



PES to PES Dialogue Conference:
Targeted services for employers
(Brussels, 11 – 12 March 2014)
Executive summary

Introduction

In 2012, the PES to PES Dialogue examined how PES organise and deploy services to employers, in the form of an [analytical paper](#), [Peer Review](#) and [follow-up study visit](#). Key conclusions from these activities have since been reinforced by the PES 2020 Strategy Paper, which calls on PES to place a greater emphasis on demand-oriented services in order to assist employers - especially small-and medium-sized enterprises (SMEs).

The Dialogue Conference on 'Targeted services for employers' responded directly to this call by aiming to find out how PES can effectively deliver recruitment services to SMEs compared to large companies. It also sought to examine new developments in service concepts and approaches vis-à-vis employers, particularly focusing on the impact of increasing digitalisation, the extent and value of PES-company agreements, and examining the role of corporate social responsibility (CSR) in developing employer relations.

Guiding question 1: What are the most effective service concepts and approaches when targeting large or small- and medium-sized enterprises?

PES tend to deliver recruitment services by informally prioritising certain types of employer, with further potential to develop SME strategies

PES generally offer a universal range of recruitment (and other) services to their employers, with limited use of formal service segmentation (exclusively targeted service provision) according to the type of employer. However, a number of PES prioritise services at particular types of employer in an informal way, particularly with the view to making the most of limited resources. In practice, this entails being pro-active in contacting and promoting services to employers with the greatest 'recruitment potential', which generally means large companies or well performing SMEs. It can also mean organising service delivery around key economic sectors, both at the national and regional/local level. This can include the formal identification of growth sectors, formation of teams of PES staff with specialist knowledge and collaboration with trade associations and other sectoral bodies.

An overall observation from the PES discussions is that only a few PES have a formal strategy for working with SMEs, including the smaller firms who have specific recruitment needs. This could become a critical issue if PES continue to see SMEs as an important customer and aim to reach out to more and more of these businesses despite limited resources. For the future therefore, PES may wish to consider a more strategic development of their SME service offer set within their own financial and organisational capabilities.

Service delivery for large companies often entails the identification and organisation around 'priority customers' at national level

For large companies, a notable PES approach is to firstly identify the firms with a large vacancy pool and/or the potential to recruit consistently over time; and secondly, to set up dedicated team/units or key account managers – sometimes with a sectoral specialisation – to focus on these firms at national level. The advantage of this approach is that it enables strong coordination across different branches of the company and territorial levels of the PES, as well as a dedicated personal contact to meet the needs of these 'priority firms'.

Regional and local customisation and business knowledge are fundamental for employer engagement, especially SMEs

Many PES have stressed the importance of tailoring their services according to the local and regional business landscape. This is especially important in terms of engaging SMEs that are naturally concentrated at this level. Firstly, such tailoring implies giving the local/regional PES the competence and autonomy to customise their service offer within national parameters. Secondly, it highlights the importance of developing the local business knowledge and networks of PES employment counsellors, so that they can really understand and cater for the needs of their customers. This goes as far as anticipating *future* needs in terms of the emerging business areas and growth sectors for the business community.

Small firms have specific recruitment needs that to be addressed

It is important to avoid seeing SMEs as a generic employer group. In fact, it is the enterprises of 50 employees or less that need most support in the recruitment process because they typically lack resources, and legal and human resource departments. These shortcomings mean that PES tend to intervene in the earlier stages of the recruitment process, for instance, by formulating the job advert, pre-selecting candidates or providing advisory services on recruitment *as a legal process*. They can also use this as an opportunity to push for the recruitment of disadvantaged jobseekers by providing information on active labour market policies (ALMPs) and placement follow-up support.

Guiding question 2: How can PES determine the optimum combination of online and face-to-face channels for service delivery?

The ideal scenario is where PES use a *range* of channels that are appropriate to the employer and their specific needs, but also adapted to the stage in the recruitment process as some PES can have preferred channels for certain stages (e.g. vacancy intake online). In practice, this often means making online channels universally available, complemented with varying degrees of face-to-face and other modes of interaction.

Budgetary constraints have pushed many PES to increase their share of digital services, for example, by making this the preferred or obligatory mode of delivery or linking financial incentives to digital take-up. Most PES however will complement digital services, whether by online helpdesks or telephone line.

Online channels and automated matching services are particularly effective for large companies

Aside from potential efficiency gains of digital provision, user-friendly PES online tools can in fact provide employers with an easy and efficient way to upload vacancies and search for CVs according to their required competences and qualifications. Such tools are especially useful for large companies who have greater numbers and/or more regular flows of vacancies to advertise. They also give these companies autonomy in the recruitment process, meaning that PES staff can focus their face-to-face contact on other (often smaller) employers. Key conditions for the successful use of online matching (and other) tools include quality assurance, especially of vacancy descriptions and CVs.

Special assistance can help smaller enterprises to enhance their use of online services

In SMEs, especially small firms, vacancies are of a more urgent nature. For PES, this means responding faster, more flexibly and more individually to SME enquiries and consequently phone channels and online 'self-filling' options can provide fast and effective channels. That said, it is important to give consideration to the IT literacy and access of the employer group. For example, additional facilities and support can be provided to employers in rural areas, and 'help buttons' and extra guidance can be included online. Some PES even offer services to standardise vacancy descriptions in order to facilitate the task and save time for the SME.

Face-to-face contact remains essential for all employers, with networking and outreach activities proving particularly successful in the case of SMEs

Face-to-face contact remains important for all employers. For PES, it adds value to automated online services and provides a communication channel which helps to build a trusting and sustainable relationship with the employer. Some PES even undertake regular surveying to ensure that their channel mix continuously responds to employers' changing needs.

A key challenge remains that SMEs do not naturally turn to the PES. To address this issue, many PES have channelled the face-to-face contact via wide-ranging outreach activities and networking with multiplier organisations. On the outreach side, several PES have been successful in organising awareness-raising campaigns and carrying out door-to-door company visits. However, resource wise, there is an understandable limit to the extent of individual face-to-face contact when dealing with large numbers of small businesses. This is where networking with multiplier organisations can prove particularly helpful. Several PES have, for instance, collaborated with small business federations, chambers or trade associations in order to tap into business networking events and place a PES specialist in a business association on a continuous basis. These and other initiatives have significantly enhanced the multiplier effect of the PES and opened the door to a much larger pool of SMEs, thereby maximising the use of finite resources.

Guiding question 3: What role can company agreements play to enhance PES relationships with employers, including CSR projects?

Formal and informal PES agreements are mainly used for large companies

Formal and informal agreements can be a useful way to establish a clear and focused basis for cooperation between the PES and large companies. They can cover intensive recruitment services, pre-selection services, provision of work experience, CSR engagements, advice on subsidies, on-the-job training positions, etc. This focus can be further reinforced if the agreement is linked to in-demand or niche jobs and/or specific target groups, which can help pave the way for the recruitment of disadvantaged groups. The key is to make the agreements specific and tailored in order to maximise the tangible benefits for both parties.

To reach SMEs, agreements with small business federations are an option

According to most PES, formal agreements are more difficult to establish and implement for smaller companies who tend to prefer more informal cooperation. A few PES have therefore successfully set up agreements with small business federations and alliances in order to take any (real or perceived) bureaucracy away from individual SMEs and tap into the intermediary's already established and trusted advisory role. Targeting priority sectors (with skills shortages and foreseeable recruitment needs) helps to sell such agreements (via trade associations, for example).

Another tip from PES cooperating with trade bodies is to keep the agreements short and succinct, include targets and milestones (to demonstrate progress over time) and name

a responsible person in both organisations (thereby reinforcing the principle of a 'single contact point' and giving a sense of ownership and buy-in for the agreement).

PES can capitalise on large employers' CSR strategies, whilst CSR is not always explicit in SMEs

CSR activities create societal value because they can promote the social and professional integration of hard-to-place jobseekers (long-term unemployed, young people with little or no qualifications, disabled, etc.). But they are an investment for a company and can be resource intensive, which implies that they need to add value to the business. PES that successfully engage with employers recognise this challenge, tend to dedicate specific staff time to these activities and take up the opportunity to inform companies about the targeted use of financial incentives.

For large companies, the role of PES can be more formal to prompt companies to engage in more CSR activities that they can support. In particular, PES can help employers to think about the benefits of a diverse workforce and what it offers to their business, as going beyond opposed to thinking of employing 'supported' groups to meet set targets.

SMEs are relevant candidates for CSR, however their CSR tends to be informal, ad-hoc and localised compared to their larger counterparts. In addition, it rarely occurs in a fully-fledged strategy that PES can engage with, as would be the case with bigger companies. Here, the PES response is more focused on ensuring it offers the right support when SMEs turn to PES for recruitment, placement or training activities that have a CSR angle.

PES have demonstrated a range of practical approaches and 'hooks' showing the potential of supporting employers in their CSR endeavours

All employers want CSR to be as simple and accessible as possible and several PES have shared useful ways to respond to this. Toolkits and other tailored resources can give employers the support and guidance they need to do more. A detailed explanation of the targeted use of financial incentives can also provide a 'hook' for PES to raise employers' awareness of the benefits of CSR and PES services in general. Labels and rewards also expose companies who exhibit best practice examples of CSR, which in return raises the profile of the PES.

Finally, it is important to recognise that PES are not always perceived by companies as the typical 'CSR partner'. It can therefore be useful for PES to collaborate with non-governmental organisations, social partners and intermediaries, in order to raise their profile in this area. The role of the EU in this context is interesting given the development of initiatives like CSR Europe, which allow large companies to showcase their CSR achievements beyond their own borders. PES therefore have the possibility to contact national partners of CSR Europe when seeking to engage large firms.

More information on the Dialogue Conference is available [here](#).