European Centre for the Development of Vocational Training

International Labour Office
Bureau international du Travail
Oficina Internacional del Trabajo

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ETF Working together Learning for life

MATCHING SUPPLY AND DEMAND OF SKILLS ON THE LABOUR MARKETS IN TRANSITION AND DEVELOPMENT COUNTRIES

A practical guide for employment service providers on matching and anticipation of skills (Guide 8)

What, why and for whom

- **What:** the role of employment service providers (public and private) in anticipation and matching

- **Why:** to provide its audience with practice relevant policy options and practical examples from case studies across the world

- **For whom:** Employment policy makers, managers and professionals providing employment services in transition and developing countries

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Core questions

- How can employment service providers in TDCs best contribute to improve the situation in the labour market with respect to matching and anticipation?

- What are the challenges they encounter in the labour markets (supply as well as demand side)?

- Which strategies can be adopted to deal with those challenges?

- Which specific initiatives may provide inspiration?

Content of the Guide

- Anticipation and matching: concepts, challenges and actors
- Challenges for employment services in matching and anticipation
- The role of employment service providers in matching

- **Guide to specific methodologies and their application**
  - Labour market information: the basis for improved anticipation and matching
  - Efficient employment services through partnership with employers
  - Anticipatory approaches
  - Preparing the youth for career choices and labour market entry
  - Innovative services for better matching and job referral
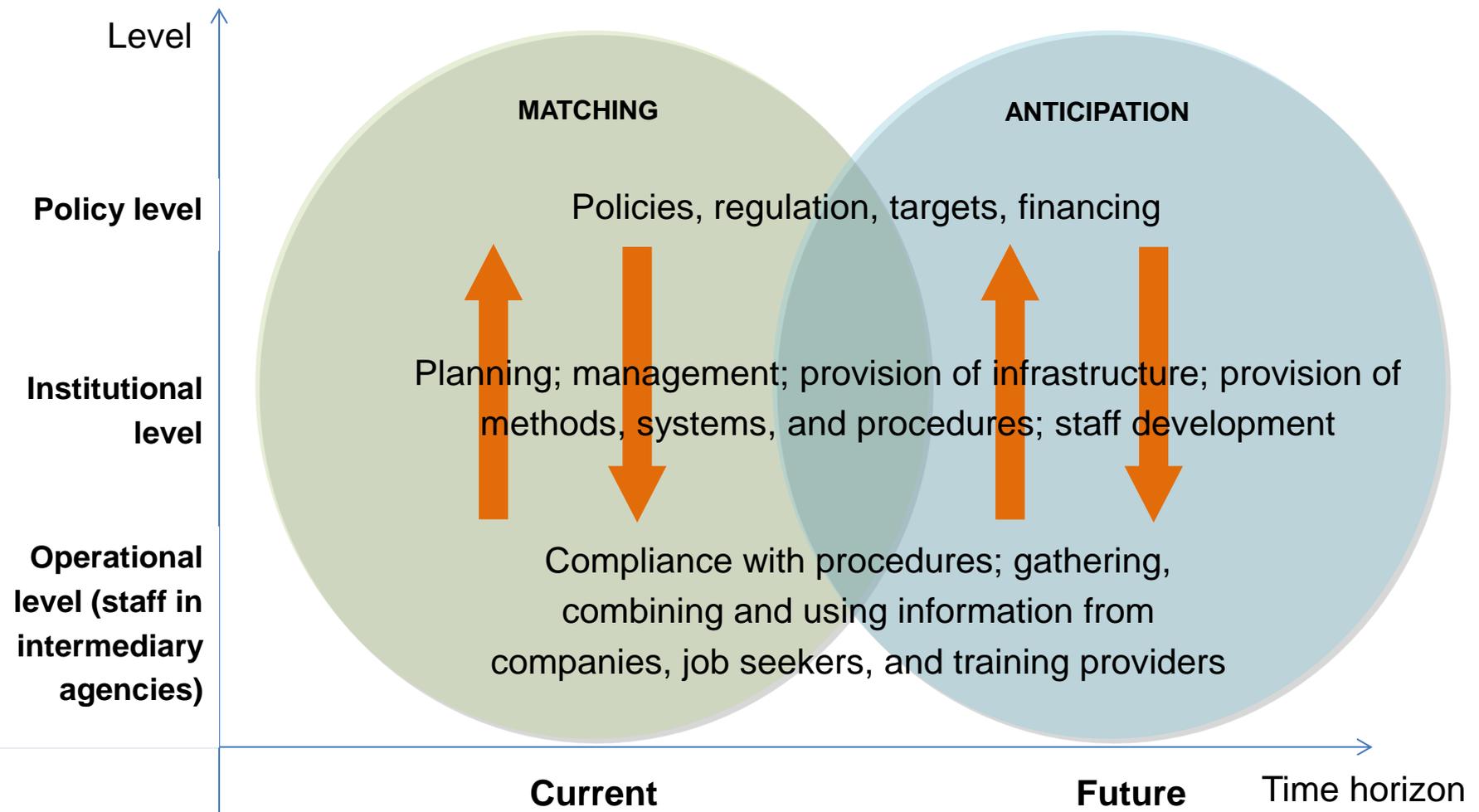 - Skills adjustment to avoid and reduce unemployment

- **Case studies: 14 exemplary approaches**

Matching as communication process: 3 actors, 6 expectations
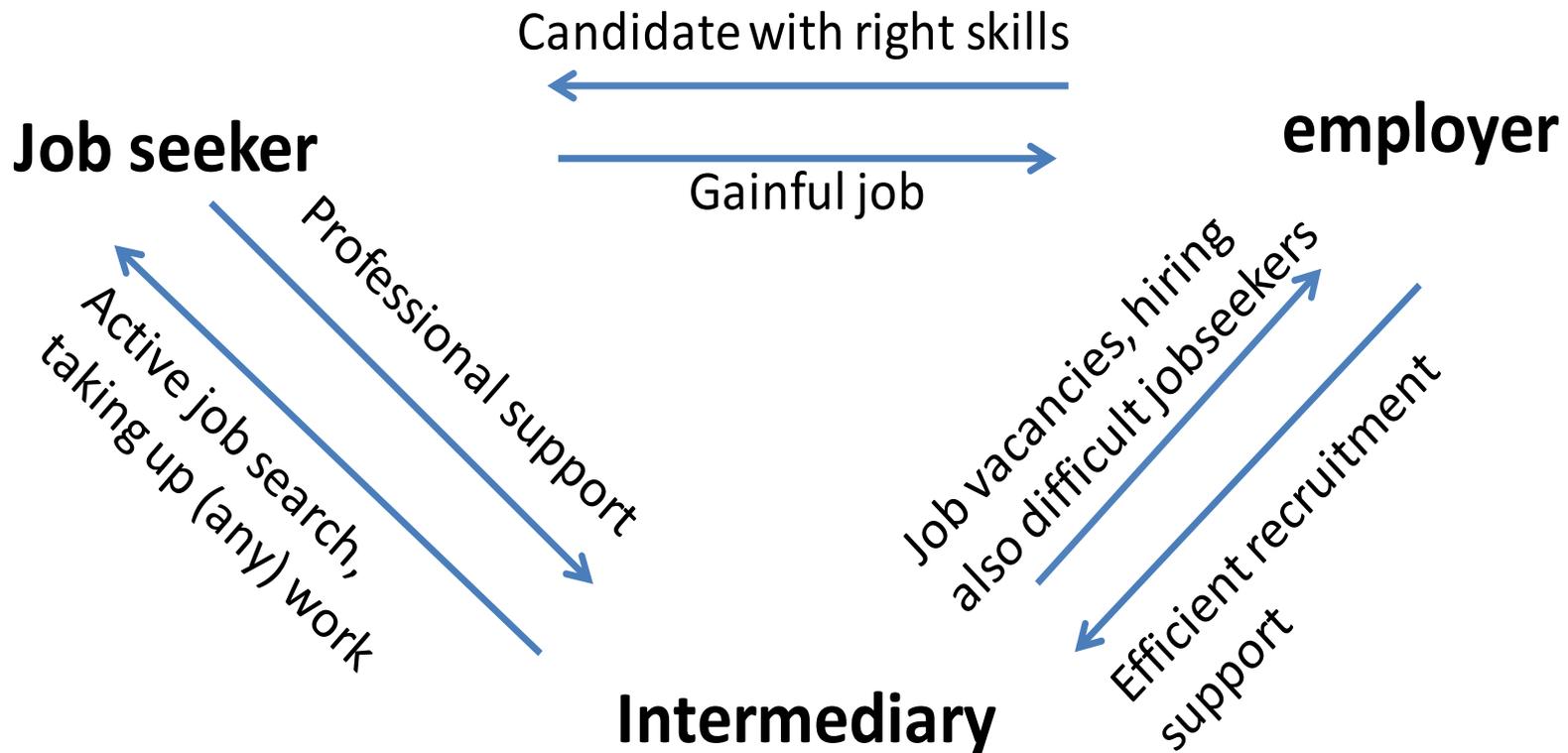
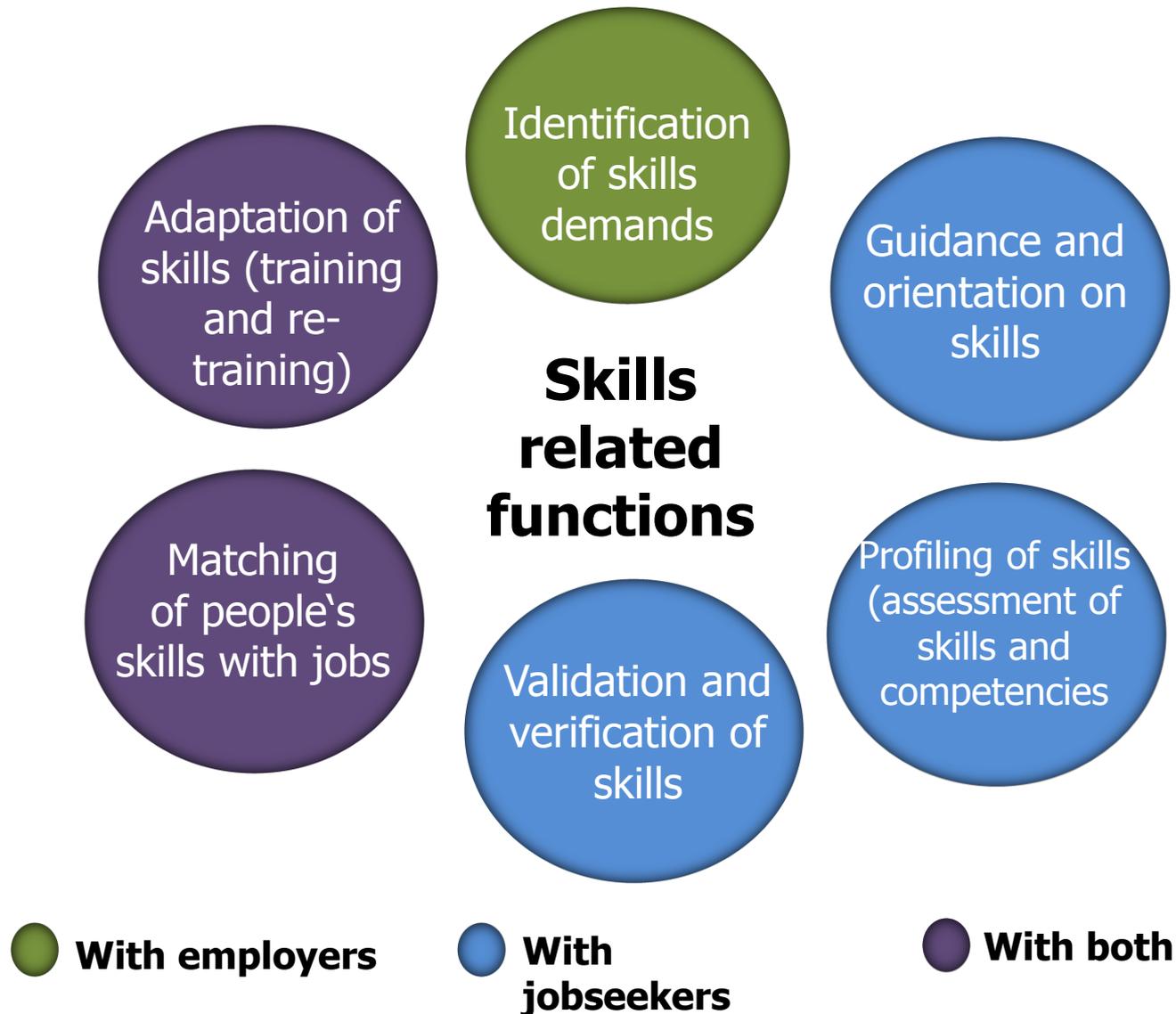# Matching and anticipation
– a systemic view

The challenges for employment services

- Difficulties adressing skill mismatches
    - Several types of mismatch in TDCs
    - Frequent under- as well as over-education
    - Employment services handle low shares of vacancies
    - Often little employment opportunities
    - High migration flows complicate the situation
- Limited access to relevant information and limited capacity to process information
    - Micro level data are often not used efficiently
    - Variable quality and timeliness of statistical data
- Challenges related to informal economy
    - Segments of the workforce are held back in a vulnerable position
    - Difficulties assessing the real available labour supply

Skills-related functions of PES at operational level

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Identification of skills demands

Adaptation of skills (training and re-training)

Guidance and orientation on skills

Skills related functions

Matching of people's skills with jobs

Profiling of skills (assessment of skills and competencies

Validation and verification of skills

🟢 **With employers**   🔵 **With jobseekers**   🟣 **With both**

The role of employment services in matching

- Different roles for PES, PrEA, and NGOs
- Partnership approaches are important – not one approach
  - PES can play the role of orchestrating the activities of other employment service providers
  - Subcontracting may be an approach to capacity limitations
  - International partnerships can improve the situation for mobile workers and workplaces recruiting from abroad
  - Partnerships with education/training providers to improve skills
- Career guidance and counselling services
- Recruitment services – important role for PrEA

Main section of the Guide: Specific methodologies

- Provision of LMI
- Partnership with employers
- Anticipatory approaches
- Preparing youth for career choices and labour market entry
- Innovative approaches to matching
- Skills adjustment to avoid and reduce unemployment

Approaches to labour market information

Lots of information about jobs and job seekers is under-utilised

- Analysing vacancies can improve information about demand for labour and skills
- Encouraging job seekers to register with PES can improve information about labour and skills supply

Approaches to partnership with employers

Partnerships with employers can improve the quality and timeliness of information and aid placements and training

- Identification of potential partners through:
  - Clustering different types of enterprises
  - Contacting associations, chambers or similar bodies
  - Identifying situations that provide occasions for contacting employers and develop routines for visits
- Organise the employment services according to sectors of the economy

PARES dialogue: Seven success factors for partnerships

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- The right partners – who each has a role to play in reaching the goal of the partnership
- Flexible partnerships – allowing for changing composition to meet changing needs
- Effective leadership rather than 'the top notch'
- Partnerships that work as real teams, involving everybody actively in decisions
- Governance structure corresponding to objectives (whose needs are most important to the partnership)
- Mutually beneficial interactions (all partners should benefit)
- Evidence based decision-making

(Adapted from Harvard Family Research Project, http://www.hfrp.org/evaluation/the-evaluation-exchange/issue-archive/complementary-learning/evaluating-partnerships-seven-success-factors)

- Addition: What is the rationale? Is it shared? If partners have different rationales, are they mutually compatible?

Anticipatory approaches

Preparedness for tomorrow's labour markets is essential

- Employer surveys can focus more on future (short-medium term) plans and needs
- National and supra-national sources may be better utilised

Approaches to preparing young peoples for the labour market

Focusing solely on the needs and aspirations of the young person will not give her a job

- Involve employers in counselling and guidance
- Meet the young people where they are
- Use social media

Innovative approaches to matching

Matching requires knowledge about the nature of supply and demand

- Profiling and categorisation enables targeting of offers
- Use LMI to improve self-matching
- Target LMI to job seekers' needs

Approaches to skills adjustment

Obsolete skills is a challenge everywhere

- Labour market training should target demands in the labour market
- Involve employers
- Partnerships with training institutions
- Policy level: Allocate budgets for training according to labour market relevance

Key messages

- As long as educational systems remain 'qualification factories' rather than equal partners in knowledge ecosystems, there is a role for employment services in skills adjustment
- Scope for better use of existing administrative data
- Knowledge obtained at "street bureaucrat" level should be fed back into policy design
- There is no such thing as a model employment service provider! Prioritisation of challenges and continuous improvement is called for
- Employment services to employers: PES may learn from PrEA
- Regular analysis of job vacancies can be used for LMI
- Guidance and counselling to focus more on demand for labour and skills
- Profiling of jobseekers may aid targeting of services
- Labour market training should focus more on workplace learning

Thank you for your attention

For any questions or comments:

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