for future change.**

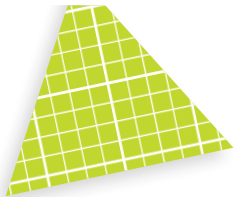
From this point of view, the activities, approaches and methodologies can be used to paint pictures of possible future scenarios that can serve to plot more clearly potential ways forward or directions to be avoided.

At the regional, subregional or local level, anticipation of skill needs in the short (less than one year) to medium term (less than five years) is particularly relevant for:

- (a) policy-makers;
- (b) employment service providers: to inform activities such as career guidance and information to employers about skills availability;
- (c) training providers: information about emerging or expected skill needs in companies as well as public sector workplaces to ensure that course content is in line with future demand;
- (d) individuals: looking for study alternative, opportunities for future employment, career advancement or change.

<sup>4</sup>The Delphi method was developed in the 50s by the RAND Corporation for long-range economic forecasting. It is an approach where a panel of experts participates anonymously in several rounds of a specific survey and reviews their assessments on future developments based on their own findings and the findings of the other experts of the panel until a common view is achieved. See also [http://www.unido.org/fileadmin/import/16959\\_DelphiMethod.pdf](http://www.unido.org/fileadmin/import/16959_DelphiMethod.pdf) and Volume 2 for more information.





**For employment services, short-term anticipation is the most relevant. While PES may contribute to mid-term projections or foresights, or indeed benefit from their availability, their core functions are best served by short-term information on future needs. Also, training providers with whom PES usually work, mostly provide short-term training courses**

Short- to medium-term anticipation requires systems to support the collection, analysis and dissemination of information about future skill demand and supply: short-term forecasting of labour demand per sector; information on emerging and declining occupations; and forecasts of the number of entrants to the labour market per qualification level and type. Adopting an anticipatory approach does not necessarily require the introduction of anticipation systems at the national level as a great deal can be achieved locally or regionally.

Chapter 4 examines how synergies can be achieved by integrating the collection and analysis of information used for job-brokering and self-service purposes with statistical information used for anticipation of skill needs.

### 3.3. Matching skills and jobs

Matching is a complex concept that combines the two constituent elements of: 'attempting to bring supply and demand better in line to each other' (Lassnigg, 2012, p.17); and 'the process of filling vacant jobs with qualified jobs-seekers' (Andersen et al., 2010).

Bringing supply and demand in line with each other is a policy matter that must be led at policy level with a ministry (of labour, employment and social affairs) or a supranational body providing direction in the form of policies. Regulations, in the form of labour market and education legislation and infrastructure decisions should also be made at this level, along with the setting of targets for institutional level operations and follow up on these targets. Financing for operations can be set in the form of national budget allocations.

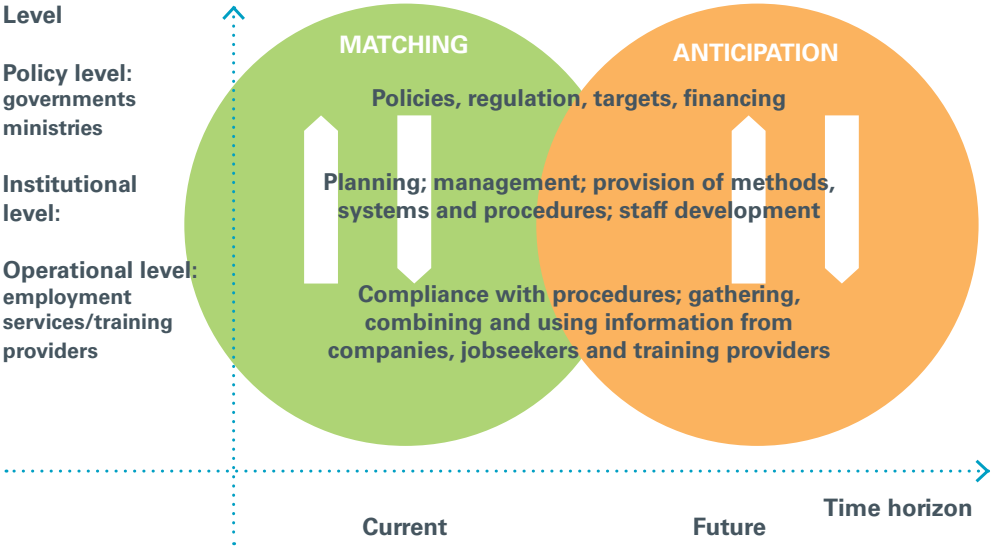
In an increasingly specialised labour market, consideration of skills is becoming a priority in the matching process. Alignment of the skill demand and supply, to provide for the skills needed today and tomorrow, has become a major policy concern, as is indicated by the wealth of policy initiatives such as Human resource development recommendation No 195 (ILO, 2004), the European Commission's New skills for new jobs initiative (European Commission, 2009), the International Labour Conference 2008 conclusions on skills for productivity (International Labour Conference, 2008) and the G20 training strategy (ILO, 2011).

This increased emphasis on skills matching has added pressure on policy-makers to ensure that labour market employment service providers are active in developing instruments for better matching. Efforts are made in the realisation that matching at the skills level requires labour market information systems to generate, analyse and disseminate reliable sector and occupation information, and work through institutions that connect employers with training providers (ILO, 2009). Initiatives in this direction are increasingly interwoven with efforts to improve labour market intelligence, particularly the type of forward-looking intelligence about skills supply and demand seen in anticipation mechanisms.

At institutional or operational level (labour market authorities, PES, education and training authorities or agencies) the main task is to manage, plan and implement activities, and to design processes to support job matching. Institutional levels may span several layers of management, administration and operational staff, from a national authority to local employment services or local guidance centres; planning and management tasks can be distributed among the various levels in many different ways (Andersen et al., 2010).

Figure 5 illustrates the relationship between matching and anticipation and the roles and types of activities undertaken at the various levels in national (and trans-national) labour market policy systems.

**Figure 5: Roles in matching: policy levels and time horizons**



Source: Authors.

The schematic indicates that improvements in matching and anticipation need to be considered from a system-wide perspective, where capacity building and innovation is required at all levels to ensure efficient implementation of labour market policies.

The various levels are interconnected and interdependent, as is indicated by the white arrows in the figure. The arrows indicate that information on current and future skills supply and demand, gathered at operational level, must flow to the higher levels where it can feed into policy and system development. The downward arrows indicate that higher levels should provide the regulatory framework and infrastructure necessary for smooth operation at the lower levels.

It is clear that systems and regulations accurately targeted at real labour market conditions make for more efficient operations in local offices; employment services organised to aid upward flow of labour market information will improve efficient matching and anticipation.



## 4. Guide to specific methodologies and their application

The section focuses on the overall challenges and approaches available to a country in improving the skills matching and anticipation situation.

The core activity of PES continues to be job-brokering, but this has become an increasingly demanding task. Labour markets and skill needs are changing at an increasing pace and, in many parts of the world, PES are having to deal with paradoxical situations where employers complain that they cannot find candidates with relevant competencies for vacant jobs, while a growing share of the population now has a qualification from a technical or vocational school or university. Further increasingly global labour markets require employment service providers to deliver services and information with a cross-border perspective, providing jobseekers with relevant information about opportunities in other countries or parts of the world (Peromingo, 2012).

Heads of European PES have called for 'a more general reorientation of PES services and functions' (HoPES, 2011) to contribute better to the Skills Agenda in Europe. Efforts are also being made elsewhere in the world to gear PES towards a more active role in promoting skills and skills utilisation in the workplace. The main thrusts for reorientation are improved use of information, and partnerships between supply and demand sides (education and employers).

Reorientation does not require a huge amount of investment as many improvements can be made to existing structures and tools. Considerable information is generated through the regular business processes of the PES and there are many examples demonstrating how partnerships between demand and supply sides can be instrumental in improving matching.

The remainder of Chapter 4 addresses thematic issues that support employment service providers – and particularly PES – in strengthening matching and anticipation. Sections 4.1 to 4.3 refer to organisational and managerial approaches; Sections 4.4 to 4.6 refer to

the typical individual labour market transitions: labour market entry, job matching, and skills upgrading to maintain employability. Section 4.7 addresses specific problems relevant to the informal economy.

It must be stressed that these approaches are not to be seen in isolation as they complement and support each other. Each approach has core issues that justify them being treated separately here, but a concrete approach adopted in any given national context would undoubtedly benefit from an integrated programme including all of the various methods and tools.

### 4.1. Labour market information: the basis for improved anticipation and matching

There are many approaches, instruments and methods for matching and anticipation, but the feasibility and success in implementation of any approach depends on national conditions.

In this respect, transition and developing countries, although with very diverse backgrounds, face a number of specific challenges which are more or less pronounced in each of the countries. Discontinued institutional development, e.g. institutions that have not been further developed since they were founded, is an often encountered challenging framework condition, mainly caused by outdated legislation and mandates of employment services, insufficient resources (budgetary, infrastructure, staff), or staff fluctuations (including among management).

The role of labour market information in improving matching and anticipation is an issue currently gaining momentum in developed countries, assigning the PES a role as the providers of information to all labour market actors. This approach has been cultivated in Austria, Canada, Sweden and the US, where there are extensive online labour market information systems including information about in-demand occupation profiles and the competencies needed to work in specific occupations<sup>5</sup>.

<sup>5</sup>See annex: case studies with examples of good practice.

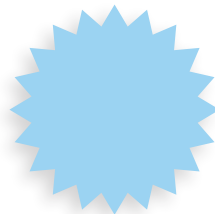
Improved information use requires consideration, at all levels, of:

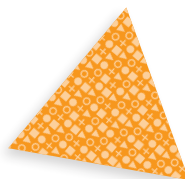
- (a) information needs of different stakeholders in the labour market;
- (b) channels relevant to the users;
- (c) where to find relevant data about skill demand and supply;
- (d) ways to bring together and analyse these data to provide relevant and meaningful information for actors in the labour market;
- (e) ways to use the information to improve the activities of the employment service provider (job brokering, active labour market policies, counselling);
- (f) ways to disseminate the information to companies and individual jobseekers to enable them to make better decisions (avoiding mismatches).

The information delivered by the PES through labour market information systems can be improved considerably by channelling collection and delivery through partnerships with employers and their organisations, and with education and training providers. These partnerships make it easier to compile detailed information about occupations, and they may also improve information transfer to the supply side and jobseekers. Rapid and direct information transfer on demand into training systems permeates initiatives such as the Australian Skills for all campaign:

*The National Workforce Development Fund, announced by the government in the 2011-12 budget represents a new approach to the Commonwealth Government's funding of skills training. The government is working in partnership with industry to identify priority skill needs and develop effective interventions that are industry-based, have the full involvement of industry skills councils and draw on co-investment by industry itself to build or retrain the workforce of the future [...]. Industry should be at the heart of the training system. (Peromingo, 2012, p. 5).*

The following sections consider these elements in greater detail, giving examples of various approaches adopted by employment service providers to improve the collection, analysis and use of information. Guidelines for further improvement are available to countries in the form of the ILO recommendations on labour statistics (ILO, 1985) that give detailed recommendations on the nature of data to collect, the regularity of data collection and the statistical framework to develop to support the production of relevant labour market statistics. Further guidance on data production and publication can be drawn from the ILO key indicators of the labour market (KILM) research tool and the corresponding *Guide to understanding the KILM* (ILO, 2014). Readers can also further consult Volume 1.





#### 4.1.1. Limitations in access to relevant information

It is generally agreed that labour market information is key to the efficient functioning of labour markets, but the generation of relevant information can be a challenge in terms of data collection, processing and analysis.

.....  
**While existing data in PES records may be better analysed and disseminated, employment services often need to rely on data sources outside their operation such as statistical and government offices, employer or worker organisations, researchers and other employment service providers. The smaller the employment services' market share, the higher their dependency on outside sources.**

Additional information can be drawn from macro-level data provided by statistical offices on issues such as overall active labour force, unemployment data, employment-to-population ratio and employment by major sectors (agriculture, industry, services). These data may come from household or labour force surveys; the Ministry of Education usually has comprehensive information available on the number of graduates or students enrolled in all educational institutions (see Volume 1).

Micro-level data can be drawn from employer surveys (see Volume 5), graduate tracer studies (see Volume 6) and administrative data on the registered unemployed and vacancies held by employment service providers.

Limitations in access to statistical information are a challenge for matching and anticipation, as many employment service providers have limited consultation of their own administrative data. The level of availability of relevant and up-to-date statistical data to inform labour market information systems varies considerably across countries. A synthesis of nine country studies, representing mainly transition countries<sup>6</sup> (Lassnigg, 2012), indicates that administrative education statistics and labour force surveys are fairly regular and common statistical sources. Tracer studies of graduates and training statistics are less common, but employer surveys are carried out in many countries, albeit with wide variations in methodology and quality.

Few of these statistics are available regularly in developing countries, especially the least developed countries (LDCs), but the Lebanese Central Administration of Statistics illustrates how a brief labour market profile with elements of anticipation can be produced in a country with all the characteristic obstacles to a coherent labour market information system. This body recently produced a series of publications entitled *Statistics in Focus*, one of which provided labour market information. Surveys and statistics in the country are produced at irregular intervals through different methodologies, by a number of separate producers working with no coordination. However, by combining all of the existing statistics, they have created a labour market profile that more clearly demonstrates the dynamics of the national labour market. All of the data used in this short document came from publicly available sources and a similar document could be easily produced by any employment service with a small unit in labour market information (Badre and Yaacoub, 2011). Most data used came from household surveys and a series of multiple indicator cluster surveys that provided elements such as macro-level data on overall population, economic activity and (un)employment rates and micro-level data on household income and status in employment.

<sup>6</sup>Croatia, Egypt, Kyrgyzstan, Moldova, Montenegro, Turkey, Russia, Serbia, Ukraine.



#### 4.1.2. Difficulties in addressing skills mismatches

In labour market policy terminology, 'mismatch' refers to imbalances between demand and supply for labour (mainly quantitative) as well as imbalances in the utilisation of skills (mainly qualitative) (Gatelli, and Johansen, 2012).

Quantitative imbalances occur when the number of vacancies does not match the number of unemployed. Such imbalances are often related to the economic cycle; during an upturn, the labour market can 'overheat' and so demand for labour rises faster than supply, quickly manifesting itself in insufficient labour supply in specific sectors and professions, or even overall.

Qualitative imbalances occur when the type and level of skills and competencies offered by jobseekers do not match the requirements of a specific job. This is very often the case when the education system does not respond appropriately to new technologies and business approaches.

(See Volume 1 for introduction into skills mismatch and its measurement).

.....  
**Hence, skill mismatch can be both qualitative and quantitative, and the term is used to refer to cases of individuals who do not meet the job requirements as well as to (national, regional or local) shortages or surpluses of persons with specific skills. Skill mismatch can be identified at various levels from the individual, the employer, the sector or the economy. Several types of skill mismatch can coincide (Bartlett, 2012).**

One of difficulties facing employment services tackling skills mismatches in several countries is that many, if not most, of the job openings in the labour market are not reported to the employment services. In many countries, job search and job offers are handled through social networks or the Internet rather than the PES (Martin and Bardak, 2012). There is also a tendency for the employment services to receive a higher proportion of notifications of vacancies that are hard to fill or at a lower skills level.

Certain kinds of skills mismatch present considerable challenges in the labour markets of most development and transition countries. In a synthesis of national reports on matching and anticipating skill demand and supply, Lassnigg (2012) notes that more than half of the developing and transition countries surveyed have perceptions of a mismatch 'between formal qualifications and practical skills, or between a quantitative increase in upper school and higher education (HE) qualifications and the asserted low quality of these qualifications' (Lassnigg, 2012, p.13).

In many countries, students prefer HE to technical and vocational education and training (TVET)<sup>7</sup>, leading to over-education coupled with a lack of vocational skills at all levels, including science, technology, engineering and mathematics (STEM) skills at high level. Promoting TVET alone is often not enough to improve this situation as TVET often needs to be reformed in line with labour market requirements (Lassnigg, 2012). However, it should be noted that the lack of interest in TVET is also due to disincentives of the low quality and wages of vacant jobs.

Challenges for matching can also be related to the social, economic and demographic issues triggering migration from rural to urban areas or emigration abroad. Several countries share the experience of becoming sending and receiving countries for significant numbers of migrant workers, as is the case in many countries of central and eastern Europe (ILO, 2011) and some countries in the Arab region.

<sup>7</sup> TVET is an international term used to denote vocational education and training (VET). The two terms are used interchangeably throughout this publication.



#### 4.1.3. Better use of available data in PES to improve matching

Improving the level of information on company requirements and the skills of current and potential jobseekers in the PES helps matching. The information can be made available to the frontline staff who form the first point of contact with the jobseeker, helping them to make more informed choices and improving the quality of matches.

Information can also be made available to:

- (a) counsellors: who can use information about skills in demand to deliver more targeted advice and guidance;
- (b) individual jobseekers: who can assess their own skills against those required in the labour market and take appropriate action;
- (c) training providers: who can adjust their courses to meet demand;
- (d) education providers: who can seek to direct the interest of students towards fields of study where qualifications are in demand.

Information about the demand for skills can be obtained from a variety of sources. The following section explains how information from readily available sources can be brought into more efficient use in matching.



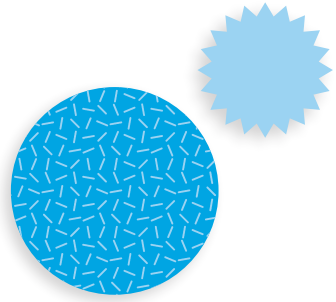
#### 4.1.4. Improving information about current and future skill demands

.....  
**Often, labour market information is associated with advanced systems involving sophisticated software tools with online access to comprehensive datasets and time series. While such systems exist in a number of advanced countries, data from the standard business processes of public employment services, without sophisticated software tools, can be utilised more systematically to provide stakeholders with better information.**

Relevant demand-side data can be gained from the inflow of vacancies, successful and unsuccessful referrals, employment rates by occupation, the duration of unfilled vacancies, placements by qualification of labour market entrants without previous work experience and those with work experience, and frequency of notification of vacancies by economic sector or region. Active labour market measures can yield indicators such as employment rates following education and training in relation to pre-training employment rates, and career guidance services can provide information to assess the supply of labour based on the enrolment rates and expressed intentions of school graduates. Data on the jobseekers registered with the PES provide a core source of information for the supply side.

Each PES process should be examined for its potential to provide information on present and future skill changes. Once identified, these significant events can be monitored and their intensity and frequency matched against agreed benchmarks. This will allow the PES to determine whether specific skills are in shortage or surplus or whether skill gaps exist, on the basis of elements such as the duration of unfilled vacancies within an occupation.

The following sections provide a closer look at ways of using the registration of vacancies and jobseekers as sources of information. Examples of indicators which use these and other types of data can be found in Volume 1.



#### 4.1.5. Registration of vacancies as a source of information

The OECD defines job vacancies as ‘the number of job openings posted by employers at a given point in time for recruiting employees outside their establishments to fill vacant job positions’ (OECD, 2012).

.....  
**Information about vacancies is not only a prerequisite for matching job seekers with jobs, it can also provide an overview of the current situation and short-term trends in the labour market. There are two important aspects to the registration of vacancies as a source of information: the quality of the notifications, as in the specification of skills and competencies; and the quantity of vacancies registered.**

While the qualitative aspect is important for job matching, the quantity (though not entirely divorced from the quality of the notifications) is also important to better understanding of the current situation and short-term trends, once the information has been assessed to ensure the registered vacancies are actually representative of the overall labour market. Linking information on the vacancies registered with the employment services (and vacancies from other sources, if necessary) with information on referrals and the registered unemployed, can provide input for the identification of:

- (a) sectors with labour and skills shortages and surplus;
- (b) unsuccessful recruitment drives by employers;
- (c) in-demand occupations.

Persistent recruitment problems may be due to issues other than skills, such as working conditions, wage levels or lack of mobility. Direct contact between PES counsellors and employers offers valuable insights into the complexity of labour shortages at the local level.

Registering job vacancies is a core process for all PES, regardless of whether or not registration is mandatory. The ILO employment services convention states that the employment service should: ‘obtain from employers precise information on vacancies notified by them to the service and the requirements to be met by the workers whom they are seeking’ (ILO, 1948). If the information requested and given is precise, registration data can be an important source of knowledge about current skill needs in a local area. Employment services with a very small market share, however, need to cross-reference the data on registered vacancies with other sources such as job announcements in public print and electronic media to generate information that truly reflects the labour market situation. The smaller the market share of the employment service, the lower the chance of producing representative administrative data.

#### Statutory notification of vacancies

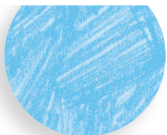
In some countries, employers are required to notify the employment services of vacant positions. The quality of statutory notification depends not only on the information that is asked from employers and the willingness of employers to provide this information, but also on day-to-day updating. Hence, it is not advisable for employment services to rely on statutory notification of vacancies as the backbone of matching services.

Where the employment service provider has the opportunity to develop its own formats for registration of vacancies, quality can be improved by detailing the information about occupation and skill requirements on the registration forms. In particular, information about the types and levels of job functions involved, required qualifications and/or skills, is important in ensuring a good match. Box 1 shows a good example for describing vacancies.

Where Internet registration is possible, employment services can use one of various software tools<sup>9</sup> to develop easy-to-complete electronic forms for employers that allow for detailed questioning without unduly increasing the time taken.

<sup>9</sup>In addition to comprehensive proprietary PES software, many reasonably-priced electronic survey tools lend themselves to this purpose and require little staff training.





### Box 1: Advertising jobs and registering with the Danish PES Jobnet.dk

Creating a vacancy online in [www.jobnet.dk](http://www.jobnet.dk)

In Denmark, it is not mandatory for employers to register vacancies with the PES, but the PES offer a free online job advertisement service to employers. Employers first have to register using their identification details from the public register of companies. The registration is checked and approved by the Danish Labour Market Authority. Once this is done, the employer can log in at any time and create new job vacancies as required, entering the following information into an online form:

- place of work: a company can register one or more places of work during registration, for example headquarters, different production facilities or regional offices. These places of work are then displayed in a drop-down menu;
- location of the work: in the workplace or elsewhere; for instance in the field, in the premises of customers, in a building site;
- status of the company: private or public;
- occupation job title: a drop-down menu appears showing all occupations as the employer types in the first three letters. It is also possible to search for occupation titles by sector;
- job description: including expectations for candidate qualifications, skills and competencies in the form of free text;
- driver's licence requirements;
- contract type: full time or part time, permanent or temporary, special conditions;
- deadline for applications and contact details: date and contact details of named person in the company.

The PES provides employers with the opportunity to advertise jobs for all jobseekers via this online service, saving the money normally spent on advertising the vacancy by employers and giving the company access to a wider range of candidates.

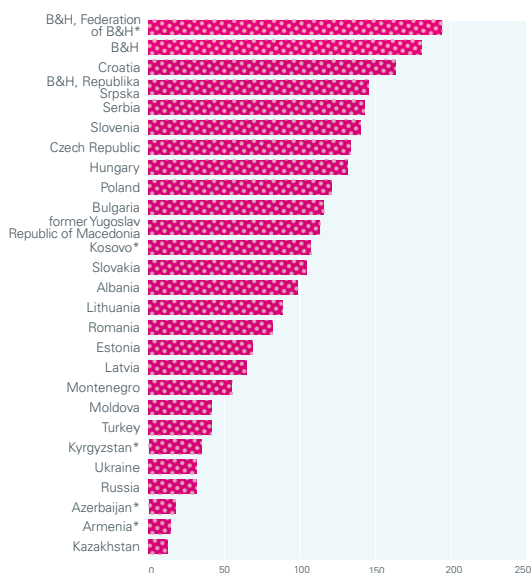
The quality of information in the employment service provider's database can be improved by asking for more detailed information on the registration forms and by providing employers with various channels for registering vacancies, but this does not necessarily lead to a larger number of vacancies being offered via the employment service. It is generally acknowledged that, even where there is statutory notification of vacancies, not all vacancies are brought to the attention of the PES for a number of reasons. The PES should be able to demonstrate that higher quality registration pays off, but while employers continue to feel that the registration of vacancies places excessive demands on them, they may choose other channels for filling the vacancy. Even where notification is statutory, employers should experience that 'there is something in it for them'.



#### 4.1.6. Registration of jobseekers: unemployed and employed

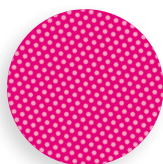
In many countries, entitlement to social or unemployment benefits is linked to registration with the PES; people may register as unemployed with the PES for a number of reasons other than to get assistance in finding employment. Experience with activation measures in south-eastern Europe and Turkey have highlighted the difficulty of activating registered unemployed people who are involved in the informal economy and not available for regular work; many registered jobseekers are not interested in participating in activation measures (Crnković-Požaić and Feiler, 2011). A study of Central European and Asian countries shows that the number of registered unemployed in most of these countries deviated significantly from the number of jobseekers established through labour market surveys (Kuddo, 2010).

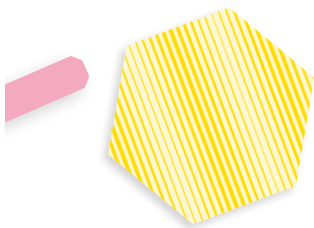
**Figure 6: Ratio of registered unemployed to the total number of unemployed, 2009 (%)**



(\*) 2008; B&A: Bosnia and Herzegovina.

*Source:* Kuddo, 2012.





It is clear that the stock of registered unemployed persons in the PES system may not exactly reflect the stock of jobseekers in the country<sup>9</sup>, but the list does represent the labour supply pool to which the PES has immediate access when asked for candidates to fill a job vacancy. Encouraging the unemployed to register is therefore an important precondition before employment services can play a full role in matching in the labour market.

The trend in many PES is, therefore, to develop services for all jobseekers, regardless of their labour market status. These services produce general labour market information, information on occupations and skill demand, job prospects in various sectors and the current vacancies available to everybody, while also encouraging jobseekers to place their CV on the PES database. This approach allows matching to take place with no direct involvement of the PES and without the registration of jobseekers. Data from registrations by unemployed applicants can still provide important data on labour supply for the PES, even where not all users are required to register.

The international labour convention on PES (ILO, 1948) requires that the employment service 'register applicants for employment, take note of their occupational qualifications, experience and desires, interview them for employment [and] evaluate if necessary their physical and vocational capacity [...]'. In some PES, this requirement is addressed by registering the formal qualifications of the jobseeker. A huge body of literature on skill needs and mismatches, however, clearly indicates that a formal qualification alone does not predict employability and that this information is insufficient for matching purposes. These details should be supplemented with information about work experience, skills and, not least, the preferences of the jobseeker. Where registration requires that the unemployed person attends a local employment office or job centre for interview, this information can be added to the registration file at a marginal cost. If the data are entered into a form by the jobseeker, PES staff should validate and complete the information by asking questions to clarify any unclear or missing information.

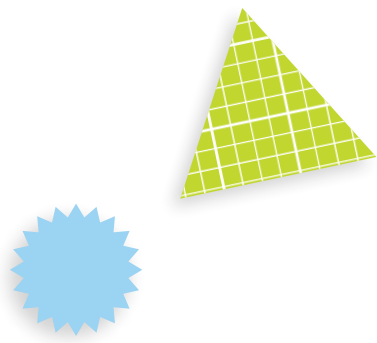
PES using online registration often divide the process into one module where the unemployed person registers personal and contact data, additional modules for qualifications and experience (sometimes in the form of a CV), and a final module for entering job preferences. For example, the German online Jobbörse (Job exchange) offers a profile of four modules:

- my personal data (name, address, date of birth, etc.);
- my biography;
- my skills;
- my job applications.

**Source:** Bundesagentur für Arbeit, 2013.

Following registration, information about formal qualifications, work experience and job preferences can be coded by PES staff according to the sector and occupation classifications used. The value of the information hinges crucially on the existence of credible systems for occupation and industry classification at national level, that can preferably be linked to systems such as the international standard classification of occupations (ISCO) (ILO, 2010) and the international standard industrial classification of all economic activities (ISIC), or, alternatively, the European and North American classification of economic sectors (NACE) or North American industry classification system (NAICS) respectively. This offers statistical comparison between demand and supply by sector and occupation and so allows the PES and training providers to react promptly to any imbalances and mismatches. Where a classification system follows international standards, it will also allow for data comparison at international level, but the introduction of an international standard classification adopted by all national players will require a concerted effort from all data providers. Box 2 gives some indication of the complexity of such an effort. More on the use of standard classification systems can be found in Volume 1.

<sup>9</sup>Data differences are also due to different methodologies in the labour force surveys and PES administrative data.



## Box 2: Developing a national classification system based on international standards – Lebanon

Lebanon is a relatively small middle-income country with a population of around 4 million and an active labour force of around 1.2 million. However, statistics in general, and labour statistics in particular are produced irregularly and inconsistently. If and when they are produced, labour statistics are not comparable as they are created by various players with different methodologies and with no common standard for occupation classifications.

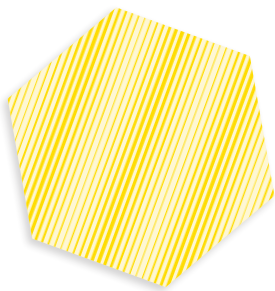
As a result, an initiative was undertaken to develop a national occupation classification system in line with international standards. The initiative was considered crucial as Lebanon both receives and sends large numbers of migrant workers.

This initiative was launched in 2011 and is expected to bring results by 2014-15 with the input of the following institutions:

- Ministry of Labour;
- Ministry of Education, Higher Education and Technical and Vocational Education;
- Ministry of Industry;
- National Employment Office;
- Central Administration of Statistics;
- National Social Security Fund;
- Council of Civil Service;
- General Security (dealing with registration of migrants);
- a wide range of research institutions.

The plan includes the following activities:

- workshops and training events on ISCO;
- review of classifications in use in Lebanon;
- establishment of a steering committee to guide the process and technical committees to address specific technical problems;
- development of a common classification for use in national classification and adoption of this classification through submission to the Council of Ministers, the highest relevant authority for this initiative in Lebanon;
- issuing of a ministerial decree to make the use of this classification obligatory for all data producers.



#### 4.1.7 Vacancies advertised through other sources

In many countries, information about vacancies provided by the PES is supplemented by a wide range of commercial job portals in addition to traditional job advertisements in newspapers. These Internet-based portals increasingly complement or replace job advertisements in the printed press and professional journals and the online version of these media. Such portals often bring together advertisements from a variety of sources, including specialised job banks (focused, for example, on ICT staff or public servants) and the online newspapers.

Two main types of online job portal can be identified:

- (a) portals where employers pay to advertise jobs, often specialised in a particular sector, occupation or local area (such as for ICT professionals, for the health sector, or for jobs within a specific locality);
- (b) portals that employ software engines to trawl the Internet, collecting and displaying job adverts from other portals and media; the business model of such portals is to supply content (job adverts and CVs) that generates a large volume of traffic, making the site an attractive advertising channel. This technology is also used by public agencies such as the German PES, where a job robot identifies job adverts and places them on the official website.

These job portals can also be used as a source of information by the PES and other employment service providers. One potential solution is to have employment service staff reading job adverts as part of their daily routine, improving their general overview of labour market demand and then carrying out content analysis on the adverts. Until recently, this approach was overly resource-demanding, as it required manual input (recording specific words in the adverts) or dedicated content analysis software. As a result, application was limited to research or one-off analyses commissioned by

entities such as trade unions or employer associations seeking a description of skill needs in a specific labour market. However, software tools have increasingly made it possible for PES and other employment service providers to analyse online job adverts to identify current and emerging trends and recruitment patterns on a real-time basis (Altstadt, 2011).

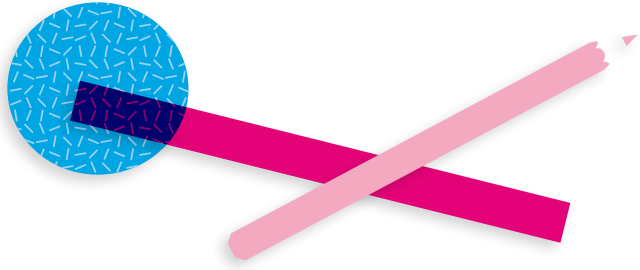
Real-time analysis of online job advertisements offers several advantages over traditional sources of data and information on hiring trends as it can:

- aggregate large numbers of online job advertisements to provide broad, detailed, and timely information;
- quickly collect and analyse job advertisements for a fraction of the cost of other approaches, due to automation of much of the process;
- extract large amounts of information from job advertisements, including the specialised skills and certifications required in many cases.

Data on vacancies gathered by the PES can be pooled with data from other sources to provide information-rich pictures of skill and recruitment needs that can be made available to staff and stakeholders in a structured way.

Figure 7 shows an excerpt from the top 50 in-demand occupations generated by automated real-time analysis of job adverts. This analysis was performed by a private company that provides online occupation job search and match technology services to the New Jersey Department of Labor and Workforce Development, State of New Jersey, USA in April 2013.



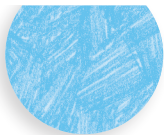


**Figure 7: Real-time jobs demand: top 50 occupation listings (April 2013)**

SOC code (ONet-6)	Occupation title	Real time job postings	Real time mean salary (USD)	Real time postings requiring high school diploma (excluding NA) (%)	Postings requiring some colleague / associate's degree (excluding NA) (%)	Real time job postings requiring bachelor's or higher (excluding NA) (%)	Real time job postings with unspecified education (%)
41-1011	First-line supervisors/managers of retail sales workers	2 579	50 441	43	5	51	44
15-1121	Computer systems analysts	2 482	91 342	5	2	91	38
13-2011	Accountants and auditors	2 462	73 673	12	0	86	36
11-1021	General and operations managers	2 406	97 155	9	1	88	33
15-1132	Software developers, applications	2 347	91 799	7	3	88	39
29-1141	Registered nurses	2 237	75 909	5	12	81	45
41-4012	Sales representatives, wholesale and manufacturing, except technical and scientific products	2 236	69 671	30	4	65	39
11-2021	Marketing managers	2 082	93 821	2	0	97	28
43-4051	Customer service representatives	1 688	34 466	69	8	22	44
11-3031	Financial managers	1 636	106 649	16	0	83	28
11-2022	Sales managers	1 545	87 015	23	1	74	42
13-2051	Financial analysts	1 459	69 136	7	0	91	26
43-6011	Executive secretaries and administrative assistants	1 335	70 398	19	4	76	36
13-1111	Management analysts	1 254	83 025	7	0	91	38

(Excluding NA): excluding postings with unspecified education.

Source: State of New Jersey, 2013.



## 4.2 Improved matching services through partnerships

This chapter stresses the importance of cooperation with employers, NGOs and training providers, proposing ways in which PES can optimise services for them.

Good cooperation between employment services, employers' groups and workers' organisations is indispensable in matching skills with jobs. Where training forms part of the matching process, this tripartite approach must include close cooperation with training providers.

Partnerships with NGOs may also bring additional advantages, particularly in countries with large informal economies or where the PES only manages a low share of the job vacancies and jobseekers. The Latin American examples quoted by Peromingo (2012) illustrate how partnerships between PES and NGOs or local businesses have, in some cases, led to improvement of skills and employability, giving the companies better access to candidates with the relevant skills. The Indian case study provided in annex also gives a prime example of how matching services can reach out to micro-enterprises and parts of the informal economy, using mobile phone technology to communicate job vacancies to unemployed individuals with no access to the Internet and, possibly, poor reading skills.

Establishing cooperation with employers is a four-stage process:

- (a) getting to know the landscape: identifying the types of employers and training institutions present in the local or regional area;
- (b) visiting them to establish contact and initiate cooperation;
- (c) maintaining a working relationship;
- (d) developing services with and for employers.

### 4.2.1. PES partnership approaches and PES networks

**In rapidly changing labour markets, the involvement of stakeholders in improving matching is crucial. Increasingly, the trend in the PES has been away from a 'one size fits all' approach and towards increasing use of partnership and subcontracting in the delivery of employment services**

Partnerships will involve different stakeholders depending on the level of policy implementation; social partners, employers' groups and workers' organisations are important stakeholders at the national level. The involvement of social partners in the formulation of employment policy can contribute significantly to the legitimacy of policy measures and ensure that social partners at lower levels will cooperate in the implementation of these. NGO involvement can also ensure that national measures take into account the needs of specific groups of jobseekers.

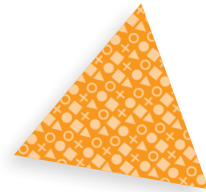
At national or regional level, partnerships are crucial in improving matching, as this requires the involvement and action of all stakeholders (education and training providers, employers and NGOs). A communication from the European network of Heads of PES (HoPES, 2011) emphasised the need for partnership at all levels.

In Europe, there is currently quite a strong trend towards partnership and subcontracting; the EU has set up the partnership between employment services (PARES) to improve cooperation between public, private and non-governmental providers of employment services. Recent strategic dialogue in PARES focused on the evaluation of partnership, concentrating on how to set up an evaluation framework for subcontracting. This increased interest in subcontracting builds on the assumption that detailed assessment of jobseekers' skills and labour market readiness can often be dealt with more efficiently by private providers or NGOs specialising in the skills and barriers facing a given target group or the competence requirements of a specific sector.



In this model, private training providers often provide counselling linked to training targeted on specific in-demand skills in the labour market. Similarly, NGOs cater for the interests of groups of citizens who face difficulties in accessing the labour market for various reasons: young people, immigrants, disabled citizens and ethnic minorities. The specific role of the NGOs in employment services is less well-defined and described than those of the PES and PrEA, and is largely dependent on the institutional structure and capacities of the PES in any country. Several roles can be adopted by NGOs: providing counselling and labour market training to jobseekers in the target group; informing employers of the limitations and opportunities involved in recruiting staff from their specific target group; negotiating with employers about job experience opportunities or regular jobs with wage subsidies for individual members of the target group; and helping jobseekers in the target group to find and keep employment.

A study of the subcontracting practices of the European PES (Finn, 2011) confirms that private providers can improve labour market outcomes for particular groups and bring innovation to service delivery, although effective subcontracting requires preconditions such as the development of public procurement standards and procedures, and the establishment of monitoring and quality assurance systems. The main advantages conferred are the involvement of civil society organisations that may better advocate and serve the needs of specific target groups and the potential provision of greater flexibility with regard to resource allocations. Some efficiency gains may also be achieved, but these tend not to be rapid gains, due to the learning processes involved. Subcontracting enables the PES to adapt its capacity to fluctuations in the labour market in a flexible manner and to purchase specialist services for particular client groups (Finn, 2011). Contracts with NGOs are agreed for a fixed term, usually annual. Subcontractors may be financed in many ways including cost reimbursement (based on pre-approved budgets), fixed price contracts, or performance-based arrangements. Performance-based contracts (payment by results) are also increasingly common in subcontracting labour market training,



building in bonuses or penalties dependent on achievement of a negotiated job-placement rate.

An entirely different model is found in Australia, where all employment services are contracted out by central government and the right to provide publicly financed employment services is put out for tender every three years. This process is just one element in a package of measures entitled Building Australia's future workforce (BAFW) that aims to promote workforce participation and encourage skills development.

Job Services Australia (JSA) is not an organisation as such, but a concept implemented through a programme. To access the right to deliver JSA, the entities presenting tenders must meet a very detailed and comprehensive set of performance specifications. According to a review of the first programme period, this new organisational model has delivered strong results and demonstrated effectiveness and flexibility (Department of Employment, Education and Workplace Relations, No date). Service providers are organised into an association known as the National Employment Services Association (NESA) that represents providers' interests with the government and gives them access to a variety of services and tools. NESA is open to everyone providing employment services, not just those delivering JSA (NESA), giving operational cooperation on the provision of targeted labour market training.

Further benefits can be gained from extending the partnership between the PES and education and training institutions. Giving these institutions access to information about skill demand enables them to adjust their training programmes and curricula as well as positively affecting information about the supply side.

At the operational level, partnership between PES and local TVET schools can contribute to ensuring a timely supply of continuing training courses in situations of industrial restructuring, or where a company moving into the area needs new staff to be trained for specific job functions. Where the PES operate successfully at sector level, TVET schools can participate in a way that can keep school management, teachers and trainers up to date with the situation in that particular sector.



#### 4.2.2. Regional cooperation and partnerships to manage migration

Partnership and cooperation at the supra-national (regional or cross-country) level is a vital element. Cooperation becomes increasingly important against the backdrop of globalisation and migration and the creation of a single labour market in Europe is a strong driver for collaboration among the PES. Further, mutual learning and capacity building are the main objectives of the World Association of Public Employment Services (WAPES). Private employment services may have a longer tradition in working at a global level than the PES; the international confederation of private employment agencies CIETT was created in 1992. This entity offers its members best practice sharing opportunities in the form of annual conferences, workshops, general assemblies and newsletters.

Supra-national bodies, such as the EU, and national authorities worldwide currently devote considerable resources and effort to developing policies and strategic resources for improved skills matching at supra-national level. The next section of this report will explore three examples of approaches to transnational partnerships for improved labour market matching: bilateral agreements on recruitment, exemplified by an agreement between Canada, Mexico and some Caribbean countries; bilateral partnerships facilitating cross-border mobility, exemplified by a partnership to improve labour mobility in and out of Moldova between Moldova and the EU; and transnational efforts to improve general mobility, exemplified by the EU approach to improved mobility within Europe, focused on removing barriers to mobility and improving recognition of qualifications across borders.

In the first of these, Canada has a long-established a programme to facilitate the hiring of foreign workers for temporary positions in the agricultural sector, first established in 1966. In 2006, under this same programme 7 806 Mexican and 7 770 Caribbean workers moved for work to Canada (Basok, 2007) and parts of the programme have been extended to cover all countries.





### Box 3: The temporary foreign worker programme (TFWP) – Canada

Employers are able to hire temporary foreign agricultural workers (TFWs) under four streams; each of which has specific criteria that must be met.

#### Seasonal agricultural worker programme (SAWP)

- TFWs must be from Mexico or certain Caribbean countries;
- production must be included on the National commodities list;
- activities must be related to on-farm primary agriculture;
- positions can be in lower or higher-skilled occupations.

#### Agricultural stream

- TFWs can be from any country;
- production must be included on the National commodities list;
- activities must be related to on-farm primary agriculture;
- positions can be in lower or higher-skilled occupations.

#### Stream for lower-skilled occupations

- production is NOT included on the National commodities List;
- employers can hire TFWs for any lower-skilled agricultural position;
- education or formal training required for the occupation includes at most a:
  - high school diploma, or
  - maximum of two years of job-specific training.

#### Stream for higher-skilled occupations

- employers can hire TFWs for any higher-skilled agricultural position;
- education or formal training required for the occupation includes:
  - university education,
  - college education,
  - vocational education,
  - apprenticeship training.

**Source:** Human resources and skills development of Canada, 2013.



As the description in the box indicates, the Canadian programme and the agreements with the sending countries is clearly targeted at specific types of jobs in agriculture with a view to avoiding bottlenecks in agricultural production.

#### **Box 4: Mobility partnership: strengthening capacity to manage labour and return migration – Moldova**

The mobility partnership between Moldova and EU countries is coordinated by the Swedish Public Employment Service (Arbetsförmedlingen). The partnership joins the Moldavian Ministry of Labour, Social Protection and Family and the National Employment Agency with government institutions (mainly ministries of labour and social policy) from nine EU Member States (Germany, Italy, Romania, Hungary, Bulgaria, Lithuania, Czech Republic, France, Sweden) and the ETF.

The main target groups of the partnership are returning Moldovan nationals, Moldovan diaspora members involved in circular migration, their families, communities of settlement upon return and potential migrants. The private sector actors include civil society organisations active in migration, employer's organisations, trade unions, academic institutions and private employment agencies.

The objective of the mobility partnership is to promote legal mobility between Moldova and the EU. This involves strengthening the capacity of Moldovan authorities to manage return migration and support the social and economic reintegration of Moldovan citizens who return from abroad, and better informing the Moldovan population on the possibilities of working and living legally in the EU.

One key activity of the ETF component is the establishment of systems for the recognition of informal and non-formal learning, including new skills not envisaged by the existing qualifications system. Occupation profiles have been defined and links can be made between occupation and education standards.

As a result of this initiative, jobseekers among the Moldovan diaspora can get acquainted with the Moldovan labour market and apply for available vacancies, while employers are able to select candidates from a pool of Moldovans with EU working experience and skills that are much needed in Moldova.

**Source:** Case study in annex.



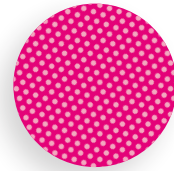
In contrast, policies and initiatives to increase mobility in Europe are of a far more general scope, on the basis of a rationale formulated in 2005 in a communication from then EU president Manuel Barroso:

*'Labour markets must be allowed to function better, providing incentives for people to work and for businesses to take them on, and to create more and better jobs. This will require significant investment in human capital, and greater adaptability of the workforce in more inclusive labour markets' (European Commission, 2005).*

Since 2005, the economic crisis, globalisation and technological change have driven forward the political emphasis on efficiency in matching. The economic crisis in many countries has led to a rapidly increasing inflow of unemployed people into the employment services, upping caseloads and putting pressure on staff and other resources. Further, as was observed by Andersen et al. (2010), the current globalisation of markets and the ensuing competitive pressures mean that labour market information must increasingly be forward-looking. This is essential for education and training providers to develop their offers in response to current demand and for training and education to contribute to innovation in the production of goods and services as well as in the public sector. The Internet and social media offer new opportunities for information and service providers, including labour market intermediaries. As a result of recent developments, opportunities for different types of Internet-based self-service approaches have increased just as employment services have come to recognise that extensive services, personal counselling and guidance cannot be offered to everybody.

The European Commission has initiated several measures to improve skills and skills matching at a European level within the framework of the Agenda for new skills and jobs initiative. One particular section, the European skills panorama (Box 5), was recently launched to help people better see which skills are most needed now and in the future.





### Box 5: EU skills panorama

The EU skills panorama integrates in one single database information on skill needs and mismatches from several different national, European and international sources. This is accessible through a dedicated dynamic website where users can browse the information according to four different entry points: occupation, sector, country, skills.

These allow users to contextualise the information according to their specific needs. Indicators from different sources can be immediately compared, providing a complete view of all available information.

The panorama provides two more tools:

- a set of analytical highlights, focusing on occupation trends and on specific sector-based or on transversal skills;
- an inventory of existing information sources at national, European or international level.

The skills panorama is a key deliverable of the agenda for new skills and jobs flagship initiative.

You can access the panorama at: <http://euskillspanorama.ec.europa.eu>

The vision of the panorama is to aid matching and mobility. It contains detailed information by sector, occupation and country and also includes 'analytical highlights' describing the overall labour market situation in Europe for selected occupations or skill types. In the first phase of development, the information in the database has been collected with a view to comparability across Europe rather than providing precise information about occupations in national contexts. As a result, its main user audience will therefore probably be professionals such as policy-makers and civil servants.

At a more operational level, the EU supports a cross-border employment service guidance network, the European Employment Services (EURES)<sup>10</sup>. Dedicated EURES advisors work within the public employment services, specialising in practical, legal and administrative matters relating to mobility at national and cross-border levels. In practical terms, this means that they offer assistance to foreign job-seekers

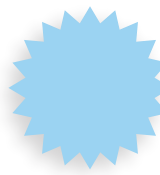
looking for employment in their country, employers wanting to recruit from abroad and job-seekers in their own country wanting to move abroad. Overview information on issues such as labour market conditions, including information about job opportunities based on data from the European Vacancy Monitor<sup>11</sup>, living and working conditions and rules for free movement in each European Member State, is available in the Living and working portal<sup>12</sup>. EURES also offers a number of online services for jobseekers and employers, and personal advice and counselling is also available on request.

These EU initiatives demonstrate how national approaches to matching can be complemented by transnational approaches supporting cross-border mobility. From the macro perspective, such approaches can support mobility on a broader scale. From the individual perspective, the services can contribute to less haphazard recruitment of foreign labour, or job searches in another country, hence supporting improved labour-force mobility.

<sup>10</sup> See <http://ec.europa.eu/eures/main.jsp?acro=eures&lang=en&catId=3&parentCategory=3>

<sup>11</sup>The European Vacancy Monitor is a quarterly bulletin describing the vacancy situation across Europe on the basis of the following data sources: labour force survey, which includes 27 countries for data on the third quarter of 2011; the job vacancy statistics, 26 countries, estimations included; and the registration data for job vacancies and unemployed from PES, 20 countries.

<sup>12</sup>See <http://ec.europa.eu/eures/main.jsp?acro=lw&lang=en&catId=490&parentId=0>



#### 4.2.3. Partnerships with employers for better matching

If the PES is not well informed about the business environment in its catchment area, it should consult any available sources to create a better understanding of the local labour market situation. The information required includes:

- a list of sectors (including the public sector) present in the labour market<sup>13</sup>;
- the relative importance of each sector in the local area in terms of employment;
- types and levels of employment (skill levels);
- trends (which sectors are growing or declining);
- structure (company sizes, clustering).

In addition to vacancy notices and employer surveys, such a mapping may include data and information from:

- regional or local business statistics;
- information from national or regional authorities;
- business associations;
- employers' organisations.

In this phase, the role of the national or central body is important, as it should be responsible for providing the regional and local offices with relevant, easy to understand information as well as tools:

- statistical information relevant to the situation of the local or regional office;
- access to sources of information about employers in the local area;
- tools to store and analyse information about the local business landscape.

Box 6 details an example of a multi-level governance strategy showing concerted efforts to collect and disseminate labour market information and ensure that it informs training providers from Turkey.

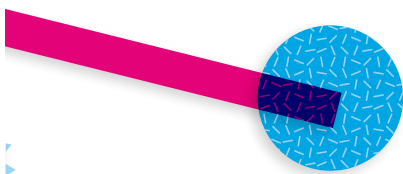
#### Box 6: Skills'10 (UMEM Beceri '10) – Turkey

In Turkey, the employers' organisation (the Chamber of Trade and Commodity Exchange, TOBB), has joined forces with the TOBB University of Economics and Technology to conduct national surveys. These collect and analyse the skills and personnel demands of employers to match trainees with companies for internships, ensure employment of successful trainees, and coordinate a communication strategy with a programme website and central information system.

This information is communicated to the Ministry of Labour and Social Security, which, together with the public employment service İŞKUR, is responsible for financing training courses, providing allowances for trainees, creating hiring incentives, and informing, selecting and matching unemployed people with training measures. The Ministry of Education provides training via selected vocational schools (UMEM, the Specialised occupation training centres).

**Source:** Case study in annex.

<sup>13</sup>The primary sector (farming and/or fisheries) plays an important role in many TDCs but this sector often has a large share of informal activities. If employment service providers are to contribute to innovation and growth in the sector, it is crucial for them to be aware of the job functions and working conditions there.



Clustering employers at local or subregional level can help to improve matching. Figure 8 shows a prototype of a clustering template that can be used to inform and adapt the PES service approach for companies. Different types of enterprises have different needs and, specifically, small enterprises need support to increase their human resource management capabilities in terms of the way they recruit, deploy and train their staff.

**Figure 8: Clustering types of employers**

Clustering employers can improve matching			
Enterprise type	Jobs	Matching process	Skills issues
Growth industries (technology-intensive, expert-oriented)	Top executives, specialists, technicians, high wages	Private employment agencies, social capital	Specialised training, company-oriented
Service industry	Flexible and atypical forms of work	Self-organised job search, temporary work agencies	Generic skills, innovative capacities
Traditional trades and crafts	Various forms of work contracts	Traditional matching services (PES) also informal recruitment practices	Skilled and semi-skilled, defined skill profiles
Old industries, companies in restructuring	Downsizing and frequent mass lay-offs	Outplacement services requested (PES or specialised providers)	Obsolete skills, retraining required
Public sector	High employment protection	Regulated access and formalised hiring process, role of PES varies	Formal education requirements, public sector organised training
Informal economy, micro enterprises	Lack of social protection, insecure jobs	Informal ways of hiring	Unskilled or low-skilled, upgrading



The next step is contacting employers. This important activity offers a low-cost solution to improving the quality of matching without embarking on investment in complex ICT-based systems.

A survey of 15 European PES (de Koning and Gravesteijn, 2012) found that initial contact is made through a variety of approaches and methods, some of which are shown in Box 7.

#### **Box 7: Approaches to first contact with employers**

- The Flemish-Belgian PES focuses primarily on SMEs and divides companies by sector. Each account manager makes an individual plan for the province allocated and the sector(s) covered based on local knowledge and developments. Initial contact is made by telephone, followed by a visit to the employer.
- In Estonia, the PES hosts information and cooperation events for employers at national, regional and local levels, introducing PES services and support, and receiving feedback.
- In Ireland, the PES contact new start-up employers as soon as the start-up is announced. The national call centre (NCC) will inform employers of all available services when the employer makes the first call.
- In Lithuania, the PES segments employers within a database. Employers are selected by size (number of employees) and the PES identifies strategic employers (those that create the biggest number of vacancies). The Lithuanian PES states that the most effective tool for initial contact is a face-to-face or personal meeting.

**Source:** de Koning and Gravesteijn, 2012.

Giving the staff of the employment service provider the opportunity to visit an employer, talk to the staff responsible for recruitment, and observe working conditions in the company, be it public or private, can increase the richness and quality of the information that the employment service provider offers to jobseekers. Having met in person makes it easier for both parties to approach each other directly and informally.

This was confirmed by a study of the Swiss employment services, which found statistical evidence to show that where caseworkers (job counsellors, frontline staff) have networks with employers, this increases the employment chances of their clients. In the study, caseworkers were asked how much of their time they devoted to counselling, administrative tasks and employer contacts. The results indicated that caseworkers who devoted a larger share of their resources to employers were more likely to consider employers as an important source of information. Personal contact with employers not only increases the employment chances of jobseekers but also serves to build trust with the employer who is then more likely to report vacancies to PES, extending the pool of 'better' vacancies on offer.





This aspect of trust is also underlined in the description of the service approach to employers given by the French PES in Box 8.

### Box 8: Segmenting employers – France

In France, new contacts are canvassed by special teams, by telephone, visits or mail depending on the size of the company and its hiring potential. Since 2011, the PES has used an IT package to segment employers. Eight segments are constructed with the use of a segmentation tool, defined by three criteria: hiring potential: measured by the numbers of workers hired during the previous reference period; recruitment difficulties, known from various sources; and closeness to the PES, measured by the number of vacancies submitted by each company to the PES.

It is important that such visits are framed in a way that helps create an atmosphere of mutual trust. The employment service provider should signal clearly to the employer that the purpose of the visit is to obtain a better understanding of the employer's situation and recruitment needs.

The resources available to employment service providers for employer visits varies. In those PES that have incorporated employer visits in their activities, there is frequently a separation between staff dealing with employers and those who deal with jobseekers. However, as the information value of such visits is substantial, and the insights achieved as a result can often be directly used in counselling, employment service providers should seek to ensure that all members of staff in direct contact with jobseekers make at least one employer visit a year and preferably more. Managers in the employment service provider can also help to raise the profile of the activity by making such visits personally and on a regular basis. Company visits can be planned to ensure that all of the most important sectors and types of company (small, medium, large, private and public) are covered, and that PES staff are able to meet to exchange experiences in an informal way after a series of visits.



**Source:** de Koning and Gravesteyn, 2012.





#### 4.2.4. Developing services with and for employers

Cooperation with employers can take many forms, depending largely on the situation in the labour market. The overall objective in any situation, however, remains the same: for matching and anticipation of skill needs to take place on a more informed basis and for the tools and methodologies developed to be strongly oriented toward labour market needs.

In a survey of the European PES, de Koning and Gravesteijn (2012) found most PES offered the following services to employers:

- collection and provision of labour market information;
- drafting and posting of vacancies;
- recruitment services;
- human resources consultancy;
- information and advice on subsidies and active labour market policies (ALMPs);
- support for disadvantaged and long-term unemployed jobseekers;
- rapid response and redeployment for large-scale redundancies.

These are general services offered to all employers. Experience shows that the take up of these services varies considerably according to sector, where 'old' sectors such as mining, manufacturing industry or

shipbuilding tend to use the services more, while 'new' sectors such as ICT or business services tend to use them less.

One approach to improving cooperation with employers entails the employment service provider targeting services to specific sectors or industries. This can take various forms dependent on the size of the organisation; the easiest approach is to create separate groups of frontline staff and guidance counsellors to deal with each sector, making one team responsible for the agricultural sector, one for manufacturing, one for services, and so on. Staff on each team are responsible for maintaining up-to-date insight into the skill demands of 'their' industry.

In some countries, this approach is taken further. In the Netherlands, for example, the PES has organised specialised offices to deal with the requirements of specific sectors and permanent sector service offices have been organised for particularly important sectors, run jointly by the Dutch PES (UWV) and sector representatives.

The Netherlands also runs a scheme under which workers can claim partial unemployment benefits temporarily in cases where their employer experiences a dip in production. Employers are obliged to invest in the skills development of these workers in order to access partial unemployment insurance benefits for redundant workers with an employment contract they would like to maintain (UWV Werkbedrijf, 2012).





### 4.3. Anticipatory approaches

Using anticipatory approaches has become important for the work of the PES; they also play an important role in information gathering about future labour market trends. In this chapter we will examine a number of different approaches for anticipation of labour market needs.

**Employment service providers are important partners for skills anticipation, as they often play a key role in regular observation and the provision of labour market information. But robust and reliable anticipation requires the active involvement of employers, social partners, education and training practitioners and researchers. To be effective and efficient, employment services need to base their strategies on information about future trends.**

Anticipation involves the employment services and other actors in the labour market seeking to establish future labour market needs in terms of labour force and skills. The employment service role in anticipation may vary depending on its role in matching. Some services will collect and disseminate forward-looking information on labour markets based on forecasts, scenarios and other inputs to establish probable directions for labour market needs. This role may be expanded to include use of the information to provide competence-development activities for jobseekers.

Box 9 gives details of an initiative implemented by the Mexican PES which shows a combination of elements of anticipation, matching and local economic development through a partnership approach.

#### **Box 9: Cooperation on competence development with a major employer**

In Mexico, the Federal and State Governments decided to develop a domestic aerospace industry in partnership with the private sector. The Mexican PES (SNE) played a crucial role in this development. In 2005, an Aerospace Park was established in the State of Querétaro with the Canadian Company, Bombardier Aerospace as a major partner in the project. One of the competitive advantages of Querétaro was its young and cost-competitive workforce with basic vocational skills that could be adapted to aerospace sector needs through on-site training.

The SNE used a demand-driven approach based on a voucher system to align participant skills to lean-manufacturing systems. Under this scheme, the SNE covered part of the cost for training and Bombardier committed to hire at least 70% of the participants on successful completion of training. The company also brought in workers from other facilities to deliver workplace training. A total of 110 technicians were trained over a period of four months, starting work in the plant in May 2006. Another group of screened candidates started pre-service training delivered by public and private training providers for upskilling and accreditation. By the end of 2006, a total of 296 technicians were working to Bombardier standards.

*Source:* Case study in annex.





#### 4.3.1. Using information from employer surveys and occupation forecasts

In dynamic labour markets it is vital for employment services to start responding to needs for labour and skills before the need is translated into a concrete demand; it takes time to train the labour force to meet the new skill requirements or motivate jobseekers to move to regions where demand is seen to be imminent. For instance, a need for different types and skill levels of construction workers can be foreseen where a major construction project, such as a motorway or hospital, is underway in a region. If the employment service is given this information in advance, it will be possible for them to estimate the number of jobseekers they will need with the required skills and to evaluate how many have skills that can be developed to meet the requirements.

For the employment services, short-term anticipation helps inform jobseekers about where and in which sectors jobs are expected to emerge in the near future. Also, forward-looking information can be transferred to training providers for them to adjust their training offer.

Employer surveys provide the main source of information used by employment services beyond their own administrative data. Box 10 shows that when conducted systematically and regularly, these surveys can provide information about short-term changes and emerging trends in the demand for labour and skills.

#### Box 10: Labour market balance – Denmark

In Denmark, the responsibility for implementing employment policies is decentralised to the municipal level, while four regional employment offices are charged with analysing and communicating trends in regional labour markets.

The Labour market balance has been developed to assist management and staff in the municipal job centres in prioritising employment and training measures and counselling of jobseekers. The Labour market balance is an instrument designed to give the regional intermediaries (PES) and other stakeholders in the labour market easy access to information about the current and near-future situation in 1 000 occupation groups in the regional labour market. The Labour market balance consists of three components:

- a national employer survey;
- a labour market model drawing its data from the survey, from PES data on the registered unemployed and registered vacancies, and national statistical data about employment and turnover in the labour market;
- an online interface, allowing the user to identify quickly occupations with labour shortages or occupations with a sufficient supply of labour.

The Labour market balance provides PES staff with an empirical foundation for prioritising employment measures and gives front line case workers a tool to use in efforts to guide the unemployed towards employment.

*Source:* Case study in annex.



A second example of employer surveys used to generate information to aid matching is given in Box 11, where the private international employment service provider ManpowerGroup collects and disseminates information to assist their main clients, the employers (see Box 11).

#### **Box 11: Manpower employment outlook survey**

The main objective of the survey by the ManpowerGroup – a private staffing and consulting agency – is to support human resources (HR) management and the recruitment process in particular. A key target group of the products is employers, although PES, governments and other public authorities are not excluded.

The Manpower employment outlook survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. It has been running for 50 years and 42 countries and territories were covered in 2012. The total sample is representative of each national economy and 66 000 employers were included in 2012. Seasonal adjustments are applied in some countries.

The Net employment outlook index is a key outcome of the survey. This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this from the percentage of employers expecting to see a decrease in employment in their location in the next quarter. The published reports provide results that give comparisons on an international, regional or sector level (although the detail at the sector level differs by country).

Volume 5 brings more information on methods and approaches to how to implement a survey on skill gaps and skill needs among employers.

Other case studies show that anticipatory approaches are also increasingly used in transition and developing countries, adapting well-tested practices to their needs. The Swedish forecasting approach to anticipating labour market trends, a flexible and transferable model that covers supply and demand sides and a wide range of occupations, has been successfully adapted to framework conditions in various transition and developing countries.

Colombia, for instance, has taken some initial steps toward occupation studies and labour supply and demand trends analysis. The public employment service administrative registries are used by the Labour and Occupation Observatory to reduce mismatch and increase efficiency in linking jobseekers, particularly recent graduates, with the skills required by employers in the short term<sup>14</sup>.

#### **4.3.2. Supranational labour market information and anticipation**

The increasing globalisation of markets means that labour market information must be forward-looking for education and training providers to develop their offer in response to current demand, while also contributing to innovation in the production of goods and services and in the public sector (Andersen & al, 2010). The Internet and social media offer new opportunities for data and service providers, including the employment services.

Examples of supranational and cross-border information resources, such as the EU skills panorama or European vacancy monitor, were mentioned in Section 4.2.2.

*Source:* Case study in annex.

<sup>14</sup>See case study in annex.

#### 4.4. Youth career choices and labour market entry

The main building blocks of matching are accompanied by the approaches and tools used for career guidance and youth labour market entry, good practices for matching processes (aligning jobs and skills), and labour market training strategies that adjust skills to changing demands.

This chapter addresses the use of anticipation, trends and forecasting in career guidance and counselling in order to improve matching between vocational education and labour market needs. In addition, several cases of good practice in the field of career guidance and counselling will be presented.

Youth unemployment and inactivity have reached dramatic levels, with 26 million 15 to 24 year-olds in the OECD countries not in employment, education or training (NEET) (OECD, 2012). Globally, 75 million young people are unemployed (ILO, 2012), but 621 million are neither working nor studying (World Bank, 2012). While anticipation and matching approaches cannot solve the problem of job creation, they can certainly help in tackling the problem of jobless youth.

Skills mismatch hits the young harder than other age groups, making career guidance and counselling informed by reliable future trend forecasting highly relevant. In Korea, an early intervention initiative known as Job World helps avoid skills mismatch by providing young children with experiences of the top 100 occupations through coaching by professionals in a simulated setting<sup>15</sup>.

In a similar vein, Benin has developed the proactive Jobs Saturday initiative to reduce skills mismatch through career guidance and labour market information. The objective of this initiative is to provide in-school and out-of-school youth with the labour market information needed to obtain a future job connected to career-related work interests. The success of this initiative rests largely on the links established between employers, training providers and the community.

Difficult transition from school into initial gainful employment is also a critical issue. School-to-work transition surveys often provide better understanding of the type and size of these challenges. These surveys provide baseline information for programmes to ease initial labour market entry, ranging from incentives to employers for hiring young graduates, to subsidised work practices in companies. Turkey has been relatively successful in reducing the NEET rate through initiatives such as the Skills'10 programme that combines training, work practice and job placement in a way that also increases youth employability (see the case study in annex).

More information on how to implement tracer studies of school graduates and school-to-work transition surveys can be found in Volume 6.



<sup>15</sup>Annex: case studies with example of good practice.



#### 4.4.1. Career guidance and counselling services

Career guidance and counselling are usually closely connected with matching, as career guidance counsellors and education counsellors pass on information about opportunities in the labour market to jobseekers and students. Most PES have integrated counselling services targeting the unemployed. Career guidance at education and training institutions also has an important part to play in aiding efficient transformation from education to employment and in ensuring proper matches in the labour market. In vocational programmes with an apprenticeship element, guidance counsellors play a particularly important role in ensuring that the student is properly matched to an appropriate company.

Contracting out, or collaborative agreements on counselling with private agencies or NGOs, can be advantageous for specific target groups such as the young unemployed, those with certain disabilities, former-convicts and older workers where specialised expertise is available.

The efficiency of all counselling services in matching hinges on access to accurate, relevant and timely information about job functions and skill needs in the labour markets.

Several European and national initiatives have recently been launched to seek better alignment between skill demand and supply<sup>16</sup>, supporting direct partnerships and cooperation between the world of education and the world of work. However, their efficiency as instruments for better matching in the medium term is yet to be demonstrated.

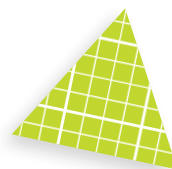
#### 4.4.2. Network approaches for guidance and counselling services

Cooperation and partnership with career guidance providers has shown that improved quality guidance and counselling can be achieved through knowledge-sharing and the development of a shared vision, strategy and action plan in the form of counselling networks, as recommended in an ETF policy brief (Zelloth, 2011).

Guidance services have traditionally used psychological tests to guide young people toward their future vocation, but this approach alone is insufficient; they should also be provided with information on different types of companies, occupations and working conditions, career and learning pathways. Counsellors must be well informed about the world of work. A well-functioning guidance system with wide coverage can have an impact on career decisions and contribute to reduced skills mismatch. Regular cooperation and information exchange is required between service providers and employment offices where independent (or school-based) guidance is provided. Career guidance counsellors within education institutions should be targeted for receipt of the occupation-related information produced by the PES.

Case studies from Korea and Benin show how youth, both in school and out, are provided with labour market information. Box 12 highlights some of the major issues in the example from Benin.

<sup>16</sup>European initiatives include sector skills councils, sector skills alliances and the launch of a university-business forum and a European forum on vocational education and training. Sector skills councils at national level are in existence in many countries worldwide. More information on the institutional approaches conducive to a better matching and anticipation of skills at sectoral level can be found in Volume 3.



## Box 12: Jobs Saturday – Benin

In Benin, the occupation choice of many young people is strongly influenced by cultural context and family expectations rather than driven by professional advice and labour market information. This has been identified as one of the factors contributing to an increasing gap between available qualifications and skills and demand from employers.

The National Employment Agency of Benin (ANPE) has adopted a forward-looking approach to:

- influence the career choices of young people;
- improve alignment between the skills acquired through education and future occupation requirements.

The ANPE initiative is a collaborative model that organises expertise on career advice and job counselling by inviting participation from employers and professionals in those sectors experiencing difficulties in recruiting skilled workers. Four priority sectors were identified:

- textiles and cotton;
- agriculture and agri-food;
- trade and logistics;
- tourism and handicrafts.

Exhibitions are organised with stands provided for workers from the targeted sectors, training centres and government agencies supporting entrepreneurship. Executive professionals from those sector enterprises and institutions chair round table sessions and panel discussions. ANPE organises the event and provides guidance and individual counselling both on site and at the employment office. ANPE also assesses the number of visitors, type of assistance provided, challenges identified and feedback from employers.

The key successes of these events lie in the expanded access to labour market information and direct contact between jobseekers, potential employers and training institutions. Some key challenges remain, however, including the quality of training and education provided and the level of integration between the employment services, education programmes and workforce development.

**Source:** Case study in annex.







#### 4.4.3. Reaching out to the youth in the community

Job fairs are used by many employment service providers as an accessible way to engage clients directly in matching. In addition to actual recruitment following a Job Fair, such cooperative ventures can contribute to strengthened relationships between the employment services, employers and education and training providers.

Fairs can be arranged locally and be directly tailored to local conditions in the labour market. Job fairs may be arranged in cooperation with higher education institutions and employers where a substantial problem of mismatch exists in relation to higher education graduates. Where skills mismatches mainly concern a specific sector, job fairs can be arranged in cooperation with sector organisations and employers. NGOs can use job fairs to showcase the competencies of the jobseekers they represent and can campaign to break down employer prejudices against specific groups such as women or those with disabilities.

#### Box 13: Invitation to a job fair – Denmark

##### *Welcome to Job Get-together 2012*

A new year has begun, and we are looking forward to this year's Job Get-together Fair, which, as previously, will take place at the Faculty of Engineering at the University of Southern Denmark in Odense.

##### *Meet Denmark's leading engineering companies*

Job Get-together is the place where engineering students and companies meet to network and get to know each other. Denmark's leading engineering-intensive companies participate with a stand, and they look forward every year to welcoming students for an informal chat about career opportunities.

##### *About the fair*

Job-Get-together fairs are targeted career fairs, where the exhibiting companies and students meet each other and establish contacts for project work and practical employments.

**Source:** Jobtraef Fyn, 2012.

Job fairs are a common tool used in on-the-spot job matching. But there are a number of differences in how the fairs are organised in the various countries.

In Slovenia, job fairs were first used in 2007 and have been continuously improved since.

#### Box 14: Job fairs – Slovenia

Job fairs in Slovenia are organised by the Employment Service of Slovenia (ESS). They are regarded as territorial measures, organised by local employment offices in partnership with local stakeholders. The objective is to strengthen local networks and to increase transparency on local labour markets.

The job fair concept is based on a broad approach of local or regional partnerships between ESS regional offices and employers, education institutions, municipalities, employers' organisations, private employment agencies, NGOs and other stakeholders. The approach is based on initiatives by ESS units at local and regional level.

Job fairs have become more than just employment recruitment events. The ESS and their regional offices see job fairs as one of the key instruments for developing regional labour markets, offering job opportunities and information for career planning to individuals and supporting employers and other stakeholders to ensure effective use of human resources at local and regional level.

**Source:** Andersen et al., 2010

## 4.5. Innovative services for better matching and job referral

This chapter illustrates innovative approaches to the provision of information about vacancies to jobseekers.

Matching jobseekers with jobs is a core task of the employment services. While the use of e-tools, specialised software and databases make it easier to find the right match among vast quantities of data, there are also many new challenges, such as faster labour market turnover and the resource constraints of employment services. Public employment services in transition and developing countries generally have to cope with far higher caseloads than their peers in most EU countries, and outreach to rural areas and small and micro enterprises is limited. New approaches such as profiling have been developed to meet the specific needs of different target groups better. Internet-based self-service systems also contribute to greater transparency on the labour market.

The Portuguese PES has introduced a comprehensive operational model to achieve efficiency in matching and avoid long-term unemployment. This Intervention model for matching includes the use of systematic profiling for unemployed jobseekers, segmentation into groups with different needs, and development of personal employment plans with clients<sup>17</sup>.

In Moldova, a different aim is pursued through the mobility partnership, where the aim is to optimise job matching of migrants through bilateral partnerships and services targeted at outmigration and returners, validating their skills and aiding reintegration into the Moldovan labour market (see the case study in annex).

### 4.5.1. Profiling

An increasing number of PES use extensive individual profiling in the form of assessments performed by PES counsellors, often using IT and dedicated statistical tools. The rationale behind profiling is to make labour market integration more effective by better targeting services and scarce resources. Weber (2011), reporting on research for a mutual learning conference in the PES-to-PES dialogue initiative, stated that profiling can be used:

- to diagnose individual strengths and weaknesses with regard to personal action planning;
- to assess the risk of long-term unemployment among unemployed individuals and those about to become unemployed;
- to segment jobseekers according to the level of assistance they are considered to require in achieving (re-)integration;
- to target appropriate services, measures and programmes considered most suitable to meet the requirements of their particular profile by statistics-based programme selection.

However, several approaches to profiling are used in PES; Box 15 describes one example from the Belgian Flemish PES (VDAB).



<sup>17</sup> See case study in annex.



### Box 15: Profiling in VDAB – Belgium

When an unemployed person is called in for interview nine months after registration, the PES case worker seeks to establish whether the client needs more intensive assistance. The PES uses an array of tools including:

- Jobindicator – a tool indicating in a simple way how many job offers the client has received over a period, the content of the offers, through which channels the jobs were offered, and what the client did in response to the offers;
- Jobready – an electronic survey tool which allows the job-seeker to assess his/her own readiness for work. The questionnaire looks into individual experiences with, and attitudes towards, jobs, the client's own assessment of personal strengths and weaknesses, and his/her aspirations concerning jobs and career;
- Borint – a vocational guidance tool based on interests;
- Borcomp – a vocational guidance tool based on competencies (COBRA) and Borint;
- E-scan – a tool to measure the jobseeker's capability in relation to starting their own business;
- Profil – a test of theoretical professional knowledge;
- Profile determination test – a practical test.

In addition, the VDAB uses specialised screening instruments where clients are assessed for psychological problems or disabilities.

Profiling tools often require considerable effort in the development stages, as they should be informed by scientific psychological approaches as well as considerable insight into occupation studies. Such tools should be developed centrally within the employment service provider before being disseminated to the local and regional level in combination with appropriate staff training for end-users of the tools.



Source: VDAB, 2011.



#### 4.5.2. Categorisation of jobseekers: different approaches

Categorisation or segmentation of jobseekers is an approach which can be used to increase the efficiency of PES services by prioritising the resources used per jobseeker. In such approaches the PES divide jobseekers into a number of segments according to type or target group. Segmentation may result from comprehensive profiling or screening as is the case with the VDAB (Box 15), or it may be based on less sophisticated tools. According to Fuller (2009), most PES use segmentation into these target groups:

- unemployed or benefit recipients;
- employed;
- young;
- older;
- long-term unemployed;
- people with disabilities.

#### Box 16: Job seeker classification instrument – Australia

The Job seeker classification instrument was introduced in 1998 and has been regularly reviewed and monitored. The use of the instrument involves:

- collecting information about each of a number of individual factors, which have been shown to be correlated with employability, using a combination of questions and existing data about the jobseeker;
- using this information to calculate a score for the jobseeker. There are three score bandwidths that determine if the jobseeker is eligible for different types and intensities of assistance through Job Services Australia or for Disability Employment Services.

The Job seeker classification instrument also identifies jobseekers who may benefit from being referred to the Australian Government language, literacy and numeracy programme, the Adult migrant English programme or to a Department of Human Services social worker.

**Source:** Department of Education, Employment and Workplace Relations.

The advantage of this kind of approach is that the target groups are objective (usually age limits are set to establish whether a person should be considered young or older). The disadvantage of the target group approach is that membership in one of these categories does not in itself predict job-readiness or the contrary, and if the segmentation is used as a basis for decisions on whether or not to offer specific measures to a person, the result may well be an inefficient use of resources where clients are given measures that do not match their situation.

Many employment services develop or have access to services targeted at hard-to-place clients.



### Box 17: Socioeconomic enterprises – Austria

One of the first measures invoked to fight exclusion from the Austrian labour market was the creation of the Sozialökonomischer Betrieb (socioeconomic enterprises or SÖB).

SÖBs form part of the social economy sector established legally as an association or a non-profit limited liability company. SÖBs form a second labour market with the objective of making hard-to-place people job-ready under a comprehensive support-service package. The result is increased employability for people who are hard to place in regular jobs (such as former drug addicts, unskilled people or people with disabilities). SÖBs are also in charge of supporting job placement in the local, regular labour market, once the temporary work period has expired.

SÖBs are partners of the Austrian Public Employment Service (AMS), offering provision for the long-term unemployed that combines temporary employment, skills training, sociopedagogic support and placement in regular jobs. These services are assigned and partly financed by the AMS; the local labour offices of the AMS allocate the registered unemployed to work in SÖBs. SÖBs are largely financed by the AMS but they must also generate enough revenue to cover at least 20% of their expenses.

In 2012, there were 77 socioeconomic enterprises in Austria. There was also an umbrella structure in place to support socioeconomic enterprises, with informal and formal networks at the provincial and national level (Verband der sozialökonomischen Betriebe). The SÖB also form part of the Bundesdachverband für soziale Unternehmen (BDV), a federal association of all of the social enterprises in Austria.

This is not the only option, however. In Denmark, for example, instead of viewing the clients as members of certain target groups eligible for measures, they are instead classified according to 'distance to the labour market'. The Danish classification cuts across the target groups described above and includes three 'match groups':

- match group 1: Job ready – citizens who, according to the job centre assessment, are ready for taking up ordinary employment and who can be expected to leave unemployment within three months.
- match group 2: ready for measures – citizens who are not ready to take up ordinary employment within three months, but who can participate in employment measures including active offers.
- match group 3: temporarily passive – citizens who have severe (mental or physical) problems which render them unable to function in a job or an active labour market measure (Danish Labour Market Authority).

Unemployed jobseekers are allocated to these match groups on the basis of profiling completed by frontline staff in an interview with the jobseeker.

The main rationale for segmentation is prioritisation of resources for active labour market policy measures, but this approach is also relevant for matching, as it provides the PES with a simple yet efficient instrument to identify unemployed jobseekers ready for immediate employment. It distinguishes this group from those not ready to be sent directly to employers, allowing for the latter group to be offered appropriate active measures, counselling or training to increase their employability.

A similar approach is seen in the Dutch PES, where all workers are offered registration, estimation of employment chances and matching. More advanced services are reserved for workers at risk of unemployment (where they will probably become entitled to unemployment insurance benefits), unemployed jobseekers with an unemployment insurance benefit, and those with reduced capacity to work (UWV Werkbedrijf, 2012).

**Source:** Case study in annex.



#### 4.5.3. Supporting jobseekers to increase self-matching

The rationale behind the self-service option is that such an approach will provide resourceful clients (jobseekers and employers) with the information they need to perform independent matching (recruitment or job search) with no intervention from the employment service provider.

A systematic self-service approach can be established along the media and channels considered most suitable for clients by the employment service provider. Some self-service systems rely on quite advanced ICT tools integrated with online labour market information. However, the self-service approach was in use long before the advent of the Internet, and other channels or media can be just as relevant.

Self-service has several advantages for clients (jobseekers and employers):

- it gives all citizens access to a broad array of services and information;
- it empowers clients by allowing them to select those services they think will benefit them most;
- Internet-based services allow clients to access services when and where it suits them best.

The key to a well-functioning self-service system lies in information that is:

- up-to-date, regardless of channel: vacancy notices to be removed after the vacancy has been filled or the deadline for application passed, out of date brochures removed from offices;
- multi-channel: different media suited to different target groups;
- well-arranged: vacancy notices or job advertisements on one clearly marked notice board, educational offers on another;
- informative: vacancy notices should contain information of as many types as possible, including occupation, job tasks, type of contract (full-time or part-time, temporary or permanent), wage level, required skills and abilities, necessary formal qualification.

The simplest form of self-service system consists of notice boards in the employment service or guidance centre. These boards can display vacancies as well as more general information about sectors with good career opportunities, and information about educational opportunities. Dedicated occupation information centres that combine vacancy notices with different types of information and guidance materials, and possibly access to online sources, are found in many countries.

D'Amico et al. (1999; 2009) evaluated the on-site self-service provision in the US labour office one-stop career centres twice, with a 10-year interval. In the 2009 evaluation, they found there had been extensive progress over the past 10 years. The strategies to promote accessibility in the one-stop career centres had succeeded in giving the public access to rich information resources and tools, as well as professional assistance, ensuring that high quality career development services are now widely available throughout the nation. However, the evaluators also found that far more assistance was required in the use of the self-service provision than was originally expected, and that the jobseekers who visited the offices were only able to make good use of the information offered when assisted by staff who could guide them through it. ICT literacy was also not as high as expected among visitors to the career centres:

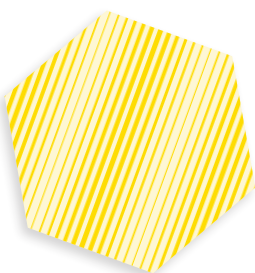
*To some degree (...), there is a mismatch between the philosophy behind self-services and the reality of the types of customers that resource rooms tend to attract. As one local area administrator put it: 'The people who really can do self-services aren't coming here; they don't use us. We see the people who have problems' (D'Amico et al., 2009, pp. XI-2).*

Self-service improves the quality and range of information offered on the premises by employment service providers, but the approach also includes events where employers can present their company, flag-up vacancies and future plans, and engage directly with jobseekers.



Internet-based services such as online registration of vacancies or CVs are frequently linked to labour market information systems. In countries with well-developed ICT-based self-service systems, the PES frequently presents a full array of services and information in one portal. These portals usually have at least two entry points, one for jobseekers and one for employers, but there is often also a third entry point for researchers.

The advantage of Internet-based services is that they allow jobseekers and employers better access to information on skills supply and demand. They also promote the operational efficiency of the PES, aiding smooth transitions into the labour market (from education into work, from one job to the next) with no direct involvement from the employment service. This means that more resources can be directed toward management of the labour market information feeding into the services, catering for employers requiring assistance with human resource strategies, and those unemployed people not in a position to profit from Internet-based services or who need more intensive and individual counselling.



In such systems, the offers to employers usually include:

- advertisement of vacant jobs, including templates and online advice in formulating job advertisements;
- access to databases where the employer can conduct targeted searches among anonymous CVs of jobseekers;
- information about the current labour market situation in different sectors and occupations.

The offer to jobseekers may include any number of the following items:

- searchable databases of current vacancies;
- an opportunity to upload and edit a personal CV;
- facilities to apply for jobs online;
- information about the current labour market situation in different sectors and/or occupations;
- tips and tricks for job-hunting;
- links to education and training.

The China employment network (CEN) provides a good example of a PES that uses ICT services extensively. Box 18 provides a summary of the content of their web page, showing a combination of access to information on vacancies and a multiplicity of labour-market-related information, including training, statistics and regulatory information at national, provincial and local level.

Box 18: Employment network – China

China employment network

The CEN is a government portal for employment services and training (under the Ministry of Human Resources and Social Security).

The website address is: <http://www.chinajob.gov.cn/>

The home page of the CEN shows 13 channels:

(Home)	
Information centre	Data analysis
Employment policy and services	Read channel
Entrepreneurship channel	Local channels
Identification of training	Video channel
Labour relations	Global employment
Social security	Network weekly
Policy advice	

The content is also sorted and labelled into four main domains:

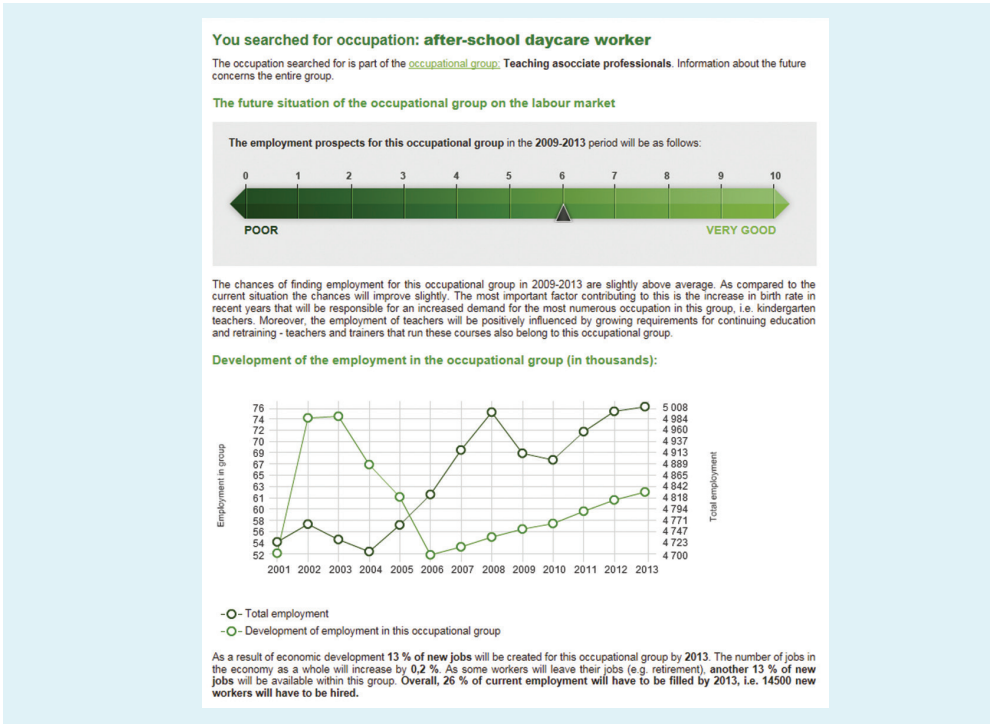
<p>(Employment)</p> <p>Users can find information on:</p> <ul style="list-style-type: none"><li>• policies and regulations (employment promotion law   central   local)</li><li>• public employment services</li><li>• business to promote employment</li><li>• job vacancies*</li><li>• employment of college graduates</li><li>• employment assistance</li><li>• job transfer of rural labour personnel</li><li>• employment for personnel overseas and Taiwan, Hong Kong and Macao</li></ul>	<p>(Training)</p> <p>Users can find information on:</p> <ul style="list-style-type: none"><li>• entrepreneurship training</li><li>• highly-skilled craft institutions</li><li>• pre-employment training</li><li>• school-enterprise cooperation</li><li>• occupational skills standards</li><li>• new career guidance</li><li>• identification of quality assessment</li><li>• national exams</li><li>• skills competition commendation</li></ul>
<p>(Comprehensive information)</p> <p>Users can find information on:</p> <ul style="list-style-type: none"><li>• quarterly conference</li><li>• authoritative guidance</li><li>• expert perspectives</li><li>• national wage levels reference</li><li>• pension insurance</li><li>• medical insurance</li><li>• unemployment insurance</li><li>• online reading</li><li>• recommended online showrooms</li></ul>	<p>(Region)</p> <p>Users can find information on:</p> <ul style="list-style-type: none"><li>• employment matters in major cities of China such as Beijing, Tianjin, Hebei, Shanxi and Liaoning Shanghai, Jiangsu and Zhejiang, Anhui, Fujian, Shandong, Henan and Hainan Chongqing, Qinghai and Ningxia Hong Kong, Macau.</li></ul>

\*Note: information on job vacancies can be found under this category, click on the ‘job vacancies’ to access the main vacancy announcement page on which vacancies are collected from regional or municipal job centres. Users can browse the latest job vacancies sorted by geographic location. Users can also choose to click a particular city and they will be led to the job centre website of that particular city.



A second example of the type of facilities that can be offered over the Internet is provided in the Czech Republic. Here, online information is provided on occupations alongside statistics and a forecasting element. Figure 9 shows a snapshot of the web page for after-school day-care workers.

Figure 9: Example of online occupation information – Czech Republic



Source: Czech future skills,  
<http://www.budoucnostprofesi.cz/en/job-futures.html/25-education/157-after-school-daycare-worker>

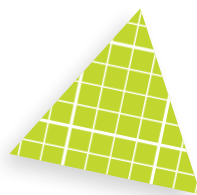
Box 19 gives details of the Naukri Bazaar approach used in India. This scheme uses mobile telephone technology rather than the Internet, largely targeting the informal sector.

### Box 19: Information by telephone – India

Most low-skilled and semi-skilled jobseekers in the informal sector in India have no physical access to employment services, public or private, nor can they use Internet-based services. Further, the services offered by the employment exchanges are not very advanced.

A private company, ACL Mobile in New Delhi, has initiated a mobile-phone-based employment service to bridge the information gap and enable smoother matching in the labour market. Informal jobseekers in manufacturing and the service sector are not equipped to use job portals and voice telephony is an ideal medium of communication for them. The Naukri Bazaar service uses a human-assisted mobile platform that takes advantage of the high mobile telephony penetration in India.

This approach also takes advantage of the fact that jobs from the informal and non-organised sector are not widely posted or advertised by employers on a digital platform as language and literacy form a communication deterrent for many potential users in a way that restricts widespread adoption. Naukri Bazaar was deliberately devised to bridge this 'digital divide' in the informal or non-organised employment market and to provide a cost-effective labour market exchange for employers and jobseekers.



**Source:** Case study in annex.

Some of the cases in annex to this report illustrate innovative approaches to the provision of information about vacancies to jobseekers.





## 4.6. Skills adjustment to avoid and reduce unemployment

Employment service providers have important functions to fulfil to support education and training systems. This chapter will describe the employment services providers' role of supporting education and training systems, through different practices, to improve the needs of skills in the labour markets.

Continuous upgrading and adaptation of workforce skills to rapidly changing labour market demands has become a necessity. Training policies must be strategically embedded and training provision must respond to demands.

Training markets in transition and developing countries are rather underdeveloped, as can be seen from the low participation of adults in continuous training of any sort, be it organised by employers or open to individual initiative. Offering incentives for training to employers or individuals could encourage higher levels of participation in lifelong learning and work as a catalyst to swell the emerging training markets.

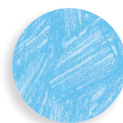
### 4.6.1. Training to adapt skills better to job demands

Training as an instrument in ALMPs has been the focus of critical opinion and mixed findings in evaluation studies. Meager (2009), conducted a comprehensive review of evaluation studies into the efficiency of training interventions in ALMPs. He concludes:

*'...that there may be a role for training interventions in a well-balanced ALMP portfolio, but they are clearly not a panacea, nor universally relevant, and much depends on the type of training and the target group in question. Most evaluations of training measures relate to schemes targeted at young people, and De Koning's results suggest very clearly that training interventions are ineffective for workless young people, in particular. The results for adults are more ambiguous and diverse between the different studies.'* (Meager, 2009, pp. 18-19).

In spite of the poor returns, however, training is still widely used as an instrument to prepare the unemployed for the labour market. Those EU countries with a lower incidence of long-term unemployment spend the largest share of their ALMP budgets on training, while those with high long-term unemployment spend more on supported employment (public works, sheltered workplaces). Provided that training facilities are available, training for the unemployed is easy to organise, but cost-efficiency and optimal placement rates at the end of the training require professional management and control.





## Box 20: Hello Work, skills adjustment – Japan

Hello Work is the colloquial name given to the officially entitled public employment security offices by the Japanese Ministry of Labour (currently the Ministry of Health, Labour and Welfare, MHLW) in 1990. These are the 545 local offices of the MHLW that are controlled by the entity via labour departments at prefecture level (Japan has 47 prefectures). The objectives of Hello Work are 'to enable all to work to their full abilities', 'to satisfy the labour demand of employers' and 'to contribute to economic growth'.

Hello Work offices are responsible for the following services:

- employment referral service;
- employment insurance and (economic and skills-upgrading) support system for jobseekers;
- employment measures.

The offices play an important role in upgrading the skills of jobseekers, assessing them in a pre-counselling session for services specially targeted at people with disability, elderly people or graduates.

Jobseekers are offered job counselling and support services such as a career and skills inventory.

Standard six-month vocational training or short (three-month) training may be offered. These training programmes are designed specifically for unemployed workers with a right to employment insurance so that they can acquire the practical skills, technical expertise and relevant knowledge needed to find new work quickly. The courses are either provided by polytechnic centres run by The Japanese Organisation for Employment of the Elderly, Persons with Disabilities, and Jobseekers (a semi-governmental body) or by training centres overseen by local government. The training courses are designed to meet local employment needs and training can be ordered when necessary. Jobseekers continue receiving unemployment benefit until they have completed the training course, even if the unemployment benefit period expires during the training.

**Source:** Case study in annex.

Most PES have subcontracted training provision and make payment for services dependent on job placement rates. In the countries of south-eastern Europe it is common for on-demand training of job candidates to be offered for a prospective employer, resulting in high placement rates, but presumably also with windfall gains. Company-based training for company employees is also offered, and this form of subsidised training is frequently used in EU countries to upgrade the skills of specific at-risk groups of employees (low-skilled, older workforce) or to support restructuring measures and reduce lay-offs. The creation of local skill networks or clusters of local enterprises is one approach that offers multiple advantages, although it can be difficult to organise. This type of scheme can support training provision in remote areas and contribute to local human resource development. Bringing the training providers to the people instead of obliging trainees to travel to the cities has had a particularly positive impact on the participation of women in training measures. This approach has been applied in Ireland and in Austria.



**Figure 10: types of continuous vocational training**

How TVET can be organised		
Type	Advantage	Challenge
<b>Traditional labour market training for unemployed</b>	<b>Simple to organise</b>	<b>Job placement after the training (excellent placement rates range between 50 and 70%)</b>
<b>Training of unemployed for 'known employer'</b>	<b>Better placement rates</b>	<b>High deadweight effects; (supporting training that the company would have carried out anyway).</b>
<b>Support company-based training</b>	<b>Preventive approach, possible to define eligible target groups (low-skilled, older, women, etc.), contributes to competitiveness and career advancement</b>	<b>Deadweight effects, requires programme management (selling, controlling, monitoring, etc.)</b>
<b>Local skill nets, qualification networks of companies</b>	<b>Multiple advantages, including territorial development</b>	<b>Complex management</b>

*Source:* Authors.

The idea of reforming education and training systems to improve matching and anticipation has been the focus of intense policy and research interest for some years. According to the European Commission (2012), the relative merits of different vocational education and training system models have led to heated debates, as have discussions of 'green skills' and 'transversal skills' (learning to learn, social and civic competence, initiative taking and entrepreneurship, cultural awareness and expression), and the ways these can be integrated into the curriculum.

Employment service providers have two important functions to fulfil to support education and training: provision of labour market information and advice on the adaptation of curricula to education and training providers; and helping education and training providers adopt systems that contribute to better matching of results, including elements such as regular contact with employers and systematic tracking of alumni career paths.

Box 21 shows how the regional employment services of Catalonia, Spain, have adopted an innovative practice in adjustment of the training offer.

### Box 21: Adapting VET offer to labour market needs – Spain

The Catalanian employment service has concentrated heavily on achieving a better match between vocational education and training (VET) and sector skill needs by designing education and training programmes better adapted to employer needs.

The methodology developed by the regional authorities and the employment services comprises:

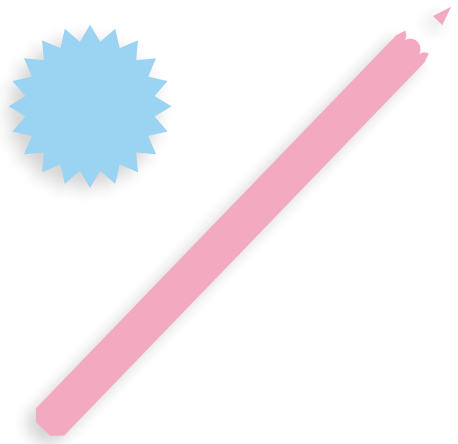
- the creation in the 42 counties of Catalonia of smaller 'territorial units' which are defined using information about the mobility of learners;
- involving all sectors and fields (26) and in creating 'territorial units' where the diversity of VET knowledge fields is guaranteed;
- a unique tendering process (worth EUR 40 million): certain educational fields are allocated larger budgets to match labour market needs, meaning that applications for programmes within subjects in demand in the market have greater chances of being awarded financing;
- involving different educational levels to adapt the entrance requirements to the expected supply of potential entrants to a course to avoid excess financing of educational programmes with few potential students;
- countering shortage of VET provision in demanded fields by timely dissemination (four months prior to the start of the tendering process) among education institutions of the results of company surveys so that they can adapt their offer to the requirements of the labour market.

**Source:** Case study in annex.

### 4.6.2. Work practice, on-the-job training

The PES can use other active measures to improve matching and increase the employability of jobseekers, such as giving jobseekers and employers an opportunity to 'try each other out' before entering into an employment contract. This is of particular importance in situations where employment protection legislation is strict and where it can be difficult for employers to fire employees once they have been taken on.

Where wage support is available for job trials, internships, work practices or similar devices under national legislation, the PES can seek to use these instruments in a targeted way, identifying employers with promising businesses where employment is growing and is expected to continue to do so. These employers should be offered the opportunity to take on unemployed job-seekers for internships or work practice.





## Box 22: Matching through practical testing – France

The Job simulation (MRS) is a recruitment method developed by Pôle emploi (the French PES) and implemented by 115 *plateformes de vocation* (vocational platform centres) across the country. These centres were developed in 2005 to help counter shortages of qualified labour in specific sectors while building up the relevant qualifications of jobseekers.

The aim of the practice is to assist enterprises of all sizes in recruitment operations while also striving to aid the labour market integration of unemployed people based on their actual abilities rather than professional experience.

The method is based on the evaluation of the actual abilities of a candidate to perform a task. Participants perform exercises to measure their abilities, all of which simulate real working conditions they could face. On positive evaluation, candidates are offered an interview with interested enterprise representatives.

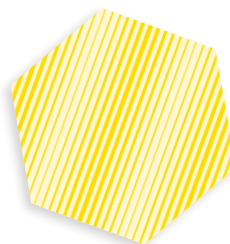
In 2007, the Job simulation recruitment system was granted an award by the French High Authority for the fight against discrimination and for equality (HALDE) within the context of European year of equal opportunities for all.

**Source:** Web tool for evaluated employment services practices (WEESP).

Peromingo (2012) describes an employability project for women in Latin America which illustrates the importance of considering types of upskilling that do not necessarily lead to formal qualifications. The Formujer project targeted women and aimed to increase their employability by providing them with transversal skills, technical skills and work on attitudes and abilities to perform better in the workplace. The training revolved around strengthening their ability to adapt to change, active citizenship and pro-active attitudes to technological environments. They were also trained to take responsibilities beyond the traditional female role, improve negotiation skills, deal with discrimination and avoid self-limitation. Peromingo (2012) concludes that the programme was successful as it provided the women with the skills that were proven to be in demand, rather than the skills identified as future skill requirements, describing it as a ‘fast-track educational response to what is happening in the labour market now, not necessarily in a couple of years’.

Job training agreements can be further elaborated by including an offer to deliver tailor-made job-relevant training to the unemployed, or by offering employer services such as support in recruitment or HR planning in return for taking on the unemployed.

This approach has the further advantage of strengthening relations between the PES and employers in a way that helps forge strong partnerships.





## 4.7. Problems related to the informal economy

This chapter will address some of the issues and challenges PES are faced with due to the informal nature of employment in many countries.

The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and income for the persons concerned. These units typically operate on a small scale at a low level of organisation, with little or no division between labour and capital as factors of production. Labour relations, where they do exist, are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees<sup>18</sup>.

Informal employment comes in many different forms, depending on the overall setup of labour market institutions and the macroeconomic context, ranging from unregistered economic activity by firms or individuals to undeclared or partly-undeclared employment, or various combinations of the two elements.

Undeclared work is a problem for the economy that has many negative effects, including withholding taxes from the public purse and the risk of paying out social or employment benefits to people who are in paid employment. However, while the authors are aware of the complex causes and functionality of informal work as a cushion to mitigate negative labour market effects in TDCs, and the negative effects in terms of evaded tax revenues and social insecurity, exploration of these factors is beyond the remit of this guide. The complex relationship between informality and the absence of social security systems is also acknowledged, but will not be examined here.

Although the informal economy and informal employment are universal phenomena, they play a much larger role in more diverse forms in TDCs than in advanced economies. In the transition countries, the employment share of undeclared work ranges from 22% in the Ukraine to 66% in Azerbaijan (ETF, 2010)<sup>19</sup>. In many other developing countries, such as India and Mali, the share of workers in informal employment stands at above 80% (ILO, 2012). Labour markets are segmented not into 'traditional, protected employment' and 'atypical forms of employment', but into the three tiers of

'regular', 'atypical' (temporary or part time work) and 'informal' employment. The informal economy forms the foundation for the subsistence and livelihood of large shares of the population in developing and emerging economies as both a legacy of the past and in symbiosis with the formal economy, where informal or semi-informal work often plays an important role in the value chain of manufacturing industries. The informal economy is often intricately interlinked with the formal economy and a segment of the formal sector will often sink into informality when events such as recessions and downturns render the business environment difficult (Crnković-Pozaić and Feiler, 2011).

A large share of informal work is unskilled or low-skilled, often in labour-intensive forms of production where there are poor low prospects for growth or the creation of decent jobs. Vulnerable groups such as migrants, ethnic minorities and unskilled people are often most affected. These traditional, labour-intensive forms of informal employment, typically in agriculture, crafts or personal services, need incentives rather than sanctions. Informality can be approached sustainably by offering support, and a viable solution can be found to upgrading skills through training, where entities adopt a core strategy that provides information, counselling, advice and infrastructure assistance. This sort of strategy requires close cooperation and coordination between the various partners and actors involved at State and private-sector-level to make the structural changes needed to the overall economy and education system (Sparreboom and Nuebler, 2013). The main contribution needed from employment services comes in the form of information, counselling and advice or, where funding is available, in the provision of training to upgrade the skills of informal workers for them to access the formal economy.

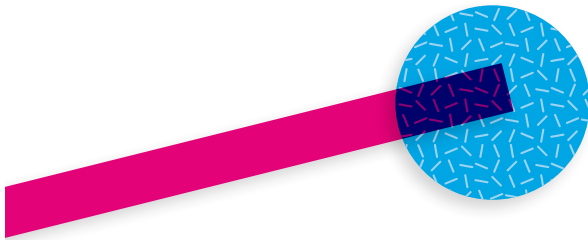
Informality also has specific implications for job-matching and skills generation. The PES are faced with individuals registered as unemployed on their database who are not readily available for work, as they are engaged in informal activities<sup>20</sup>, and informal jobs not reported as vacancies. The case study of the 'Naukri Bazaar: Job exchange for micro and small enterprises' given in annex demonstrates an innovative approach in trying to tackle this problem.

<sup>18</sup>ILO resolutions concerning statistics of employment in the informal sector adopted by the 15th international conference of labour statisticians, January 1993, para. 5.

<sup>19</sup>See also ILO KILM database on informal economy and labour. [http://www.ilo.org/empelm/pubs/WCMS\\_114060/lang-en/index.htm](http://www.ilo.org/empelm/pubs/WCMS_114060/lang-en/index.htm)

<sup>20</sup>For more details on how to improve activation of the unemployed see Feiler (2012).





## 5. Concluding remarks and key messages

This section draws conclusions and the annexes provide more detailed information in the form of case studies from around the world.

Technological innovations and changing forms of work organisation have wide-ranging implications for the skills individuals need to find a job, stay in a job, or make a career. Requirements for basic skills such as reading, mathematics and IT abilities have increased for many low-skilled jobs, and continuous competence development is often necessary to maintain a job at higher skill levels. At the same time, labour markets are becoming increasingly volatile and globalised, with structural shifts from agriculture to industry and services, and an urbanisation process that forces people in some regions to migrate. In other regions or local areas, temporary jobs are created in volumes so great that they cannot be filled by the indigenous labour force, or jobs are created which demand highly-specialised skills. The consequent risk of mismatches and skills shortages in the labour market is increasing, and may hamper economic growth. Reducing the mismatch between skills supply and demand tops the agenda for policy-makers.

Mismatch must be reduced but cannot be avoided. The world of education and the world of work run at different speeds, the former being mainly a public policy area, while the latter is mainly private. Education is a long-term investment, focused mainly on qualifications, while businesses more often concentrate on short-term results and the skills and competencies they need from their employees to achieve those results. Consequently, the languages spoken by the demand side (businesses) and supply side (education providers and individuals) are very different, and there may be difficulties in establishing a correct match between any qualification and the required skillsets. Employment service providers have a role to play in bridging the gap and optimising the matches.

The framework for the activities of employment service providers is set at the policy level, where regulatory frameworks are decided, budgets allocated and the governance model for service delivery developed. A coherent policy approach should align employment strategies, labour market policy and education policy, research strategies and macro-economic policy. Coherent and sustainable skills-anticipation systems must also be anchored institutionally at the top policy level. However, good communication channels must exist for effective functioning at central Government level, allowing implementing bodies and frontline staff to support decision-making with relevant and up-to-date information, in order for decisions at all levels to be based on relevant evidence on the labour market situation.



The key messages derived from the specific methodologies and practices in place can be summarised as follows:

- skills are at the centre: following a paradigm shift from qualifications to skills, employment services are developing more skills-related services. Guidance and orientation services and the upgrading of skills with training measures are core functions;
- already available administrative data can be better used: employment services have access to a rich information base about the labour market, and, in most cases, there is room for improvement in using this information. Links between different databases and comparisons over time may provide additional information relevant for matching and anticipation that goes beyond the current capacity of the administrative data of the employment services;
- upward flow of labour market information is needed: information gathered at the local level should be used to inform policy decisions and regulations at national level, to ensure that actual conditions are taken into account for policy and programme design;
- no single holistic solution: measures should be continuously improved and optimised to address the most pressing issues, such as skills shortages in specific industries, the education levels of the young unemployed, or the functioning of the informal economy;
- cooperation with employers: service orientation towards employers is a new field for some PES accustomed to targeting only jobseekers as clients; they could learn about customer relations with employers from private employment services;
- regular analysis of job vacancies: looking beyond the jobs reported to the PES can provide important insights into occupation and skills trends;
- career guidance and counselling services: should make full use of all the available information about future demands for skills and occupations going beyond the current focus on supply, i.e. the talents and interests of young people. Well-organised events such as job fairs can help to reach the youth in their communities;
- profiling of jobseekers: is an efficient tool for targeting support services on various groups of jobseekers to achieve improved matching. While some clients may need intensive assistance in finding a job, most jobseekers would be able to use Internet-based self-service systems;
- training: already widely used by employment services to adapt the skills of jobseekers to the skill demands of the labour market, but this should integrate the job placement element with monitoring of rates of successful and sustainable placements;
- informality: has specific implications for job matching and skills generation, with the PES facing issues such as having registered unemployed in their database not readily available for work, as they are engaged in informal activities, and informal jobs not being reported as vacancies.

Mutual learning is increasingly a common practice among employment services in many regions with platforms and bilateral peer learning used by many. Further exchange of experiences would contribute to greater improvements in matching and anticipation practices.

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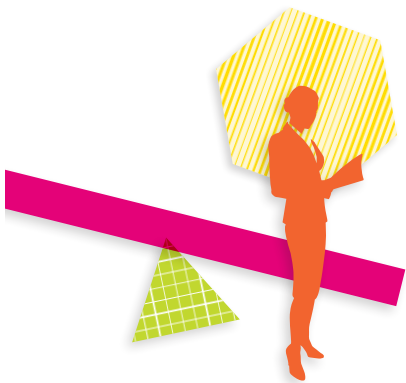
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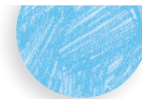
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ILO. Temporary agency work.

<http://www.ilo.org/sector/activities/topics/temporary-agency-work/lang-en/index.htm>

Jobtræf Fyn [Job fair Funen].

<http://ing.dk/messer/jobtraef-fyn>

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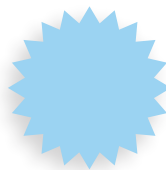
<http://www.nesa.com.au/about-us.aspx>

UNESCO. TVET glossary.

[http://www.unevoc.unesco.org/gloshttp://www.unevoc.unesco.org/tvetipedia.html?tx\\_drwiki\\_pi1%5Bkeyword%5D=glossary](http://www.unevoc.unesco.org/gloshttp://www.unevoc.unesco.org/tvetipedia.html?tx_drwiki_pi1%5Bkeyword%5D=glossary)

Web tool for evaluated employment services practices (WEESP).

<http://ec.europa.eu/social/main.jsp?catId=1030>



## Case studies with examples of good practice

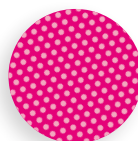
This annex provides selected case studies contributed by ILO and ETF that illustrate different options and approaches that provide a practice-oriented insight. The case studies cover various countries; each one gives more complete information about the skills anticipation and matching practices of public and private service providers, and NGOs, to complement the brief content given in the body and boxes of the main text.

The case studies are grouped according to the main sections in Chapter 4 of the guide: partnership between employment services and employers; anticipatory approaches; facilitation of youth career choices and labour market entry; innovative services for better matching and job referral; and tackling unemployment through skills adjustment. As many of the cases presented take a coherent approach, they might equally well fit into more than one of these thematic fields.

Description of each case study was recommended to include the following outline:

Institutional set up and context: main organisation responsible and coordinating, partners in implementation, key stakeholders plus some reference to the general economic and political context against which the approaches have been implemented:

- policy and main objectives: defining the main challenges and primary questions the approach intends to address;
- main methodology or combination of methodologies used to assess future skill needs or matching problems;
- key processes and instruments adopted and how these are used to establish key messages, recommendations and actions;
- how this method or approach complements others in overall national skills matching and anticipation;
- lessons learned: good practice, recommendations for replication, including costs and funding issues, key factors to ensure success and steps to implementation;
- references and resources.







## 1. Partnership between employment services and employers (case studies Section 4.2)

### 1.1. Mexico, State of Querétaro: developing in-service training and job placement for the emerging aerospace industry

#### 1.1.1. Institutional set up and context

At the onset of the 2000s, after conducting a prospective analysis of global trends in the aerospace sector and the consequences for Mexico, the Federal and State Governments decided to develop a domestic industry and implement regional clusters in partnership with the private sector.

In 2005, an Aerospace Park was established in the State of Querétaro with the Canadian Company, Bombardier Aerospace as a major partner in the project. Providing support to this major partner was a strategic step given its capacity for long-term investment and future plans to develop products with greater added value. The Mexican Government was also interested in demonstrating capacity to host other companies within the aerospace manufacturing branch. Determining the skill requirements of Bombardier and the supply capacity of Querétaro was crucial to ensuring that operations could start in May 2006.

Implementing this regional development policy required the intervention of a number of public agencies and private partners at federal and local levels. The National Employment Service (SNE), in particular, contributed to this initiative by providing employment services and training to screened job candidates for the specialised manufacturing processes of Bombardier. The SNE played an important role in mobilising resources and networks through collaboration with training providers and education centres in response to the workforce needs of the Aerospace Park.

#### 1.1.2. Policy and main objectives

Developing a domestic aerospace industry requires long-term thinking and institutional capacity to respond to the specific manpower needs of the sector in the short and medium term. One of the key preconditions for success is having an educated workforce able to handle new and more sophisticated working processes.

A competitive advantage of Querétaro was that it had a young and cost-competitive workforce with basic occupational skills that could be adapted to aerospace

sector needs through on-site training. The mismatches detected were largely due to the lack of specialised training and the need to improve some transferable skills such as knowledge of the English language.

Within the overall strategy one immediate objective was to develop the new skills required by Bombardier to start operations. In parallel, a medium-term policy objective sought to align education, training and technical programmes to the industry's needs for labour.

The policy intervention was based on collaborative efforts by the public and private sectors in formulating and implementing targeted job-matching services, training and retraining programmes, including specialised technical courses for new careers in the aerospace industry.

#### 1.1.3. Main approach and processes

The anticipation methods applied to determine the future and immediate needs of the industry were carried out at different levels. Research and occupation studies were commissioned to cover the national level and policy strategies for medium- and long-term impacts. At the local level, the use of employer surveys and survey of graduates provided a short-term picture of the needs of the industries that would be established in the Aerospace Park.

The Labour Market Observatory, launched by the Federal Ministry of Labour in 2005, also helped to fill information gaps in occupations relevant to the aerospace sector, producing national and state level trends and projections of workforce needs.

The Council for Dialogue with Productive Sectors operated as a key mechanism for the utilisation of prospective information. This state-level tripartite advisory body of experts was actively involved in the formulation of employment strategies to respond to specific bottlenecks, challenges or workforce requirements of local industry. As a member of this Council, the SNE has access to first-hand information about labour market trends and the occupation profiles that are, or will be, in demand as well as employer investment plans associated with job creation.

The response to Bombardier's requirements was divided in two consecutive phases of immediate and medium-term needs over the 2005-07 period.

### *Phase I. Pre-service and in-service training for technicians on aircraft manufacturing (2006)*

Bombardier participated in the BÉCATE job training programme operated by the SNE to reduce the learning curve of screened job candidates. The majority of candidates had the equivalent of high school plus two and a half years of technical education in occupation fields where core skills were easily adaptable to the aerospace sector through on-site training.

The SNE used a demand-driven modality based on a voucher system to align participant skills to lean-manufacturing systems. Under this scheme, the SNE covered part of the cost for training and Bombardier committed to hire at least 70% of the participants on successful completion of training. The company also brought in workers from other facilities to deliver training at the workplace. A total of 110 technicians were trained over a period of four months, starting work in the plant in May 2006. Another group of screened candidates started pre-service training delivered by public and private training providers for upskilling and accreditation. By the end of 2006, a total of 296 technicians were working to Bombardier's standards.

### *Phase II. Vocational training of a higher technical level and aeronautical engineering degree (2006-07)*

In the second phase, a more specialised level of skills was required to develop more complex structures such as harnesses and engines. Bombardier targeted industrial engineers responsible for overseeing manufacturing. The SNE continued working in close partnership with vocational institutions to mobilise resources and increase responsiveness. By the last quarter of 2007 about 778 workers were hired by Bombardier.

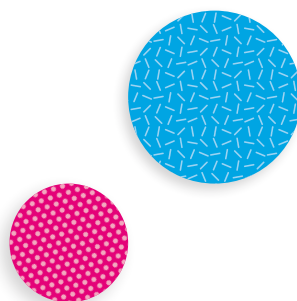
Throughout the first two phases, training vouchers from the BÉCATE programme were used to brush up soft skills such as the use of English language in the technical field of the industry.

During the second phase, SNE intervention was more proactive. The entity continued to provide assistance in planning for future workforce needs and offered job-search support and referral to job training to facilitate the link between employers in the Aerospace Park and potential job candidates.

### *Steps to achieve a more integrated approach*

The SNE enhanced the employability of young graduates and aided placement in qualified jobs with good future prospects in response to the immediate needs of one of the main employers in the Aerospace Park.

The partnership between the SNE and the training and vocational institutions also helped in adapting the training programme curricula to medium- and long-term skill needs in the sector. A National University of Aeronautics was established in Querétaro in 2009 as part of an overall strategy to create a domestic aerospace industry. A total of 2 000 technicians had graduated by February 2011. In the initial stages of the intervention, the basis was set for the education sector to develop postgraduate studies in partnership with the Universities of Toulouse and Montreal.





#### 1.1.4. Lessons learned

- (a) Strong employer involvement: contact with employers and other key stakeholders in the labour market is relevant in responding to current needs and planning future workforce requirements, as they can provide access to knowledge on potential vacancies and current labour market developments.
- (b) PES facilitated the flow of labour market information, its availability and utilisation: although skills anticipation is not a core function of the Mexican public employment service, the SNE was well positioned to make meaningful use of available qualitative and quantitative information. It also helped to mobilise existing resources through collaborative efforts between public and private training providers and employers at the Aerospace Park. The added value of the SNE intervention had a strong sectoral dimension which enhanced responsiveness and capacity for adaptation.
- (c) Future-oriented thinking and gradual capacity building: response to the immediate and future workforce needs of the aerospace industry was only possible because Mexico had developed workforce expertise in traditional manufacturing activities throughout the 1990s. In the 2000s, the occupational skills required for the automotive and electronic industry were adapted to the lean-manufacturing system applied in the aerospace industry. Institutional capacity and political will were also required to link long-term and short-term priorities at the structural and operational levels. A subsequent stage in the development of the domestic industry envisions creating workforce capacity to design and assemble aeroplanes over the 2010-20 period.
- (d) Multi-agency interventions: the number of direct jobs generated by the aerospace industry in Mexico is forecast to grow from 33 000 in 2005-09 to over 100 000 by 2020. Multi-agency approaches and policy coordination play central roles in linking longer-term and short-term objectives to achieve this aim.

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## 1.2. Turkey: skills'10 (UMEM Beceri'10)

### 1.2.1. Institutional set up and context

Skills'10 (Beceri'10 in Turkish) combines skills development and job placement with a multi-level governance approach. This programme was launched by the Ministry of Labour and Social Security, bringing together government agencies, local communities, social partners and the private business sector, addressing employers and the unemployed as the final beneficiaries.

The main task of the employers' organisation (TOBB) together with TOBB University of Economics and Technology, is to conduct surveys. In this process they collect and analyse the skills and personnel demands of employers, match trainees with companies for internships, ensure the employment of successful trainees and coordinate a communication strategy with a programme website and central information system. The Ministry of Labour and Social Security, together with the public employment service, İŞKUR, is in charge of financing training courses, allowances for trainees and hiring incentives. This entity informs, selects and matches unemployed people with training measures. The Ministry of Education provides training via selected vocational schools including UMEM, the specialised occupation training centres.

The Turkish labour market has been undergoing dynamic transformation from manufacturing to services, with technological change and rural to urban migration, and a pressing need to increase the skills levels of a growing workforce with an ever-larger youth contingent. At the beginning of 2012, while 2.7 million people were unemployed (10.4% of the workforce), firms were meeting difficulties in hiring qualified staff. The global economic crisis was leading to job losses, mainly among unskilled workers, and the authorities placed high priority on a large-scale programme to tackle the skills mismatch problem and upskill the workforce.

### 1.2.2. Policy and main objectives

The main objectives of the Skills'10 programme are to tackle the skills mismatch, to reduce unemployment, and to deal with the problem of skills shortages. The innovative approach combines research, identification of short-term skill needs at local level, a local partnership approach with close cooperation of the employers, and a fully-fledged public relations campaign.

The Skills'10 project is a large training and employment programme started in 2011 as policy measure to tackle skills mismatch by the Ministry of Labour and Social Security (MLSS). The scheme is a private-public partnership between national and local partners, led by the public employment service (İŞKUR) and TOBB, employers and local partners; it was initiated following a systematic skill needs assessment. The Turkish Economy Policies Research Foundation (TEPAV), a TOBB think tank, conducted a labour market demand analysis in 19 pilot provinces that account for 75% of registered employment and 80% of registered unemployment in Turkey. The results confirmed that there is a mismatch between the skills level of the workforce and employer demand, with shortages in occupations such as metal-working, welding, textiles and clothing.

One of the first actions was to modernise the specialised occupation training centres (UMEM), applying training for the teaching staff. İŞKUR organises training for the unemployed in line with identified demands, followed by job placements for trainees organised with the help of hiring incentives in the form of reduced social security contributions for up to five years.

Highly ambitious goals were set when the programme started, with plans to train 1 million unemployed people (200 000 each year), placing 90% of them in jobs within five years and reducing the unemployment rate by 4%.

### 1.2.3. Key processes and instruments adopted and how these are used to establish key messages, recommendations and actions

The Skills'10 programme is innovative and remarkable for its coherent approach, combining capacity development of vocational training providers with multi-level governance. Implementation is based on prior labour market analysis at local level. The skill demands survey covered 5 000 firms, involving them directly in the design of vocational training curricula and training delivery. Courses were offered in the areas of highest demand and firms were permitted to select those trainees they wanted to employ. Practitioners from the firms were engaged as trainers and in-company training was also offered.

The programme covers four main phases:

- renewal of equipment in 140 selected schools to deliver training with modern technology; preparatory measures include the renewal of training equipment, curriculum review and trainer training;
- a skill needs survey in 24 cities, of which five were pilot cities;
- training courses organised in line with demand; trainees are matched with firms for internships and local course administration councils are established to ensure local ownership;
- regular job placement as a final goal after the trainees complete courses and internships; hiring incentives should contribute to a high placement rate.

Smooth implementation and transparency is encouraged by the 24/7 call centre providing responses to enquiries from unemployed candidates and companies.

#### 1.2.4. How this method or approach complements others in the overall national system of matching and anticipating skills

The multi-level governance approach at national and local level is a valuable practice and may provide an institutional basis for further skills and employment programmes. Capacity development for demand-oriented vocational training provision, including investment in training infrastructure, promises sustainable impacts. The programme also combines existing employment promotion measures such as hiring incentives for unemployed women and young men. A positive impact on youth employment can be expected, even if the placement rate of 90% may not be fully achieved.

#### 1.2.5. Lessons learned

Close monitoring and continuous improvement of the programme has proven to be important. TOBB is also promoting implementation of the Skills'10 programme in other countries and is open to sharing of the lessons learned.

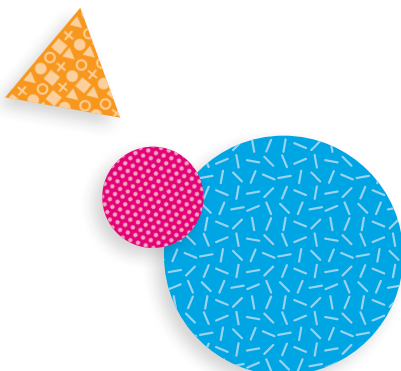
During the first year from November 2012, 64 000 unemployed people applied for the programme, 47 500 people were trained on 3 884 courses, 40 000 successfully completed training and 30 000 were in regular employment. On the demand side: 6 000 companies have offered 80 000 internships. The first period of implementation showed that the bottleneck does not lie in the job vacancies but in finding enough motivated unemployed people to take part.

Some adjustments were made to the programme in 2012 after the initial experiences in implementation showed that vocational training was not a very attractive career option for the unemployed. The programme was improved to attract more female participants and the range of economic sectors was expanded. Further analysis of five pilot cities, with demand for agriculture and the service sectors, was added to the initial skill demand analysis for manufacturing in 19 pilot cities.

The initial focus on manufacturing meant that female participation was low during the first year, reaching only 19%. The recent amendment to include agriculture and services will provide more training and job opportunities for women.

#### Web link

Programme website: [www.beceri.org.tr](http://www.beceri.org.tr)





## 2. Anticipatory approaches (case studies Section 4.3)

### 2.1. The Swedish forecasting approach

#### 2.1.1. Institutional set up and context

Sweden has developed a labour market forecasting methodology that has been continually improved since the 1960s. As part of the Work life and EU enlargement project, the Swedish National Labour Market Board is sharing knowledge with other EU countries, new Member States and other European countries, supporting the adaptation and development of similar foresight approaches. The Swedish public employment service (Arbetsförmedlingen) has three tiers: the National Labour Market Board, the county labour boards and 400 employment offices across the country.

#### 2.1.2. Policy and main objectives

The approach developed aims at consistent forecasting across the whole country and over time. The methodology combines a national forecast of macro-economic trends, a description of employment and labour at regional (provincial, county) level and information gathered from employers at local level.

It is important for the PES to increase knowledge of future trends in skills supply and demand, an important basis for planning at national, regional and local levels. Strategic planning and programming of labour market measures can be improved at national level, while employment offices at local level gain a tool to strengthen contacts with employers and set priorities for training measures.

#### 2.1.3. Main methodology or combination of methodologies used

Forecasting of labour demand, based on systematic and regular interviews with employers is a core element in the methodology.

Results from questionnaires or interview surveys must always be assessed with caution, running a plausibility check and taking national and global economic trends into account. A longer time series will be needed to test whether results from the employer survey agree with historical experience of labour market statistics and economic trends in general.

Forecasting of labour supply, is the remit of the county

labour boards and the National Labour Market Board.

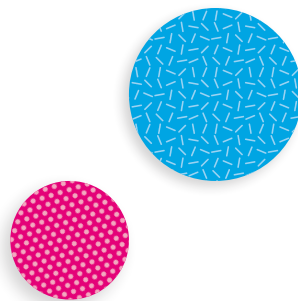
A good supply forecast is dependent on a solid population forecast by the state statistical office, providing data on the size of the active population (usually aged 20-64) and completion of education within the region. Estimates should also be made of the number of people leaving the labour market through retirement and the number entering from the education system.

#### 2.1.4. Key processes and instruments

Gathering information from employers: the aim of the employer surveys is to gain an overview of demand for labour in the local, regional and national labour market to develop a picture of future employment trends. A second objective is to achieve a good overview of forthcoming recruitment – information mainly used by the local employment office – as the recruitment needs of the local labour market should give a good indication of those sectors planning recruitment drives, in-demand occupations, and skills required. It is also important to have an overview of any recruitment problems and the effect these may have on local and national labour markets.

Sampling of employers: the approach is based on the sampling of workplaces, in combination with a regional level forecast and the definition of the main industrial sectors to be included. In Sweden, agriculture and forestry, manufacturing, construction, contracting (corporate services), retail and catering (including domestic services), communication and education, care work and healthcare were chosen at national level, even though not all regions might require the same detailed division of sectors.

Sweden surveys workplaces with more than four employees and groups them by number of employees: 5 to 19, 20 to 49, 50 to 99, 100 to 199, 200 to 499 and 500+. A restricted sample of workplaces is surveyed within the 5 to 99 staff bracket, but coverage of all of those with 100+ staff is planned. This has proven possible in areas except for the densest city regions, and the company register has proven invaluable in the process.



A stratified random sample approach is used, with groupings based on sector and region. This requires some level of experience and knowledge on the part of forecasters, but ensures a comparable approach across the country and the most reliable results. The larger the number of sectors and regions, the larger the sample size needed; a sample of 14 000 workplaces is used in Sweden (approximately 9.5 million inhabitants) with a non-reply rate of about 15%.

Each local labour office must contact and interview a minimum of 25 workplaces. Local labour offices are free to add any extra workplaces that they consider important, while not removing any of the initially requested workplaces from their local sample.

Postal questionnaires or face-to-face interviews: researchers must decide whether to collect data via questionnaires or interviews. One advantage of questionnaires is that they require fewer human resources than interview forms, but the knowledge produced in forecasting remains within a limited circle inside the organisation and the quality of outcome is usually poorer than is produced through the interview format. One big advantage of the interview process is the opportunity it offers to establish or strengthen contacts between local employment offices and employers. Interviews should ideally be held face-to-face on the company site, or by telephone. Personal visits are recommended.

It is crucial for the questionnaires to be well tested, but also for questions to remain intact over time for historical series to be created as quickly as possible. Ideally, all questions should be exactly the same across the country, but extra questions tailored to a specific region may be included.

It is important to ensure that information flows back to the companies and that they feel they gain something for their contribution. It is also vital for the workplaces interviewed to receive good feedback on the outcomes of taking part, as this will increase their willingness to participate in future forecasting work and their interest in the process. Confidentiality is essential for forecasting work to be successful.

Comparing the forecast with the actual outcome: constant follow up to the forecast is necessary and this forms a key element in the learning process. Follow-ups increase the knowledge and understanding of why a forecast may have failed to match actual outcomes and it is essential that the reasons for any such failure be identified. The converse is also true, and it is a good idea also to evaluate why any successful forecast agreed with the outcome, as a good correlation between forecast and outcome does not always mean the forecasting method was good, while a misalignment does not always mean that a forecast was poor. Good follow-up increases the likelihood of better quality forecasting in the future.

#### **2.1.5. How this method or approach complements others in the overall national system of matching and anticipating skills**

Macro-economic trends: at national level, the National Labour Market Board is responsible for monitoring economic trends in Sweden. This is done in close cooperation with the Swedish National Institute of Economic Research, but the National Board of the AMS has also built up in-house research capacities. The purpose is to provide a forecast for the labour market which is consistent with the assessment of economic trends, performing as a type of quality control for the employer survey.

Occupation forecasts: the Swedish employment service also applies a relatively simple and effective way of making occupation forecasts using several methods. Short-term occupation forecasts are primarily based on assessments by the 400 local employment offices, where around 200 occupations are surveyed twice a year. All of the employment offices assess the degree to which demand for each occupation will increase in the coming year (from slight to large), remain unchanged or fall (from large to slight). They also assess the recruitment situation for the coming year on a scale of large shortage of labour, slight shortage of labour, balance, slight surplus of labour and large surplus of labour. The National Labour Market Board is then given the 400 occupation barometer responses to process and a 'shortage index' is calculated from these figures.



Use of the information gained and qualitative assessments: the Swedish labour market forecast contains a great deal of information, but the main focus is on assessments regarding employment, unemployment and labour supply. These map out the trend for all sectors, regions (counties), demographic groups, ethnic groups and genders, quantifying employment and labour supply, with employment figures provided for the most important sectors. A quantitative forecast is also made of the number of people expected in labour market policy programmes in the coming years, and it is generally these figures that are highlighted and given broad coverage in any debate.

While these figures are solid, they do not usually provide sufficient detail for drawing up good operational plans. These require in-depth description of the issues, especially when deciding which of the main problems will dominate the national, regional (counties) and local labour markets. Description of problems may be the most important part of the forecast, requiring more than general statements to identify weak groups on the labour market such as young people and immigrants. It is essential to determine exactly which young people and immigrants have difficulty gaining a foothold in the labour market and to identify which geographical and professional areas encounter difficulties in finding labour.

#### **2.1.6. Lessons learned**

The Swedish approach to labour market forecasts has been developed over several decades to become a practicable model with benefits for many stakeholders. As a result, it has been adopted and applied in other countries.

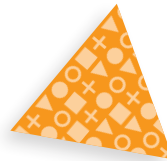
In addition to maintaining good contacts with companies, it is also extremely important to have good contacts with social partners to take their knowledge into account. Good contact with these groups also aids the implementation of effective labour market policy and it is good policy to establish first contact during the forecasting work and to give them good feedback on the forecast results. One model especially suited to work with social partners is the creation of a forecasting panel, or possibly several panels that can then be divided by occupation area or sector.

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#### **Web link**

<http://www.arbetsformedlingen.se/>







## 2.2. Colombia: first steps towards developing occupation studies and analysing labour supply and demand trends

### 2.2.1. Institutional set up and context

An improved understanding of supply and demand in workforce dynamics has been achieved in Colombia through an institutional arrangement under which the National Service for Apprenticeships (SENA) is responsible for providing national job training for semi-skilled occupations and public employment services. The Labour and Occupation Observatory was established in 2004 as part of a more comprehensive strategy to gradually develop a labour market information system.

The information provided by the Observatory has two major components: the workforce supply component, accounting for the number of jobseekers and their success in entering the labour market; and the workforce demand component, aiming to identify the occupations most in demand by employers.

The administrative registries of the PES are one of the main sources of supply and demand data. A number of additional sources also feed the Labour Observatory, including the National Administrative Department for Statistics, the National Planning Department, the Bank of the Republic of Colombia, the Ministry of National Education and the Ministry of Health. From these data, the Observatory can inform on the occupations experiencing an increase or decrease in demand and supply on a quarterly basis.

### 2.2.2. Policy and main objectives

SENA bases its service offer on understanding the transition into paid employment of young jobseekers using the PES. The administrative registries of the PES have supported this task, as a large percentage of the jobseekers visiting the employment offices are semi-skilled young graduates from SENA. The trajectories of this specific group of graduates are followed by the Observatory to generate information that increases their opportunities of making a successful transition from school to work. Such information enables SENA and the PES to pursue three interrelated

policy objectives:

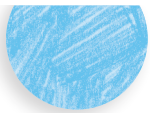
- measuring the employability of young graduates from SENA;
- assessing the relevance of training offered by SENA to employer needs and estimating the short-term occupation trends for semi-skilled professionals;
- increasing the effectiveness of job counselling and job search support delivered to young graduates entering the labour market for the first time by the PES.

### 2.2.3. Main approach and processes

The capacity to carry out studies of occupations and analyse labour supply and demand trends has been gradually developed by the Observatory. The Colombian national classification of occupations provides a common framework to compile and analyse the information on the dynamics of job vacancies and jobseekers at the local level. The trajectory of SENA graduates can be monitored through various data sources, including:

- PES data, on the number of jobseekers and job vacancies registered and the median of these variables classified in four clusters: occupations facing labour shortages; occupations where supply currently exceeds demand; occupations where demand stays broadly in line with overall labour supply; and occupations where demand and supply are low<sup>21</sup>;
- monthly reports on enterprise investment and expansion plans, giving indications of jobs available in the market and potential job creation: a total of 71 investment projects were identified at the national level in various economic sectors in 2011 and these projects accounted for an estimated 72 478 potential jobs within a time frame of 10 years;
- graduate surveys (2005-07), conducted by the Labour Observatory for Education and providing further analysis of the relevance of training for young SENA graduates; crosschecking SENA graduates with the social security contributions logged on the Ministry of Health database is especially useful.

<sup>21</sup>This information is only currently available for a 2012 time series. The key pieces of information that enable the Observatory to follow SENA graduates through the administrative registries of the PES include: the type and level of education attainment; the institution from which the individual graduated; the year of graduation; additional training and relevant work experience; age and gender; type of employer; job position; wage; and type of contract.



The most recent study of the responsiveness of SENA training curricula to short-term labour market needs found a positive correlation between SENA graduates entering the labour market for the first time and the occupations most in demand from employers registered with the PES.

A positive relationship was also confirmed between the guidance and job search support provided by the PES to young graduates, in particular SENA graduates, and their success in finding employment. The study recommends that more SENA graduates be referred to the PES to aid their job search process and increase their employment prospects (Observatorio Laboral, 2005). In 2011, about 33% of SENA graduate jobseekers were served by the PES. By June 2011, 78 491 (20%) had found employment through the PES.

This combination of tools has enabled the Observatory to start short-term projections for occupations in agriculture and livestock sciences, mining and housing. A new study by the Labour Observatory, now in its initial stages, will follow the 2009, 2010 and 2011 SENA graduates from these occupation streams.

#### 2.2.4. Efforts to achieve a more integrated approach

Workforce supply data from the Labour and Occupation Observatory are complemented by information from the Observatory for Education. The Ministry of National Education created this observatory in 2005 to monitor graduates from vocational, technical and higher education programmes nationwide in their transition from school into the labour market. The graduates survey was specifically designed to provide reliable data for analysis of the factors that create mismatches between the skills of graduates and labour market demand.

Colombia is gradually building the capacity to anticipate skill needs in specific sectors in efforts to increase workforce capacities through pertinent training and education.

The initial building blocks can be seen in studies commissioned by the National Planning Department, Ministry of Labour, the Ministry of Commerce, Industry and Tourism and SENA to explore various methodologies and approaches to an integrated labour market intelligence system better suited to conditions in the country.

#### 2.2.5. Lessons learned

- The basis for understanding current and future labour market needs: provided by the national classification of occupations (NCO) of the Colombian labour market that sets a standardised framework for organising and managing the information produced through various sources. Hence, regular updating of NCO content is of vital importance.
- Developing the tools and knowledge required for collecting, analysing and reporting reliable labour market information, requires the involvement of a significant number of government agencies and stakeholders such as training providers with specialised staff and adequate equipment and funding. A gradual approach like that adopted by the Colombian government is a realistic option for middle and low-income countries.
- The Colombian experience shows that public employment services form an integral part of a comprehensive labour market information system: the added value of the data provided by PES is through services helping jobseekers to connect with available jobs. The PES use the occupation trends produced by the Labour and Occupation Observatory to improve counselling and guidance services for young graduates who often lack the networks and resources needed to gain employment.
- In Colombia, the special nature of the institutional arrangements between the PES and the SENA support data sharing and continuous updating: this highlights the importance of establishing closer working relationships between the PES and key stakeholders such as training providers.



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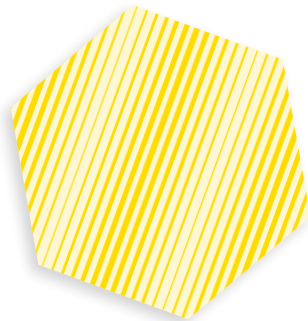
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## **2.3. ManpowerGroup: a private employment agency's survey of recruitment and skills**

### **2.3.1. Institutional context**

ManpowerGroup is a private multinational company providing employment and human resource development services (staffing, recruitment and assessment, training, career management, outsourcing and workforce consulting). The company operates in over 80 countries around the globe with the highest concentration in Europe and America, Australia and Asia.

Labour market and employment are the key issues of ManpowerGroup research. Other areas of research include audit, accounting and tax, and organisational performance. The results of the research are shared in the form of reports and an online data explorer.

Close cooperation with employers is at the centre of Manpower activities. The company also places strong emphasis on social responsibility and cooperates with many NGOs, associations, public employment services and governments, and regional or local authorities in some countries.

### **2.3.2. Policy and research objectives**

The main objective of Manpower research is to support HR management, and the recruitment process in particular. Employers are the key target users of the products, although public employment services, governments and other public authorities are not excluded.

### **2.3.3. Main methodology used to assess future skill needs or matching problems**

Employer surveys are the key methodological tools of the Manpower research and two regular surveys are highly relevant to skill needs and matching problems:

- Manpower employment outlook survey – the main outcome of which is the Net employment outlook index;
- Talent shortage survey.

In addition to these regular surveys, Manpower conducts ad-hoc surveys such as the 2010 workforce strategy survey that contribute to better understanding of employer behaviour, their HR strategies and skills

utilisation. They also produce employee surveys like the 2011 migration to work survey focused on work attitudes and behaviour in the labour market.

### **2.3.4. Key processes and instruments adopted**

The Manpower employment outlook survey is conducted quarterly to measure the intentions of employers to increase or decrease their number of employees in the next quarter. The survey has been running for 50 years and covered 42 countries and territories in 2012. The total sample is representative of each national economy, covering a total of 66 000 employers in 2012. Seasonal adjustments are applied in some countries.

The Net employment outlook index is the key outcome of the survey in the form of a figure representative of the percentage of employers anticipating an increase in hiring activity minus the percentage of employers expecting to see a decrease in the number of employees in the next quarter. The reports publish the results in international comparisons and also on regional or sector level (the sector level detail differs from one country to another).

The Talent shortage survey is a yearly employer survey that has been conducted since 2006 and that covered 38 000 employers from 41 countries in 2012. The employers are interviewed by telephone, giving details of:

- any difficulties encountered in filling jobs;
- the most difficult jobs to fill;
- the potential impact of failure to fill vacancies on stakeholders such as customers and investors (high-medium-low-no impact);
- any reasons for difficulties in filling jobs (including mention of deficiencies in several types of hard and soft skills);
- any strategies implemented to overcome the skills shortages.

The results of the surveys are published as stand-alone products for individual countries and international comparison. These are also further used in papers focused on talent management and company strategies, formulated mainly for enterprise managers.



Some strategically-oriented papers are also targeted at the public sector, as was the case with the publication *How policy-makers can boost youth employment* (ManpowerGroup, 2012) which touched the issue of skills mismatch and the role of government and public employment services in preventing this. Mechanisms to share the information with the public employment services have been established on the basis of general agreements or joint projects in some countries.

### **2.3.5. How this method or approach complements others in the overall national system of anticipating skill needs**

Manpower operates as a global private company in a number of countries, in cooperation with public employment services and other public authorities in some cases. The exact form of the cooperation depends on the country context but usually includes assistance in job searching, guidance and training for jobseekers and the sharing of information on vacancies.

In France, this cooperation works at national and regional level, where Manpower has worked with the employment services (Pôle emploi, formerly ANPE) since 2003 on a rolling agreement (last renewed in 2010 for three years) that includes a commitment to joint development of common regional identification of recruitment needs and employment potential and the skills required to understand labour market needs and problems. The two entities share information on vacancies, evaluation tools and methods to improve employability of jobseekers and on the public employment support and employment measures adopted by the state, local authorities and social partners.

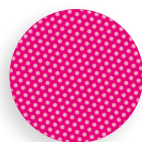
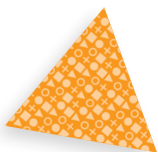
Another branch of cooperation between Manpower Egalité des Chances (a branch of Manpower France), the public employment services and other partners is directly related to assistance in job searching for specific target groups such as recipients of social benefits, the long-term unemployed, and individuals facing discrimination on the labour market (low-skilled youth, older workers, people with disabilities). This form of cooperation is organised at regional level and is mostly based on tenders.

In Sweden, Manpower Telge Jobbstart is a local-level joint venture between Manpower AB and Telge AB, a company owned by the municipality of Södertälje in Sweden. Jobbstart is aimed at the employability of immigrants (especially the Iraqi community in Södertälje) and the long-term unemployed. The services are provided on behalf of the Swedish public employment services and are free for people from the target groups registered as jobseekers with the PES. Support includes job coaching, vocational and training guidance and counselling. The Manpower network of contacts with employers is drawn on in the job search process.

Manpower partnerships can also operate on several business models including multi-shareholder cooperation through joint companies and networks.

A joint company known as Working Links has been operational in the United Kingdom since 2000, bringing together the public sector (government Shareholder Executive on behalf of the Secretary of State for Work and Pensions), private sector (Manpower and Capgemini) and voluntary sector (Mission Australia), combining skills and expertise from all of the three sectors. This initiative focuses on the social inclusion of vulnerable populations by bringing people to employment through job search support, training and community services. Specialised services are also targeted at reintegration of former-offenders, young people and deprived communities. Working Links is a government contractor that delivers several programmes in England, Scotland and Wales, including the government work programme. The company publishes *The Pulse*, a quarterly factsheet showing the largest changes in vacancies per occupation, geographic area and local authority on the basis of data from the Office for National Statistics combined with the qualitative expertise of Working Links staff.

Education for Employment (EFE) is an affiliated network of locally-run non-profit organisations that create economic opportunities for youth in Egypt, Jordan, Palestine, Morocco, Tunisia and Yemen. A sister organisation based in Spain, the Fundación Educación para el Empleo (EuropEFE) assists EFE-Global in providing capacity and development support to the



regional affiliates. EFE benefits from cooperation with many partners, among which the ManpowerGroup is key. Other leading partners include top employers, universities and government institutions, including the US Department of State Middle East partnership initiative. EFE considers itself to be a provider of demand-driven employment programmes that benefit from the research results of its partners (ManpowerGroup surveys, PricewaterhouseCoopers global CEO survey). EFE operations cover education, employment (jobs and entrepreneurship), alumni support and civic engagement with strength built on a strong local cooperation with employers. Hiring needs are defined by employers, they also interview and select candidates for the training courses and hire successful graduates. EFE designs training courses tailored to the employer needs, recruits and screens candidates, and provides training and continuing support to alumni. Informed decision making is supported by the internal CareerHarmony talent management system, which tracks programme applicants and participants. A quarterly Internal M&E system is used to collect feedback from stakeholders and produce a set of performance indicators. EFE funding comes from individual and corporate contributions and grants.

These cases illustrate various forms of cooperation between the ManpowerGroup and the public sector: other examples include:

- national business partnership with the US Department of Labor, (USA, since 2003) to build and improve local, state and national relationships between workforce professionals from both organisations;
- TechReach, (North America, since 2000), to help disadvantaged populations move out of dead-end jobs and into high-growth, high-demand economic sectors;
- Caminemos Juntos (Let's Walk Together), (Mexico, since 2001), to support labour force entry by older people and people with disabilities;
- Get ready to work (Prepara't per a Treballar), (Spain, since 2006), to provide government-supported youth with the necessary tools and competencies to enter the labour market;

- Manpower inclusive, (Finland, since 2007), to support youth, older workers, immigrants and persons with disabilities in the labour market;
- Job academy, (France, since 2006), to ease access to the labour market for qualified candidates living in 'economically challenged areas.'

#### 2.3.6. Lessons learned

The Manpower case shows that a private company can play an important role in matching mechanisms in both the high-end labour market and segments usually considered the domain of the public employment services, such as the long-term unemployed and people with disabilities. It provides good examples of how public-private partnership can work in intermediation.

The global nature of the company enables it to conduct research and publish results and indicators comparable at the international level. This can help employers and public sector decision-makers to evaluate their situation within the context of global competition.

Close cooperation with employers and a client-oriented approach ensures that research outcomes are used to develop the HR and recruitment strategies of enterprises. As a private intermediary agency, ManpowerGroup has the advantage of being closer to the business world, allowing them to use the language of business and providing a valuable insight into business HR processes.

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Manpower Egalité des chances. <http://www.manpoweregalitedeschances.fr>

Manpower Telge Jobbstart. <http://www.manpowertelgejobbstart.se/>

Pôle emploi, France. <http://www.pole-emploi.fr/accueil/>

Working Links. <http://www.workinglinks.co.uk/>



## 2.4. Denmark: the labour market balance

### 2.4.1. Institutional set up and context

Responsibility for the implementation of employment policies in Denmark is largely decentralised to the municipal level, while four regional employment offices are charged with analysing and communicating trends in the regional labour markets. Municipal PES are responsible for matching and for active labour market policy, while monitoring and analysis is undertaken at regional level. The Labour market balance has been developed to assist management and staff in the municipal job centres prioritise employment and training measures and counsel jobseekers. It is designed to give the regional intermediaries (PES) and other stakeholders in the labour market easy access to information about the current situation in 1 000 occupation groups in the regional labour market. It was developed by the Danish national Labour Market Authority and is used in all Danish Regions.

### 2.4.2. Policy and main objectives

The purpose of the Labour market balance is to support the day-to-day operation of municipal job centres and inform the work of the regional PES and other labour market actors. It has a twofold aim: to provide information on the regional job situation for guidance counsellors in PES; and to provide the regional PES and their governing bodies with an overview of the current employment situation that can inform the monitoring of employment policies and measures.

### 2.4.3. Main methodology

The Labour market balance consists of three components:

- a national employer survey;
- a labour market model, drawing data from the survey, PES data on the registered unemployed and registered vacancies, and national statistical data about employment and turnover in the labour market;
- an online interface that allows the user quickly to identify those occupations with labour shortages or a sufficient supply of labour.

The Labour market balance provides PES staff with an empirical base for prioritising among employment measures, and gives frontline case workers a tool with which to guide the unemployed towards employment.

### 2.4.4. Key processes and instruments

#### *The employer survey*

The national employer survey is conducted twice a year among a representative sample of active private and public Danish companies. The survey is contracted out to a private company by the Danish Labour Market Authority.

The survey aims to analyse the recruitment situation and labour shortages, with a particular focus on where companies fail to recruit employees in specific occupations. The survey is conducted for 1 100 job categories among approximately 20 000 selected companies, resulting in around 14 000 valid responses with reports of labour shortages.

#### *The balance model*

The data from the survey are used as input for the regional balance model, which analyses the situation in occupations by comparing the demand described in the survey with supply. Regional PES data on unemployment by qualification serve as a proxy source for current supply. As qualifications and occupations do not always match up exactly, demand data are subjected to a transversal analysis whereby data for related occupations are assigned to the occupation with the largest volume of jobs. For example, a shortage of building electricians will be reflected as good job opportunities for electricians regardless of whether there is a shortage of electricians with a general qualification.

#### *The online interface*

The online interface shows the results of the regional analysis and is visible to all on the regional employment website<sup>22</sup>.

The interface shown in Figure 11 is common to all four employment regions.

<sup>22</sup> For example <http://www.brnordjylland.dk/Arbejdsmarkedsbalancen.aspx>





Figure 11: Search interface – Denmark

## Søgning

Vælg én eller alle erhvervsgrupper samt én eller flere kategorier i Arbejdsmarkedsbalancen

Erhvervsgruppe

Sundhed, omsorg og personlig pleje

Select a sector from drop-box menu. In this case *health and personal care*

Balancestatus	Jobmuligheder
<input checked="" type="checkbox"/> Tværgående og strukturel mangel på arbejdskraft ⓘ	Rigtig gode jobmuligheder
<input checked="" type="checkbox"/> Mangel på arbejdskraft ⓘ	
<input checked="" type="checkbox"/> Paradoksproblemer ⓘ	
<input checked="" type="checkbox"/> Balance mellem udbud og efterspørgsel på arbejdskraft ⓘ	Gode jobmuligheder
<input checked="" type="checkbox"/> Overskud af arbejdskraft ⓘ	Mindre gode jobmuligheder

☐ Sammenlign søgeresultatet i de otte regioner ⓘ

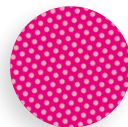
Søg

Select one or more categories of labour market situation in the selected sector that you want to check.

*Green* = Very good job prospects (structural labour shortages or paradox problems)

*Yellow* = Good job prospects ( balance between supply and demand of labour)

*Red* = Poor job prospects (excess of labour)



As a user, you may be interested only in occupations with good (or less good) job prospects, or you may want to get an overview of the situation in the sector. Figure 12 shows the situation in the construction sector. Only the first six occupations (of 46 in all) are shown, and the table clearly states that job prospects are very good for insulation technicians and not quite so good for sewage pipe fitters. It also shows that there are paradoxical problems (recruitment difficulties in a situation with high unemployment) for drivers of construction machinery; and that the remaining occupations in the sector are characterised by balance between supply and demand.

**Figure 12: Situation in the construction sector**

50 resultater		1-20 af 50 <b>Næste side</b>
Stilling ▶	Erhvervsgruppe ▶	Balancestatus ▼
anæstesisygeplejerske	Sundhed, omsorg og personlig pleje	Balance mellem udbud og efterspørgsel på arbejdskraft ⓘ
bevægelsespædagog	Sundhed, omsorg og personlig pleje	Balance mellem udbud og efterspørgsel på arbejdskraft ⓘ
bioanalytiker	Sundhed, omsorg og personlig pleje	Balance mellem udbud og efterspørgsel på arbejdskraft ⓘ
ergoterapeut	Sundhed, omsorg og personlig pleje	Balance mellem udbud og efterspørgsel på arbejdskraft ⓘ

Source: <http://www.brnordjylland.dk>

#### 2.4.5. Lessons learned

The components of the Labour market balance (survey and the model) were separately reviewed by independent reviewers in 2009. The survey review found that, in general, the method could be regarded as satisfactory, but that the relatively long period between surveys was considered problematic. The model review found that, while the sources of model data were considered good, the general credibility of the results is challenged by the fact that many of job categories are quite small. This means that data from all three sources are relatively sensitive to small changes in, for example, the number of persons with a particular qualification who indicate that they are unemployed, or the number of companies reporting a shortage in a particular category.

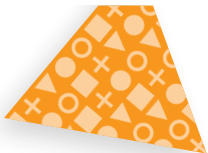
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#### Web links

<http://brnordjylland.dk>

<http://www.brnordjylland.dk/Arbejdsmarkedsbalancen.aspx>



## 3. Supporting youth career choices and labour market entry (case studies Section 4.4)

### 3.1. Korea: job world, an innovative way to help avoid skills mismatch through career guidance, counselling and job exploration

#### 3.1.1. Institutional set up and context

Preventing the mismatch between the skills of workers and the needs of enterprises should ideally begin long before young people are ready to enter the labour market, while they are still in education and preparing for their future careers. In many countries, public employment services play a key role in providing accurate and timely labour market data and occupation information to career guidance practitioners to ensure that young people have the best information available to them as they plan their future careers.

#### 3.1.2. Policy and main objectives

The Korean Ministry of Employment and Labour, the Korean Employment and Information Service (KEIS), Human Resources Development Service of Korea and the Employment of Persons with Disabilities Corporation recognised that the prevention of mismatch between worker qualifications and skills in demand within the labour market can begin long before a young person is ready to enter the labour market. As a result, they formed partnerships with sponsors from a wide range of private sector interests to develop Korea Job World.

Korea Job World has been open to the public since May 2012 in a facility conveniently located near public transport and major roads in Seoul. To ensure the best possible career exploration experience for each student, services can be accessed by appointment only, mostly as part of school-organised field visits, although parents may also arrange to accompany their children individually.

Designed for school children of all ages, the facility provides opportunities for students to understand the meaning and value of work, explore the realities of over 100 occupations ranging from the commonplace to more advanced careers, and receive assistance from professional guidance counsellors in planning realistic careers matched to their interests and aptitudes. The centre describes itself as 'a place where precious dreams are grown [...] and the future that you have imagined comes true.'

#### 3.1.3. Main approach and processes

The overriding philosophy and approach of Korea Job World is to provide an interesting, informative, entertaining and fun venue where youth of all ages have the opportunity to learn about the world of work and interactively explore a wide range of career and job options. The centre provides services that range from standard career guidance and counselling to state-of-the-art simulation models and work stations.

The four-storey complex is divided into five distinct areas each with its own focus. Young people are first invited to identify their dreams in the job exhibition hall which provides them with opportunities to explore the changing nature, types and value of jobs in a way that gives them better understanding of the importance of jobs in their lives. The hall contains four zones and 14 display areas, including a cinema area where students can view realistic and dynamic 4D movies, providing insight into a wide range of jobs and career paths. These short interactive films allow them to meet people who have overcome hardships and barriers to achieve their career dreams. They can also take a guided journey through time to learn more about the jobs that shaped history, and to learn about important changes in technology and how this has impacted the world of work.

The youth experience hall invites students to explore their dreams in a venue where they are able to interact with a wide range of job functions designed to help them make better choices in selecting their future career paths. With more than 40 hands-on experience stations, representing aspects of over 60 occupations, this section of the facility offers teenagers a chance to gain a realistic perspective on careers within areas such as the legal profession, service industry, the culture, arts and multimedia sector, and the technical, scientific, medical and public service sectors.

Younger children are able to bolster their dreams in the children's experience hall where they learn about jobs through play. Two mascots, Naero and Miro – whose names mean 'toward tomorrow' and 'toward the future' respectively – guide and interact with the children to help them build their dreams. This area contains role-play set ups where students can try being employees of restaurants, police stations, broadcasting centres and dental clinics, or they can be even more

adventurous and experience working on a construction site, a dinosaur camp or a space centre. All of the work and play stations are created in meticulous detail; the children are given appropriate uniforms or costumes and are assigned realistic tasks that accurately simulate the actual career.

Job World also provides the more common career guidance and planning services. The career planning hall offers different experiences: the individual testing corner, where they can take an online aptitude test; a game-like interests testing area; a traditional group counselling session on career guidance for teenagers; and a talent spectrum tool that creates a unique brain map for each of them.

The facility also includes conference and meeting rooms where special workshops and seminars are organised, a career information zone with an extensive career information library, and a job café that operates similarly to other Internet cafés.

### 3.1.4. Lessons learned

The Ministry of Employment and Labour and KEIS have been able to engage key stakeholders in addressing the problem of skills mismatch through meaningful collaboration with many employment service providers within the labour market and the active involvement and sponsorship of the private sector. Each of the partners behind this initiative is able to contribute resources, knowledge and expertise in a way that has developed an attractive and successful method of providing occupation and career guidance and coaching to the youth of Korea. The partnership approach increases the credibility of the information and also shows the commitment of all partners to strengthen the labour market.

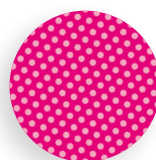
The facility has only been in operation for a short time and visitor numbers are being recorded. The volume of first-time visits from students and school groups, as well as the number of return visitors, is being closely monitored to determine if the target audience is being reached. First-time visitors will be counted as an indication of gaining the interest of youth, while return visitors will be a stronger indication of the success and perceived value of the services offered through the facility.

KEIS has contributed significantly to the labour market and to the occupation information used to produce the interactive displays, the resource library and all of the tools utilised in the career planning hall. These data have been augmented by information from industrial sectors and the other employment service providers, some of which deal with disadvantaged groups of jobseekers.

While this initiative would be quite costly to replicate in its entirety, the concept is one that could be adopted by many other countries, particularly in those places where it is possible to engage the private sector as active partners.

### References

Information for this case study was drawn from a guided on-site visit to Korea Job World arranged by KEIS and the CEO of Korea Job World (June 2012) as well as from information contained in their online brochure, available in English at: [https://koreajobworld.or.kr/usr/kr/jsp/common/FileDownload.jsp?fileName=20131115140419\\_1.pdf](https://koreajobworld.or.kr/usr/kr/jsp/common/FileDownload.jsp?fileName=20131115140419_1.pdf)



### **3.2. Benin: Jobs Saturday, a proactive initiative to reduce skills mismatches through career guidance and labour market information**

#### **3.2.1. Institutional setup and context**

In Benin, the occupational choice of many young people is strongly influenced by cultural context and family expectations rather than driven by professional advice and pertinent labour market information. This has been identified as one of the factors contributing to an increasing gap between existing qualifications and the real skills needed by employers. The mismatch particularly affects young people aged under 35 who constitute more than 60% of the active workforce and who are the individuals hardest hit by employment problems.

In February 2012, the Jobs Saturday (Le Samedi des Métiers) was launched in response to the growing gap between the levels of education of young people and their employability. The initiative is coordinated by ANPE and aims to provide youth with guidance and information to obtain a job that is connected to a career interest. Jobs Saturdays is under the umbrella of the national strategy for the 2010-15 period to reduce poverty and expand job opportunities through developing a skilled workforce.

#### **3.2.2. Key objectives**

A forward-looking approach has been adopted to influence positively the career choices of young generations and increase alignment between the skills acquired during education and training and future occupation requirements. The activities organised under the umbrella of Jobs Saturday seek to provide youth at an early age with meaningful information about the occupations and career options linked to dynamic economic sectors or with the potential for job creation. Many of these occupations are underestimated or not even considered as options by youth.

#### **3.2.3. Main approach and processes**

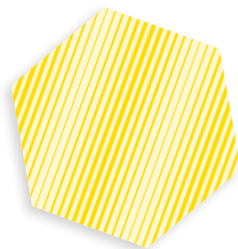
This initiative is a collaboration model that organises experts on career advice and job counselling into task forces supported by various parties: employers from sectors experiencing difficulties in recruiting skilled workers; employers from sectors with dynamic growth

levels; and education institutions and training providers, both government and private. ANPE is the main coordinator of these efforts under the common objective of increased workforce employability. A parallel objective is to raise public recognition of the importance of labour market information and public employment services in assisting youth and other jobseekers to make informed decisions on occupation choices.

ANPE is strengthening its understanding of the types of skills required by employers and also where jobs will be created using the list of occupations related to key economic sectors for the domestic economy, provided by the Ministry of Labour. Some of the occupation titles were obtained as a by-product of a diagnostic survey of the 77 communes of Benin aimed at reorienting youth in rural areas towards activities that can boost the local economy.

The first year of Jobs Saturday targeted four priority sectors for the domestic economy: textiles and cotton; agriculture and agri-food; trade and logistics; and tourism and handicrafts. Activities were also organised around economic sectors with the potential for future job creation: construction materials and mining and hydrocarbon production. Jobs Saturday operates within a 10-month cycle, each composed of three interrelated blocks:

- Block 1: on the Thursday and Friday preceding Jobs Saturday, ANPE organises exhibition stands run by workers from targeted sectors, training centres and government agencies specialised in funding entrepreneurship activities. Participants have the opportunity to interact with people working in selected sectors and occupations to receive first-hand information about employment requirements, real working conditions and advancement opportunities;
- Block 2: on the Saturday, executive professionals from selected sectors chair a main discussion panel and parallel round-tables. This is the part of the event that attracts the largest number of people. The monthly editions of Jobs Saturday have registered an average of 1 000 visitors including youngsters and their parents, teachers, career advisers and employers. After each edition of Jobs Saturday, ANPE assesses the work accomplished to fine-tune preparations for the next event.



- Block 3: the ANPE employment counsellors and partners from the sectors hosting the event provide on-site individual advice or arrange further guidance at the employment office.

After each edition of Jobs Saturday, ANPE assesses the work accomplished to fine-tune preparations for the next event.

#### 3.2.4. Challenges to achieving a more integrated approach

At this stage, the Jobs Saturday initiative focuses on expanding access to pertinent labour market information to improve youth job and career prospects. Signalling the sectors where skilled workers are more likely to be employed in the near future is important contribution to reducing job mismatches.

ANPE promotes forward-looking thinking at individual and community level through this initiative, but the quality and pertinence of the skills provided at school and out-of-school through job training are key elements in this equation. Additional efforts are required in developing the mechanisms to achieve a greater degree of integration between employment services, education programmes and workforce development projects.

#### 3.2.5. Lessons learned

- One of the keys to the success of this initiative is the establishment of links between a number of stakeholders including, government, employers, training providers, education institutions and the community.
- Broadening access to labour market information empowers youth and their communities. The public employment service has played a supportive role in clarifying the expectations of young people and identifying more effective paths towards realistic career and job objectives. Assisting people to find and make sense of available labour market information is one of the key assets of the public employment services.
- Organising and coordinating an informative event for an average of 1 000 participants on a monthly basis has implications for staff, funding, logistics and time. An increase in the demand for counselling services and labour market information can put additional

pressure on the actual capacity of the public employment offices. The approach adopted by Benin to share costs and workloads with other partners helps to increase responsiveness and the continuation of the initiative.

- Initiatives such as Jobs Saturday help to promote forward-looking thinking at the individual and community level. Nonetheless, such initiatives need to be well supported by a solid labour market information system and a set of mechanisms that enable the country to develop the skills needed in the future.

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## 4. Innovative services for better matching and job referral (case studies Section 4.5)

### 4.1. India, Delhi region: Naukri Bazaar, job exchange for micro and small enterprises

#### 4.1.1. Institutional context

In its report to the Prime Minister of India, the National Commission for Enterprises in the Unorganised Sector (NCEUS) chaired by Dr Arjun Sengupta estimated the total Indian labour force would grow from 502 million in 2009 to 551 million by 2017. NCEUS projected that employment creation would be around 493 million by 2017 (assuming that the economy would grow at 5% per annum), resulting in an unemployment rate of 10%. This figure would also be affected by the migration of about 6% of the total workforce from the informal to the formal sector, bringing down the level of informal work from 92-93% in 2009 to about 86-87% of the total workforce by 2017.

Micro, small and medium enterprises (MSME) are the major employment generators in India, with approximately 13 million MSMEs employing 41 million people as the largest direct and indirect employer. The sector comprises of 40% of total industrial output and contributes 8-9% to gross domestic product in the Indian economy. In the absence of a structured and cost-effective outreach system for MSMEs as employers, job searching in the informal sector has been a challenge for prospective employees. As India continues to grow and more unfilled jobs and employment opportunities arise, one particular section of the population is waiting for a chance to earn a first salary, however small it may be.

Most of the low-skilled and semi-skilled jobseekers in the informal sector have no access to formal employment exchanges (public or private) or Internet-based channels. Further, the past performance of the employment exchanges has not been particularly impressive, with only 0.3 million jobs provided to the 40 million people registered in the 1 200 employment exchanges in 2011. Every year, about 4 million new jobseekers register with employment exchanges across the country, but most receive no job offers or interview calls from employers. The exchanges suffer from deficits in technology, good governance and performance management and an absence of strong employer links, networks and well-organised databases.

These jobseekers need comprehensive registration support through a user-friendly medium of their choice, customised to help them upgrade their job avenues while assisting them to find higher quality employment and improve employment networks. They need an easily accessible solution for career services provision, information on the jobs available in the market, and ways to increase their income for a better livelihood. Employment exchanges do not currently provide the recruitment assistance and job information they need.

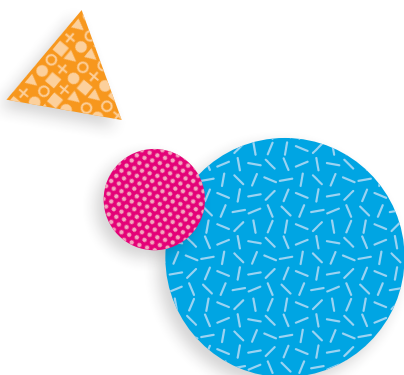
A mobile telephone-based employment exchange offers a potential solution for outreach and information distribution in this market, filling a huge information gap and enabling smoother matchmaking in the employment market.

#### 4.1.2. Institutional and operational setup

ACL Mobile, based in New Delhi, was founded in 2000 by technical entrepreneurs Sanjay Goyal and Vineet Jain, with no financial aid from the Government or any public authority. The Management Team at ACL comprises cross-functional experts with vast experience of technology and consumer solutions that provides them with sound knowledge of the mobile telephone industry, with a strong focus on innovation to deliver business results.

ACL launched its innovative human assisted mobile telephony platform Naukri Bazaar as a first-time endeavour to support low- and semi-skilled workers, illiterate jobseekers, marginal youth and blue-collar groups in effective job searching. This initiative was conceptualised to take advantage of the high mobile telephony penetration across all social classes in India, finding the right candidate for the given job by using direct-to-consumer mobile services that would simultaneously provide an alternative recruitment channel for employers.





### 4.1.3. Main objectives

Jobseekers in the manufacturing and service sector are not equipped to use job portals; voice telephony is a far more suitable communication medium for them. From the employer perspective, jobs in the informal or unorganised sector are not likely to be widely posted or advertised on a digital platform, where language and literacy can be a communication deterrent that restricts widespread adoption. Naukri Bazaar was conceptualised to bridge this 'digital divide' in the informal or unorganised employment market and to provide a cost-effective labour market exchange for employers and jobseekers. Naukri Bazaar has maintained its focus to serve the diverse, vulnerable communities in precarious employment from the outset.

### The inception phase

Naukri Bazaar mapped out a multi-level stakeholder engagement initiative to build understanding of the complex, fragmented ecosystem governed by multiple federal and state statutes, and the extensive range of needs among MSME employers. Investment was made in primary data as no existing secondary sources had credible data available at the desired level of granularity. Developing a representative sample took time and market insight as the conventional approaches to random sampling were considered unlikely to be effective and reliable for a population characterised by dispersal, migration and a distrust of service advisers. Innovative identification and sampling strategies were needed for the research into vulnerable sectors of society such as the homeless, bread earners, illiterates and women labourers.

A stratified sampling technique was used to survey 1000 respondents (750 employees and 250 MSME employers), producing rigorous and systematic data for analysis following a significant investment of time with enumerators, providing training and sensitisation on profiling and cultural aspects of the survey. The survey gave the researchers insight into issues such as livelihood choices, local work opportunities, available resource exchanges, skills development opportunities, time between change of jobs and job search tools. Most important, this survey provided an assessment for the real-time planning of an effective service and distribution model that would aid jobseekers and eventually create a 'demand-pull' for the proposed service.

### 4.1.4. Key processes and instruments adopted to assess future skill needs or matching problems

Employers: one of the outcomes of the survey analysis was the formation of job role clusters within the fragmented market structure, with about 1 500 clusters formed. HR professionals, technical experts, community groups, service delivery agencies, MSME employers and education institutes supported this data analysis process and were able to categorise skills at a micro-level, covering multiple industry sectors and extending the classification benefits to employers. Naukri Bazaar sourced, centralised and aligned call-centre operations for matchmaking on the basis of these job role clusters, creating a standardised yet customer-focused, proactive value-added model. Each agent is trained to understand market gaps and to address issues appropriately, understanding that employer needs, evolving rapidly, and emerging job opportunities are likely to require upgraded and diversified skills. The Naukri Bazaar sales force and telephone sales force service existing and potential MSME customers with the backing of their Internet engine, where they can advertise jobs and access the CV database without the involvement of any middlemen in hiring workers. Vacancies are custom advertised to prospective jobseekers using mobile telephony (SMS, outbound dialler (OBD) and call centre), job fairs and on-the-ground promotion activities.

The Advanced skills for better jobs advisory programme sets the priority agenda for skill and training needs assessment to prepare people for the jobs of tomorrow. This programme has established a regular, systematic assessment of long-term supply and demand broken down by sector, occupation, level of qualification and demographics. The updated projections provide alerts of potential labour market imbalances that Naukri Bazaar has communicated to MSMEs, involving them in forecasting the skill needs of the businesses.

Candidates: Naukri Bazaar issues targeted OBD or SMS blasts to promote available jobs among registered jobseekers. Vacancies are also promoted through on-the-ground, below-the-line (BTL) marketing activities using 100+ service promoters who visit industrial areas. Owners of local kirana (small grocery) shops which mainly cater to labourers are engaged to act as service influencers able to register candidates. A referral scheme among candidates helps to recruit





additional jobseekers in priority categories and this type of cost-effective technique helps in registering jobseekers at no additional charge. Candidate registration volumes currently exceed 5 000 per day and more than 100 000 per month.

How it works in practice: the Naukri Bazaar service is primarily delivered through human agents who help employers and jobseekers with their requirements, aiding matchmaking and nurturing an active community of employers and candidates. The service is available free to jobseekers who register via a toll-free number (1860-180-6767). A mini-CV is created by trained Naukri Bazaar call-centre agents who question the jobseekers for personal, skills and prior employment information, creating a semi-structured CV out of the unstructured interview process. This CV is then submitted to an internal approval and basic credential verification process within Naukri Bazaar before it is released for access by employers.

Naukri Bazaar realised early on that any real success would lie in providing human-assisted technology-based exchange services. They mobilised a team of 50 recruitment advisers (who operate at a level higher than that of most call centre agents) to contact and support jobseekers, promoting the candidate outreach programme and employer advisory unit. On average, the contact details of 50 jobseekers matching the given job criteria are being sent to MSME employers each day. Employers then shortlist candidates, and the statistics to date show that 40-50% of those who express interest in the job openings are being called for interview. Success rate analysis shows that 10-15% of jobseekers who filed an expression of interest are hired by employers following the interview process.

#### **4.1.5. How this approach complements others in the overall national skills matching and anticipation system**

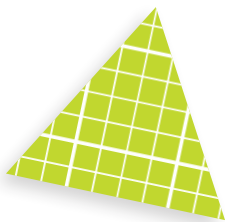
Filling vacancies in the unorganised economy poses a significant challenge to employers, especially MSMEs. In Naukri Bazaar's primary survey most employers had reported skilled labour shortages where failure to achieve correct matchmaking between resources and jobs was affecting their operations. While issues such as undesirable geographical locations, lack of desired skills and insufficient wages are contributory factors, the critical challenge is most often simply a lack of available applicants in the local labour market.

The Naukri Bazaar model distinguishes itself from other initiatives as it attempts to solve the critical issue of matchmaking in the unorganised labour market by the following:

- flat, effective, practical categorisation system of 1 500+ categories for blue- and grey-collar workers, each with 10 different multi-attribute groups to improve matchmaking and candidate data acquisition and continued updating of this framework;
- a distinctive 'human assisted mobile job exchange' where communication is differentiated through personal interaction and integrated media channels, supported by on-the-ground marketing activities;
- broadening of the search beyond the local region to tap into migration behaviour and take a more long-term view of registering people with skills that do not match current vacancies (to fulfil short-term demand) but who have upskilling potential and can be appropriately placed in the medium to long term.

#### **4.1.6. Impact of the service**

- the new recruitment platform for the skilled, semi-skilled and unskilled labour force is available by mobile phone with over 100 000 unique registrations per month for multiple categories. Jobseekers are given free information on available jobs suited to their profile on their mobile phone;
- employers can benefit from advertising job posts using the multiple modes of communication available with Naukri Bazaar, extending their reach to the masses. Over 10 000 employers from various industries use the system to reach out to over 1.2 million jobseekers;
- employers shortlist 40-50% of candidates for interview on the basis of résumés sent out to them by Naukri Bazaar following initial matchmaking. This demonstrates the efficacy of the sourcing systems and core matchmaking process. A sample of employees hired through Naukri Bazaar and a set of employers who have used Naukri Bazaar for hiring were interviewed as part of the case study development process. Both employees and employers expressed satisfaction with the quality of service and accrued economic benefits.



#### 4.1.7. Lessons learned

The key learning during implementation and scaling up of the services has been understanding jobseeker and employer behaviour and their respective preferences. Experiential learning has resulted in development of the job role clusters with higher granularity and 10 different multi-attribute groups for each job definition to enable effective matchmaking.

- simultaneous multi-channel activity are useful to advertise, reach out to and engage candidates for effective and high response rates;
- adoption of a mixture of local languages (and even dialects) is desirable in all communication messages to ensure the message content is accessible and comprehensible to the target segment.

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## **4.2. Moldova: mobility partnership to optimise job matching of migrants**

### **4.2.1. Institutional set up and context**

The mobility partnership between Moldova and EU countries is coordinated by the Swedish Public Employment Service (Arbetsförmedlingen). Members of the partnership include the Moldavian Ministry of Labour, Social Protection and Family and the National Employment Agency (NEA) with government institutions (mainly Ministries of Labour and Social Policy) from nine EU Member States (Bulgaria, Czech Republic, Germany, France, Italy, Lithuania, Hungary, Romania and Sweden) and the ETF. A project steering committee is composed of representatives from Moldovan government institutions as well as the European Commission, the International Office for Migrations and the ILO.

The main target groups of the partnership are returning Moldovan nationals, Moldovan diaspora members involved in circular migration, their families, communities of settlement upon return and potential migrants. Private sector actors include the civil society organisations active in migration, employer's organisations, trade unions, academic institutions and private employment agencies.

### **4.2.2. Background of the EU-Moldovan mobility partnership**

Cooperation between Moldova and the European Union dates back to 1991, the year of Moldovan independence. Since then, cooperation has gradually become more intense and codified, with the new European neighbourhood and partnership instrument (ENPI) playing an important role. A visa facilitation and readmission agreement entered into force in January 2008. In May 2009, the Eastern partnership was launched, offering possibilities for deeper relations.

A joint declaration on a mobility partnership between the European Union and the Republic of Moldova was signed 2008, '...with the purpose of facilitating legal migration including circular and temporary migration [and] preventing and combating illegal immigration and trafficking in and smuggling of human beings, as well as

promoting an effective readmission and return policy'.

One of the flagship initiatives in the mobility partnership is the project Strengthening the Moldovan capacity to manage labour and return migration within the framework of the mobility partnership with the EU, funded through the thematic programme for migration and asylum and implemented by the Swedish PES. The project aims at reinforcing the labour migration management capacities of the relevant Moldovan authorities, notably the NEA.

Moldova experienced jobless growth during the early 2000s. The employment rate shrank from 54.8% to 42.5% cent between 2000 and 2008. Jobless growth at home drives Moldovans abroad in search of better incomes. Their remittances in turn reduce the competitiveness, erode returns to capital and limit longer-term productivity gains in Moldova, completing a policy trap with a lack of quality jobs at home. Employment creation, modernisation and flexibilisation of the labour market and bringing national labour legislation into line with EU legislation are the current priorities.

### **4.2.3. Policy and main objectives**

Capacity building in the National Employment Agency and other relevant authorities included introducing management by objectives within the NEA, improving cooperation with private employment agencies, strengthening relations with employers, improving online services and call centre services, and disseminating new working methods. Other issues included the comparability of professional profiles between Moldova and the EU, developing guidelines for business start-ups, improved social dialogue, and the training of NEA staff on the EU immigration portal.

Activities addressing Moldovan citizens included support to diaspora organisations and members to develop country guides on EU countries of destination, dissemination and updating of official country guides from the EU members states, information campaigns via different media, development of websites for diaspora organisations in the main receiving EU states, and strengthening of relations between diaspora organisations and the NEA.

#### 4.2.4. Key processes and instruments

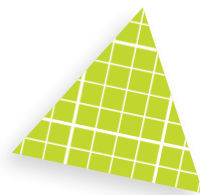
A key activity of the ETF component was to establish systems for the recognition of informal and non-formal learning, including new skills not envisaged by the existing qualifications system. Occupation profiles were defined and links can now be made between occupation and education standards.

Transparent information is required as a basis for understanding the content of qualifications, their scope, level and labour market relevance for both employers and employees, nationally and internationally. Support has also been provided to harmonise the existing occupation classifier to ISCO standards to improve the comparability of professional profiles between Moldova and the EU (matching for the purposes of international migration). A consortium of labour market-related donors (including the ILO, IOM, labour representatives and Attaché of EU Member States in the Republic of Moldova) will be created to join common efforts to define activities and expertise in harmonising the existing occupation classifier to ISCO standards. A working group of local experts and Ministry of Labour Social Protection and Family staff will be nominated to establish a schedule of activities and to undertake the necessary actions.

Modernisation of NEA services included improvements to online services and the organisation of online job fairs; organised via the Internet, these can be important in matching jobseekers with job opportunities abroad and in matching return migrants with job offers in Moldova. The NEA will organise these events to support the smooth return and reintegration of Moldovan migrants into the national labour market, while Moldovan diaspora associations will promote them among Moldovans abroad using the most effective communication channels. Other activities have been undertaken to strengthen cooperation between public and private employment agencies, and between the NEA and employers, through the identification of new key local accounts. NEA staff were provided with training and insight into applied service processes by their counterpart PESs in EU Member States via inter-departmental meetings.

Jobseekers in the Moldovan diaspora are provided with a good overview of the Moldovan labour market and can apply for available vacancies, while employers are able to select candidates from a pool of Moldovans with the type of EU working experience and skills much needed in Moldova.

Group counselling approaches are also used to activate and support the unemployed. An easy-access job expo centre was created within an NEA employment office in Chisinau providing more efficient matching services such as information on vacancies, job fairs, information and recruitment activities, and preparation for job interviews. The centres offer a flexible range and type of activities that vary according to local conditions to maximise the extended services, while information services provided via a call centre were further upgraded.



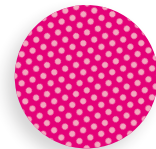


#### **4.2.5. How this method or approach complements others in the overall national skills matching and anticipating system**

Many projects related to the current project are being run in Moldova by foreign donors, including EC-funded projects such as the IOM (Supporting the implementation of the migration and development component of the EU-Moldova mobility partnership), the ILO (Effective governance of labour migration and its skill dimensions), and the WHO (Better managing the mobility of health professionals in the Republic of Moldova). Wider regional dissemination of the approved format for occupation standards and the concept of validation of non-formal and informal learning was achieved through a regional conference in 2012, with the participation of state institutions, researchers, employers and practitioners from Armenia, Georgia and Ukraine.

#### **4.2.6. Lessons learned**

Labour migration issues have been mainstreamed into employment, labour market and TVET policies, meaning that the relevant Moldovan authorities are now able to consider the migration dimension when designing or implementing these policies. The NEA has become a more efficient organisation with a modern management system, and the new occupation classifiers in Moldova facilitate circular migration allowing for clear 'translation' and comparison of skills across borders. Potential returnees are better informed about opportunities and strategies for business start-ups and investment in the country and the NEA counsellors are more aware of recent labour market regulations and trends in EU partner states. Moldovan citizens have been introduced to a trustworthy source of information on migration issues and are using the EU immigration web portal. Immigrants have better access to useful information about the receiving state in the EU through the country guides developed by the respective diaspora associations, disseminated through EU Embassies, the Common Visa Application Centre and other channels.





### **4.3. Austria: socioeconomic enterprises, intensive support to raise the employability of vulnerable groups**

#### **4.3.1. Institutional set up and context**

Tackling long-term unemployment and bringing vulnerable labour market participants back to work is an important objective of Austria's active labour market policy. Active labour market measures date back to the 1980s, when the creation of SÖBs was introduced as one of the first measures to fight exclusion from the labour market.

The SÖB's form part of a social economy sector with the legal status of an association or a non-profit limited liability company. SÖBs form a 'second' labour market with the aim of making hard-to place people 'job-ready' via a comprehensive support-service package, increasing the employability of individuals normally not selected for regular jobs (such as former drug addicts, the unskilled or people with disabilities). SÖBs are also in charge of facilitating job placement in the local, regular labour market, once the temporary work period has expired.

SÖBs work in partnership with the AMS. They provide services for the long-term unemployed, combining temporary employment, skills training, sociopedagogic support and placement in regular jobs. These services are assigned and partly financed by the AMS, where their local labour offices allocate the registered unemployed for work in these entities. SÖBs are largely financed by the AMS but must also generate sufficient revenue to cover at least 20% of their expenses.

In 2012, there were 77 socioeconomic enterprises in Austria and an umbrella structure was in place to support them through informal and formal networks at the provincial and national level (Verband der sozialökonomischen Betriebe). The SÖBs also form part of the BDV, a federal association for all social enterprises in Austria.

Other important approaches and organisational forms of social and economic integration through employment include non-profit employment companies (Gemeinnützige Beschäftigungsgesellschaften or GBP,

also established in Germany) and non-profit temporary work agencies. The latter also employ hard-to place people, providing work places in third companies in a way similar to the market-oriented temporary work agencies.

#### **4.3.2. Policy and main objectives**

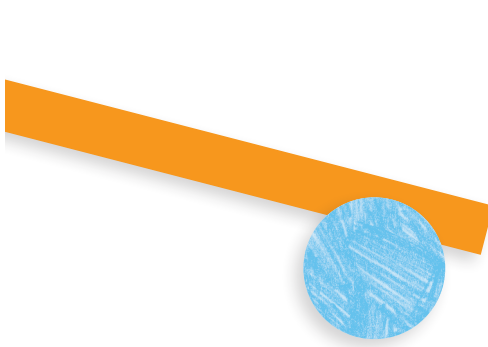
The task of the SÖBs is to integrate the long-term unemployed and other hard-to-place groups into the labour market by creating temporary jobs with labour-market-relevant work practice (usually up to one year). The intention is to promote the sustainable (re)integration of hard-to-place individuals into the labour market.

Socioeconomic enterprises are real business entities subject to the AMS requirement of combining economic (revenue earning) aspects with labour market-related success criteria (skills improvement and placement). They produce marketable goods or services (from activities such as wood processing, interior and exterior refurbishing, catering, scrap and junk recycling, textiles, metal, household services, pottery, repair and maintenance services) to cover part of their costs, but on a non-profit basis. The SÖB structure relies largely on operation in the competitive market and so the entities bear the economic risk of their activities. Their permanent staff consist of administrative and sociopedagogic personnel and skilled workers who act as line managers in various processes.

#### **4.3.3. Main methodology or combination of methodologies used to assess future skill needs or matching problems**

SÖBs combine three objectives: offering temporary employment for the hard-to place; promoting (re)integration by means of training and job referral; and achieving a good economic performance through a market-oriented approach.

The temporary workers of a SÖB are professionally supported to increase their life skills capability and employability by offering targeted skills training and sociopedagogic support to participants alongside the provision of fixed-term 'transition jobs'. The participant's time with the SÖB is structured into six phases: preparatory, introduction, training and employment, job seeking, conclusion and follow-up.



Employment is provided under a formal employment relationship where remuneration of all employees (both permanent and temporary) is set by collective agreements, apart from a few exceptions for specific target groups.

The training component may take different forms and although all enterprises combine on-the-job training with theoretical training periods, some run their own courses, while others enable their employees to attend vocational schools to obtain a formal certificate.

In special cases, employment may be preceded by trial or work training periods of up to eight weeks to assess candidate suitability for the intended transition job.

#### 4.3.4. Lessons learned

Socioeconomic enterprises are successful in improving reintegration into the regular labour market; at one week after course completion, 30% have found a regular job and 12% continue to work in subsidised employment. One year after finishing work at a SÖB, 29% work in a non-subsidised job and 6% continue to work in subsidised employment. Job placement rates are set and negotiated between the AMS and the SÖB, depending on the target group and local labour market conditions.

The number of participants has increased over the past 10 years, mainly due to the emergence of non-profit temporary work agencies. In 2000, there were 59 SÖBs offering 1 700 temporary workplaces and a total of 3 888 workers from the target groups were employed and trained in these workplaces in that year. In 2010, there were 77 SÖBs offering 5 315 temporary workplaces and a total of 20 474 workers from the target groups were employed and trained in these workplaces in the same year, with 14 322 of them employed in the fast-growing field of non-profit temporary work agencies.

SÖBs are financed by the AMS, the local region (Land) and, for a selection of special qualifications, by the ESF. SÖBs must generate sufficient revenue to cover at least 20% of their expenses to ensure that they pursue entrepreneurial approaches.

#### References

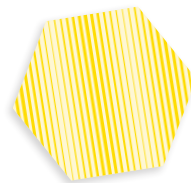
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## 4.4. Portugal: intervention model for matching

### 4.4.1. Institutional set up and context

The Portuguese public employment service, the Institute of Employment and Vocational Training (IEFP) performs a number of tasks for the Ministry of Economy and Employment.

IEFP is a central body with jurisdiction throughout the national territory. It has decentralised services at the regional (regional offices) and local levels (job and vocational training centres and job centres). The IEFP is governed by a board of directors with tripartite management through the participation of the social partners in its management council.

IEFP plays a very important role in the efficient functioning of the labour market, with overall unemployment in Portugal at 15% in the second quarter of 2012, and joblessness among those under 25 at 35.5%. In September 2012, there were 683 557 registered unemployed jobseekers, representing an increase of 23.4% on the same month of 2011 and 1.5% from the previous month. Job creation remains stagnant.

### 4.4.2. Policy and main objectives (defining the main challenges and primary questions the approach is intended to address)

The employment situation prompted the government to boost the operating model of the employment service, focusing initially on more regular and effective monitoring of unemployed jobseekers via updated information technologies, signing the Commitment to growth, competitiveness and employment with social partners in January 2012, and launching the Public employment service recovery programme the following March.

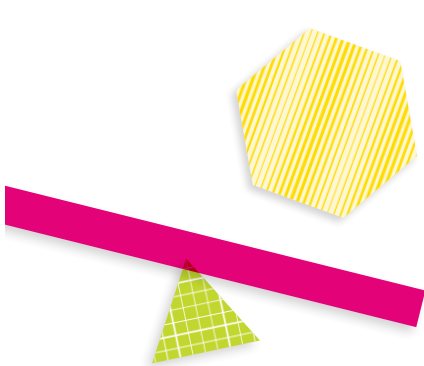
The recovery programme is organised around eight axes, where the role of intermediaries in skills matching and anticipation is established in Axis 1 (Enhancing

unemployed jobseeker's employability) and Axis 4 (Modernising the information systems).

The measures provided for in these axes required the introduction of a new performance model, the intervention model for matching, which has entered the final stage of development. This new operating model for the IEFP centres improves interaction with unemployed jobseekers and employers, maximising opportunities for matching. The model aims to:

- maximise centre resources, with gains in the quality of service delivery, easing and speeding up processes as a result;
- optimise internal centre organisation, including an appointments system for the management of new registrations;
- increase the speed and appropriateness of responses to different groups of unemployed jobseekers;
- ensure the monitoring of pathways for unemployed jobseekers, minimising the influx of unemployed jobseekers into long-term unemployment;
- increase the responsibility and proactive attitude of unemployed jobseekers in the process of integration into the labour market;
- support interaction between unemployed jobseekers and employers;
- increase the identification and registration of job vacancies.





#### 4.4.3. Key processes and instruments adopted and how these are used to establish key messages, recommendations and actions

##### *Guiding principles*

The model prescribes reorganisation of the operating procedures concerning unemployed jobseekers and job vacancies in the centres. The main features include:

- customisation of service delivery and increasing the odds of success, by categorising target groups on the basis of a profiling system;
- early intervention, to reduce unemployment spells and minimise the risk of long-term unemployment;
- systematisation of interaction between the centres and unemployed jobseekers, encouraging centres to provide more rapid and appropriate responses to unemployed jobseekers;
- active involvement of unemployed jobseekers in solving their own problem, providing them with the necessary resources to manage their integration into the labour market as independently as possible;
- strengthening of partnerships, to promote improved service provision for all users;
- encouraging the use of ICT-based service delivery channels, to meet the needs of unemployed jobseekers and employers in more effectively.

##### *Central elements*

The new operational model involves the following tools:

- personal employment plan (PEP) online;
- profiling system;
- career manager;
- improved matching system.

##### *PEP online*

The personal employment plan, PEP online, is an instrument to establish predictable integration pathways for unemployed jobseekers. It includes the steps necessary for integration or reintegration into the labour market structured as an organisational tool against which to measure centre performance toward these goals. The PEP is agreed between the centre and the unemployed jobseeker, providing for shared responsibility between the two parties in implementation of the plan.

Unemployed jobseekers can apply online, identifying the broad categories of services and active employment measures and the corresponding steps for which they meet access requirements. They can choose the course they consider most suitable to supporting their professional integration, maintaining their PEP online.

##### *Profiling system*

The profiling system aims to assess the risk of remaining unemployed for each individual jobseeker, promoting personalised interventions and to stipulating the frequency of contact required between the centre and the jobseeker. Profiling leads to segmentation of the registered unemployed into a number of categories.

The system is designed on the basis of various profiling approaches seen in the research. It employs a statistical (logit) model, where the dependent variable reflects the individual jobseeker's risk of remaining unemployed for 12 months or more. Separate models were constructed for males and females to take into account possible differences in the marginal impact of various gender-related characteristics. Independent variables in the model include details from the data provided to IEF by the jobseeker: age; work experience; present and previous unemployment claim and other social benefits history; education; geographic location; geographic proximity to a labour market; disability conditions; and living circumstances (marital status).



Based on the estimated probability of the jobseeker becoming long-term unemployed, unemployed jobseekers are segmented into three categories:

- low-risk, offered counselling and activation;
- moderate-risk, offered counselling and upskilling initiatives;
- high-risk, offered intensive assistance.

Final segmentation is always dependent on validation by a centre counsellor (involving the collecting of additional information) and will ultimately determine the frequency of client contacts and the basis for the definition of the most appropriate measures for each group.

#### *Career Manager*

The Career Manager is the officer responsible for agreeing the integration pathway with each unemployed jobseeker, covering a range of activities: follow-up; monitoring the clients' timely integration into sustainable jobs and active employment measures; managing and validating online job vacancies assigned to clients; attracting additional job vacancies; and ensuring adequate treatment, at all stages, until each position is filled.

Among the duties of the Career Manager we highlight:

- management of the online registrations assigned to them and finalisation of registration when completed online by the unemployed jobseekers;
- validation of the automatic profiling performed by the system;
- validation of the PEP stages identified online by the unemployed jobseekers, or supporting the jobseekers in identifying those steps;
- agreement of the PEP with the unemployed jobseekers;
- ensuring integration in the interventions necessary to prepare referrals to the steps listed in the PEP, concluding referral and integration in these steps or redefining the PEP, where this is not feasible;
- monitoring the unemployed jobseeker's pathway to labour market integration.

#### **4.4.4. Improvement of the matching system**

Improvement of the matching system is gradually being achieved through the use of a non-automatic matching tool to replace the jobseeker pre-selection tool available in SIGAE (information and management of the employment area system).

The new tool adds to the current jobseeker pre-selection and suitable vacancies feature, providing opportunities for the use of information recorded in open fields, and by assigning different weighting to the relevant variables. The results obtained are sorted by relevance.

A history of the matching factors is saved in the system, providing the basis for further development of the matching system proposed for the second phase.

In the second phase of development, functionality based on the implementation of a non-linear matching algorithm will be adopted. This will incorporate configurable weighting factors to avoid the immediate exclusion of records (vacancies and CVs) that may not completely fulfil the predefined selection criteria but which are not completely unsuitable. This will enable results ordered by decreasing degree of adequacy to be displayed, filtered on the basis of a minimum threshold of relevance as defined by the user.

Ultimately, the automatic matching system will fully replace the matching methods currently used, and this is expected to contribute to greater consistency and objectivity in the application of pre-selection criteria.

#### **4.4.5. Lessons learned**

The initiative is still in the early stages, so the results cannot yet be evaluated.

#### **Web link**

<http://www.iefp.pt/emprego/>



## 5. Tackling unemployment through skills adjustment (case studies Section 4.6)

### 5.1. Japan: Hello Work

#### 5.1.1. Institutional set up and context

Hello Work is the familiar name given to the public employment security offices by the Japanese Ministry of Labour (now the Ministry of Health, Labour and Welfare, MHLW) in 1990. They are local offices of the MHLW controlled by the ministry through the 47 labour departments at prefecture level. There are a total of 545 Hello Work offices (437 main offices, 95 branch offices and 13 annexes) and the network had 11 589 employees at the end of 2012.

Hello Work provides support to all active jobseekers (including young people who have worked mostly in part-time jobs, people with disabilities, single mothers, those in welfare programmes and the elderly) and employers. It has three main objectives: employment referral service; employment insurance and support system for jobseekers; and employment measures (including some for enterprises relating to employment issues). Hello Work is the one-stop centre on employment for all jobseekers and employers.

Internal organisation of Hello Work: example of a medium-size establishment:

(a) Career Counselling Department: tasks related to employment referral and career counselling.

(b) Employment Insurance Department:

- employment insurance-related tasks;
- approval and disbursement tasks: deciding who is qualified to receive employment insurance, certifying unemployment, disbursing payments, seeking the return of funds disbursed to unqualified recipients, payment approval;
- application-related tasks: tasks and procedures for businesses eligible to enrol in employment insurance programmes, as well as tasks for obtaining or discontinuing credentials of insured parties.

(c) Business Department

- job opening-related tasks: such as accepting job openings from employers and seeking new job openings by visiting enterprises;
- tasks related to providing guidance to business owners;
- tasks related to providing incentive schemes for employers.

(d) Specialised Aid Department

- tasks such as employment referral, career guidance, accepting employment applications, accepting job openings, developing new job openings and providing guidance to business owners, for jobseekers in need of specialised aid such as new graduates, those with disabilities.

(e) General Affairs Section

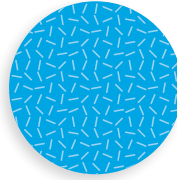
- internal administration including accounting and other business.

The inflow of jobseekers (approximately 7.21 million new applications) equals the number of new job openings (approximately 7.23 million) with a resulting placement rate of 27.1 %.

#### 5.1.2. Policy and main objectives

The Hello Work objectives are 'to enable all to work to their full abilities', 'to satisfy the labour demand of employers' and 'to contribute to economic growth'.

These objectives are approached via a three-pronged policy of employment referral service, employment insurance and any other measures (such as the Employment adjustment subsidy programme). This triad forms the backbone of labour market management in Japan and must be effective in providing employment referral services to jobseekers in tandem with guidance and support to industries. Hello Work has a comprehensive remit, providing employment referral services while also implementing employment measures (including guidance and support for business owners), making it the lead player in providing an employment safety net.



Hello Work offices are responsible for the following services:

#### *Employment referral service*

Employment referral services; job counselling for jobseekers; and development of employment opportunities (including cultivating job vacancies by visiting enterprises).

#### *Employment insurance and (economic and skills-upgrading) support system for jobseekers*

Certifying unemployment (for insurance disbursements); disbursements; seeking the return of funds disbursed to unqualified recipients; payment approval and other measures; issue direction of vocation training attendance; and procedures regarding support system for jobseekers including payment of vocational training allowance.

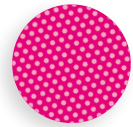
#### *Employment measures*

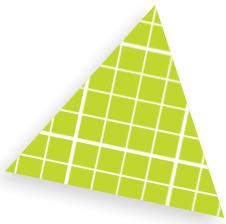
Employment adjustment subsidy programme; guidance for achieving target employment rates by persons with disabilities; guidance for revising working hours for working mothers; support and guidance for maintaining housing and livelihood support for those seeking employment.

#### **5.1.3. Main methodology used to assess future skill needs or matching problems and key process**

Hello Work plays an important role in the skills-upgrading of jobseekers. Article 22 of the Employment Security Law states that 'Public Employment Security Offices have a responsibility to provide career guidance to those who have physical or mental disorders, those who wish to begin working, and those who need special guidance on job engagements.'

A jobseeker arriving at Hello Work is given counselling before being told which counter to attend. Hello Work has special counters for people with disabilities, elderly people and new graduates, and there are specialised Hello Work services for young people (job café) and for mothers (mothers' Hello Work). Any person covered by employment insurance must register with Hello Work as a jobseeker before they can access benefits from the insurance system.





Jobseekers in the employment referral service have access to job counselling and other support services such as a career and skills inventory (including the job card system described below).

Standard six-month vocational training or short three-month courses may be offered. These training programmes are designed specifically for unemployed workers covered by employment insurance to acquire practical skills, technical expertise and the relevant knowledge needed for rapid entry into new work. The courses are provided by the semi-governmental Japanese Organisation for Employment of the Elderly, Persons with Disabilities and jobseekers' polytechnic centres (human resources development promotion centres, one centre per prefecture) or by training centres overseen by local government. The training courses are designed to meet local employment needs.

While consulting for a job placement in Hello Work, the director of Public Employment Security Office (Hello Work) can issue direction of vocational training attendance to a jobseeker if necessary. Jobseekers continue to receive unemployment benefit until their training course is complete, even if the entitlement to unemployment benefit expires during the training period.

The rising number of non-regular workers and long-term unemployed has prompted the launch of a support system for jobseekers, offering fast-track new employment for jobseekers fulfilling specific requirements<sup>23</sup>. The system aims to promote employment among those jobseekers, helping them to find stable employment and a livelihood by providing them with vocational training, subsidies for vocational training and other support in finding a job.

The job card is a comprehensive personal file including several items of information: job experience; educational background and training experience; licenses and qualifications; (iv) career history; (v) evaluation sheet (written evaluation by employer or training centre for those who have completed the vocational capacity development program); and (vi) summary. The information is recorded by a career counsellor during the career consulting process at Hello Work.

#### 5.1.4. Lessons learned

The combination of the employment referral service, vocational training and career counselling is intended to form a multiple approach to finding jobs and upgrading skills for jobseekers. The job card system is a particularly effective and integrated tool. The Government of Japan has set a target of 1 million job card holders by March 2013 and 3 million by March 2020. The number of job card holders stood at 776 000 at the end of October 2012.

Given the severe labour market conditions for young jobseekers, it is remarkable that Hello Work has initiated several support measures for newly-graduated jobseekers.

To secure smooth and effective functioning for the Hello Work system, close relationships must be built and mutual trust deepened among stakeholders (Hello Work, training institutions, jobseekers and employers). It is crucial that the training courses offered respond immediately to current job market demands and this is heavily dependent on close consultation among stakeholders at prefecture level, especially in efforts to understand employer demands. Continual evaluation will be needed to assess whether the training courses offered are truly valuable in establishing the employability of jobseekers.

<sup>23</sup>Jobseekers not eligible for unemployment benefits provided by employment insurance and who are recognised by the director of the Public Employment Security Office (Hello Work) as requiring vocational training or other forms of support in finding a job.

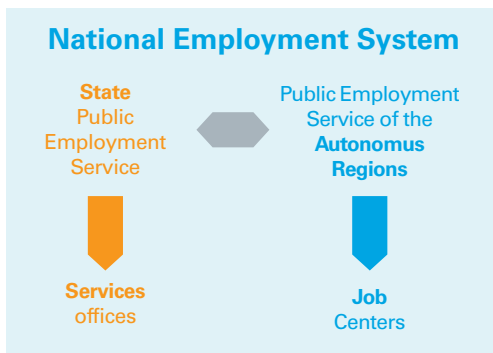


## 5.2. Spain (Catalonia): adapting vocational education and training offers to labour market needs

### 5.2.1. Institutional set up and context

Figure 13 shows how employment services in Spain are partly devolved to the autonomous regions.

**Figure 13: Devolution of employment services – Spain**



**Source:** <http://www.sepe.es>

Under this system, the Servei d'Ocupació de Catalunya (SOC) is an autonomous and administrative organisation established under the auspices of the Ministry of Labour.

The SOC frame of reference is the European Employment Strategy and the national employment plans, and its tasks include:

- offering services to all jobseekers (working or unemployed);
- ensuring equality of labour opportunities for all;
- promoting enterprising spirit and offering support to small and medium companies;
- promoting dialogue and commitment between the public and private sectors;

- achieving a high level of employment, through the promotion and creation of jobs.

SOC operational employment services are performed in local work offices throughout the region. In addition, the SOC manages a network of eight innovation and occupation training centres (CIFO).

### 5.2.2. Policy and main objectives (defining the main challenges and primary questions to be addressed by the approach)

One of the issues of greatest interest to the SOC, and to which they are most committed, is achieving a better match between VET and sector skill needs through the design of educational and training programmes better adapted to employer needs.

This approach is essential in view of the current employment situation in Spain and Catalonia, where a large share of the population is out of work. Training providers need exact information on the competencies currently in demand with companies and their future recruitment expectations to use this knowledge to adapt the content and delivery methods of VET courses.

The main purpose of this initiative is, therefore, to ensure that VET provision is better tailored to the needs of the regional and local economy.

### 5.2.3. Main methodology or combination of methodologies used to assess future skill needs or matching problems

The initiative aims to improve vocational education and training provision through a methodology that distributes funding for VET among CIFO centres via a tendering process. The training offers are prioritised according to a set of criteria developed from qualitative and quantitative analysis of sector structure and the competence needs of regional industry. The tool is basically a VET map, matching VET offer to the sectors that provide the highest level of recruitment and employment, coupled with a survey of workers' skills needed by employers.



#### 5.2.4. Key processes and instruments adopted and how these are used to establish key messages, recommendations and actions

The methodology has a number of components including:

- creation of smaller 'territorial units' within the 42 counties of Catalonia defined according to information on learner mobility;
  - involvement of all sectors and fields (26) and creating 'territorial units' where the diversity of VET knowledge fields is guaranteed;
  - a unique tendering process worth EUR 40 million: certain educational fields are allocated larger budgets to match labour market needs, meaning that applications for programmes concerning subjects in demand on the labour market have greater chances of being awarded financing;
  - involvement of different education levels to adapt entrance requirements to the expected supply of potential entrants to a course, avoiding over-financing of education programmes with few potential students;
  - countering the shortage of VET provision in demanded fields by timely dissemination (four months prior to the start of the tendering process) of the results of company surveys among education institutions so they can adapt their offer to labour market requirements.
- (d) separate evaluation is performed for each county and economic sector incorporating:
    - social security affiliation studies;
    - hiring data;
    - retirement forecasts;
  - (e) quantitative prioritisation of VET fields or county: VET fields are ranked as high priority, medium priority, normal priority, or non-priority;
  - (f) employer survey on skill needs analysis: analysis of skills and qualification requirements for staff and job offers in Catalan companies;
  - (g) territorial VET needs study: sector and territorial reports relevant for employment, such as territorial studies, Cedefop forecasting reports and sector diagnostics, are gathered and studied. This phase contributes to the identification of globally and locally required skills and qualifications in each sector;
  - (h) qualitative prioritisation: VET field or county;
  - (i) technical adjustments: limiting the supply of high-level qualifications in counties with too few potential employees in the sector; and eliminating old qualifications that have been replaced by new ones.

#### Detection of labour market needs

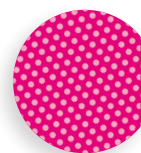
The steps for the detection of labour market needs are:

- (a) VET offer analysis 2011, considering both initial vocational training offered by the Education Department and vocational training offered by the SOC;
- (b) translating VET to economic sectors: 26 professional families of the national catalogue of professional qualifications to NACE codes;
- (c) VET Map: analyses VET supply and to what extent this fits with the labour market situation and evolution. The analysis focuses on the supply of vocational training in Catalonia and its relevance to the structure and recent labour market progress;

#### Tendering process

Figure 14 illustrates the tendering process and shows how the budget is first divided by county, according to the level of unemployment, before being further divided according to the VET subjects prioritised in the previous phase. Then the tendering process is initiated, resulting in the final allocation of a budget to VET centres. Each application for grants is scored on:

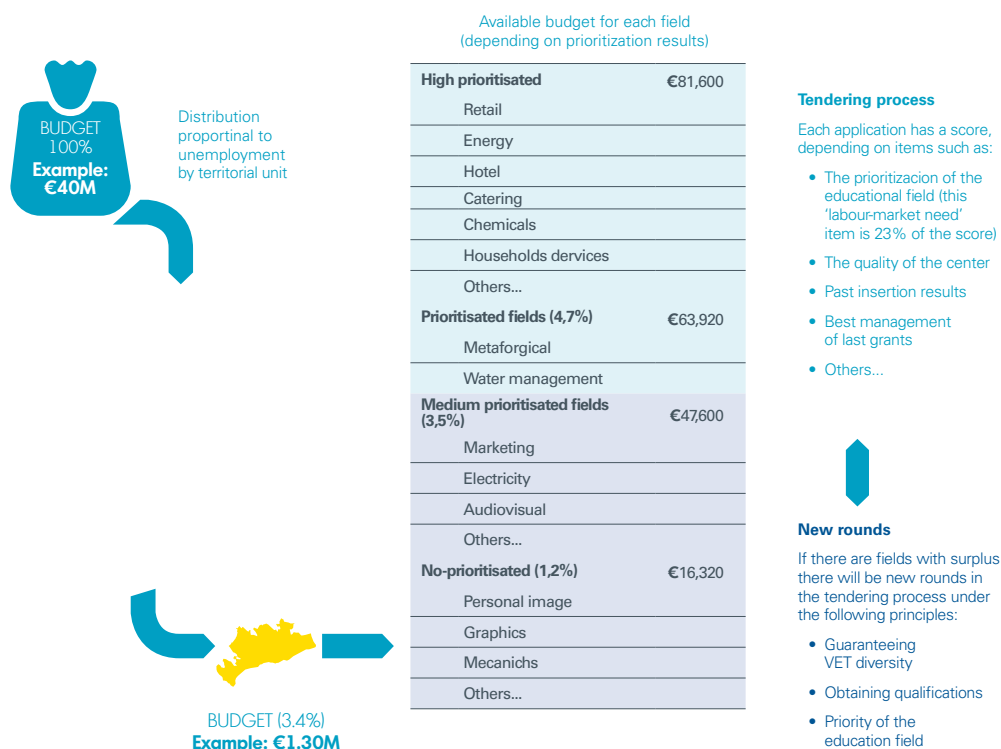
- prioritisation of the education field ('labour market need' accounting for 23% of the score);
- centre quality;
- past insertion outcomes;
- value for money as shown by ability to manage earlier grants to good effect.



If the allocation for specific fields in specific counties is not taken up in the first round, new rounds of tendering will be initiated.

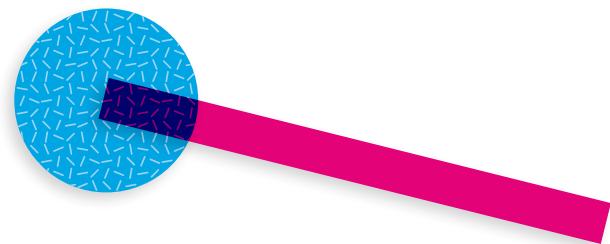
**Figure 14: Tendering process – Spain**

### TURNING IDENTIFYED MARKET NEEDS INTO AVAILABLE BUDGET AND SCORING



Source: SOC (2012).





#### 5.2.5. How this method or approach complements others in the overall national skills matching and anticipation system

The ANTICIPA national initiative has been launched to analyse future demand for qualifications and plan for education and training needs. It is a joint project of the national PES (SEPE) and the Tripartite Foundation (FTFE) with the support of the Centro de Estudios Tomillo and the University of Alcalá de Henares.

The project is specifically intended to provide early detection of those jobs with the greatest growth potential, defined according to market demand and training needs at the level of disaggregation in terms of 3-digit NACE codes for industry and 4-digit ISCO codes for other occupations. Two administrative databases have been linked to provide data for the process: job contracts signed from 2005 to 2011; and the continuous sample of working lives 2005-11 (which provides data on the social security affiliation history of a representative sample of the Spanish population).

Statistical modelling of this merged database will be combined with qualitative prospective techniques (DELPHI) to provide dynamic analysis of the main future job profiles required in the Spanish labour market by 2015 and 2020.

When fully developed, the ANTICIPA system will provide information about likely future skill needs, while the Catalanian approach will address local level adaptation of VET provision in what would appear to be a balanced and complementary manner.

#### 5.2.6. Lessons learned

SOC are working to extend this analysis through the application of qualitative methods, to bridge data gaps and improve the outcomes of quantitative forecasting.

They intend to achieve this by performing qualitative interviews with leaders of the vocational training councils of Catalonia (which are organised at territorial level), incorporating their knowledge into the analysis.

#### References

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SOC (2012). Adapting vocational education and training (VET) offer to labour market needs in a unique VET tendering process in Catalonia. Poster for the annual meeting 2012 of the European network on regional labour market monitoring (EN RLMM): skills monitoring in European regions and localities, Krakow 12 October 2012. [http://www.regionallabourmarketmonitoring.net/rlmm-pdf/ENRLMM2012\\_Posters.pdf](http://www.regionallabourmarketmonitoring.net/rlmm-pdf/ENRLMM2012_Posters.pdf) [accessed February 2013].

#### Web links

Correspondence with Inés Sancha Gonzalo, Unidad de Evaluación, Ordenación y Acreditación de la Formación, Fundación Tripartita para la Formación en el Empleo, [www.fundaciontripartita.org](http://www.fundaciontripartita.org)

SOC website: [http://www.oficinadetreball.cat/socweb/export/sites/default/socweb\\_en/web\\_institucional/soc/index.html](http://www.oficinadetreball.cat/socweb/export/sites/default/socweb_en/web_institucional/soc/index.html) [accessed February 2013].

# ACRONYMS

<b>ALMP</b>	Active labour market policy
<b>AMS</b>	Austrian public employment service
<b>ANPE</b>	National employment agency of Benin
<b>BAFW</b>	Building Australia's future workforce
<b>BDV</b>	Federal association of all of the Austrian social enterprises [Bundesdachverband für soziale Unternehmen]
<b>Cedefop</b>	European Centre for the Development of Vocational Training
<b>CEN</b>	China employment network
<b>CIETT</b>	International Confederation of Private Employment Agencies
<b>CIFO</b>	Innovation and occupation training centres
<b>CV</b>	Curriculum vitae
<b>ESS</b>	Employment service of Slovenia
<b>EFE</b>	Education for employment
<b>ENPI</b>	European neighbourhood and partnership instrument
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>EURES</b>	European Employment Services
<b>FTFE</b>	Spanish tripartite foundation
<b>GBP</b>	Non-profit employment association [Gemeinnützige Beschäftigungsgesellschaften]
<b>HE</b>	Higher education
<b>HR</b>	Human resources
<b>HoPES</b>	European network of Heads of Public Employment Services
<b>IEFP</b>	Institute of Employment and Vocational Training
<b>ICT</b>	Information and communications technology

<b>ILO</b>	International Labour Organization
<b>ISCO</b>	International standard classification of occupations
<b>ISIC</b>	International standard industrial classification of all economic activities
<b>IT</b>	Information technology
<b>JSA</b>	Job services Australia
<b>KEIS</b>	Korean Employment and Information Service
<b>KILM</b>	Key indicators of the labour market
<b>LDCs</b>	Least developed countries
<b>LMI</b>	Labour market information
<b>LMIS</b>	Labour market information system
<b>MHLW</b>	Japanese Ministry of Health, Labour and Welfare
<b>MLSS</b>	Turkish Ministry of Labour and Social Security
<b>MRS</b>	Job simulation [Méthode de recrutement par simulation]
<b>MSME</b>	Micro, small and medium enterprises
<b>NACE</b>	Statistical classification of economic activities in the European Community
<b>NAICS</b>	North American industry classification system
<b>NCO</b>	National classification of occupations of Colombia
<b>NEA</b>	National Employment Agency of Moldova
<b>NEET</b>	Not in employment, education or training
<b>NESA</b>	National Employment Services Association
<b>NGOs</b>	Non-governmental organisations
<b>OBD</b>	Outbound dialler
<b>OECD</b>	Organisation for Economic Cooperation and Development

<b>PARES</b>	Partnership between employment services
<b>PEP</b>	Personal employment plan
<b>PES</b>	Public employment service
<b>PrEA</b>	Private employment agency
<b>SAWP</b>	Seasonal agricultural worker programme
<b>SENA</b>	Colombian National Service for Apprenticeships
<b>SEPE</b>	Spanish national PES
<b>SIGAE</b>	Information and management of the employment area system
<b>SNE</b>	Mexican PES [Servicio Nacional de Empleo]
<b>SÖB</b>	Socioeconomic enterprises [Sozialökonomischer Betrieb]
<b>SOC</b>	Employment service of Catalonia [Servei d'Ocupació de Catalunya]
<b>STEM</b>	Science, technology, engineering and mathematics
<b>TDC</b>	Transition and developing countries
<b>TEPAV</b>	Turkish Economy Policies Research Foundation
<b>TFWP</b>	Temporary foreign worker programme
<b>TFWs</b>	Temporary foreign workers
<b>TOBB</b>	Turkish Chamber of Trade and Commodity Exchange
<b>TVET</b>	Technical and vocational education and training
<b>UWV</b>	Dutch PES [Uitvoeringsinstituut Werknemersverzekeringen]
<b>VDAB</b>	Belgian Flemish PES [Vlaamse Dienst voor Beroepsopleiding en Arbeidsbemiddeling]
<b>VET</b>	Vocational education and training
<b>WAPES</b>	World Association of Public Employment Services

# KEY TECHNICAL TERMS

<b>Anticipation</b>	Denotes various qualitative and quantitative methods aimed at identifying future skill needs. This guide considers only short- to medium-term anticipation, while long-term anticipation, using forecasting or foresight methodologies (usually for more than five years), is covered by Volume 2.
<b>Competence</b>	The proven or demonstrated individual capacity to use know-how, skills, qualifications or knowledge in order to meet usual and changing occupation situations and requirements (UNESCO).
<b>Employability</b>	Refers to the combination of factors which enable individuals to progress towards or get into employment, to stay in employment and to progress during career (Cedefop, 2008). It includes portable competencies and qualifications that increase an individual's capacity to make use of the education and training opportunities available to secure and retain decent work, to progress within the enterprise and between jobs, and to cope with changing technology and labour market conditions (ILO, 2004).
<b>Employment service provider</b>	This guide refers to employment service providers in terms of public and private employment services whose main task is to aid job matching.
<b>Forecasting</b>	Quantitative forecasts produce information on quantitative aspects of future labour markets through statistical projections, econometric models or similar methods. Quantitative forecasts use data about the present and past to estimate future developments (Andersen et al., 2010). Forecasts may include alternative quantified scenarios based on various assumptions. (See Volume 2).
<b>Foresight studies</b>	Foresight studies are typically multi-disciplinary, mostly qualitative approaches. These are systematic future intelligence gathering and medium- to long-term vision building processes that aim to identify opportunities and areas of vulnerability in order to assist present-day decision making. The key feature of foresights is their action orientation. Foresights may assume alternative futures in the form of scenarios. (See Volume 2).
<b>Job</b>	A set of tasks and duties performed, or meant to be performed, by one person, including for an employer or in self-employment (ILO, 2012).
<b>Labour market information</b>	Any information concerning the size and composition of the labour market or any part of the labour market, the way it or any part of it functions, its problems, the opportunities which may be available to it, and the employment-related intentions or aspirations of those who are part of it (Mangozho, 2003). (See Volume 1).
<b>Labour market information system (LMIS)</b>	A labour market information system consists of a set of institutional arrangements, procedures and mechanisms that are designed to produce labour market information (ILO, 1996). (See Volume 1).
<b>Matching</b>	Matching denotes approaches and actions that aim to increase the employability of the workforce and reduce skills shortages, including filling jobs with qualified jobseekers. This term is broader than job referral or placement.
<b>Mismatch</b>	An encompassing term referring to different types of skill gaps and imbalances such as over-education, under-education, over-qualification, under-qualification, over-skilling, skills shortages and surpluses, skills obsolescence and so forth. Skills mismatch can be both qualitative and quantitative, referring both to situations where a person does not meet the job requirements and where there is a shortage or surplus of persons with a specific skill. Skills mismatch can be identified at the individual, employer, sector or economy Level (Andersen et al., 2010).

<b>Occupation</b>	An occupation is defined as a set of jobs whose main tasks and duties are characterised by a high degree of similarity. A person may be associated with an occupation through the main job currently held, a second job or a job previously held (ILO, 2012).
<b>Private Employment Agencies (PrEA)</b>	Any natural or legal person, independent of the public authorities, which provides one or more labour market services such as job brokering, counselling services or any other assistance to job searching. This term includes temporary work agencies as per the definition below (ILO, 2007).
<b>Profiling</b>	An assessment of the employability of jobseekers performed by PES counsellors, often using IT and dedicated statistical tools. The rationale for profiling is to make labour market integration more effective by better targeting services and scarce resources. Profiling is frequently used to diagnose individual strengths and weaknesses as part of personal action planning in order to anticipate the risk of long-term unemployment. The overall purpose of profiling is to optimise the effectiveness and efficiency of PES services for jobseekers (Weber, 2011).
<b>Public Employment Service (PES)</b>	The core functions of public employment services include job search assistance and placement services; collection, analysis and dissemination of labour market information; development and implementation of targeted labour market programmes and services; the administration of unemployment insurance benefits, where applicable; and other regulatory services such as oversight of private employment agencies (ILO, 2009).
<b>Qualification</b>	A formal expression of the vocational or professional abilities of a worker which is recognised at international, national or sectoral levels. An official record (certificate, diploma) of achievement which recognises successful completion of education or training, or satisfactory performance in a test or examination.
<b>Skill</b>	A term often used with very different meanings. In this guide, skill is understood as being the ability to carry out a mental or manual activity, acquired through learning and practice, where skill is an overarching term which includes knowledge, competence and experience as well as the ability to apply these in order to complete tasks and solve work-related problems.
<b>Skill gap</b>	Used as a qualitative term to describe a situation in which the level of skills of the employee or a group of employees is lower than that required to perform the job adequately, or the type of skill does not match the job requirements (Cedefop, 2010).
<b>Skills Shortage</b>	Used in this guide as a quantitative term to describe a situation in which certain skills are short in supply, for example where the number of jobseekers with certain skills is insufficient to fill all available job vacancies.
<b>Temporary work agency</b>	A private or not-for-profit company that directly employs workers and hires them out to work in other enterprises under the supervision of the user (ILO).

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This guide is a part of the ETF, ILO and Cedefop series of guides on skills anticipation and matching. All the guides follow a common structure, although they vary in level of detail, technical content and case studies. The ETF, Cedefop and the ILO worked closely together to develop the guides, usually with one agency/organisation taking the lead and the others providing inputs, case studies, comments and reviews. All guides have undergone extensive validation and peer review; they were also discussed in detail in international expert seminars in which academic representatives, anticipation and matching experts, and potential end-users from across the world provided comments and feedback on content and usability. Experts and staff of the three organisations also peer reviewed the guides before their publication.

This volume covers the role of employment service providers in skills anticipation and matching and aims to support transition and developing countries in establishing and strengthening the role of these providers. It identifies outstanding initiatives and good practices from around the world, and gives insights into strategic choices and experimental practices that different countries have undertaken in their attempts to match skills supply with labour market demands. The examples provided make this publication a useful tool for labour market actors such as training providers, guidance and counselling officers, administrators and researchers. It is especially valuable for managers and professionals working in organisations that provide employment services.

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