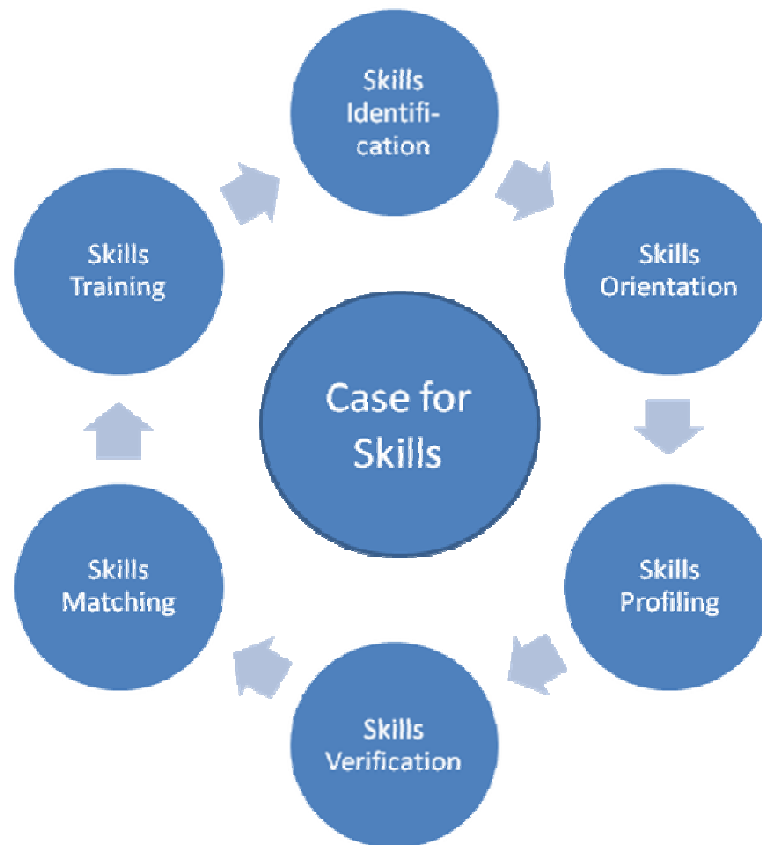


The Case for Skills

A Response to the Recommendations regarding the Future Role of Public Employment Services under the New Skills for New Jobs Agenda



September 2011

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In the discussions and work initiated by the Commission's Communication on "New Skills for New Jobs" various experts and institutions made recommendations for further action.¹ These were addressed to various Stakeholders including the Public Employment Services (PES). Indeed, some of these recommendations are specifically targeted at PES. This paper from the European Network of the Heads of Public Employment Services (HoPES) provides their response to these recommendations.

Each national PES of the Member States has its own unique characteristics which impact on the manner in which the skills agenda is implemented. The resources and the scope of activities of each PES differ, and this is reflected in their respective approaches to the skills agenda. Nevertheless, the challenges posed are similar and in the analysis below, these challenges have been categorised as short or long-term priorities or 'work in progress' based on the overall perceptions of the different PES.

The recommendations made in all of the relevant papers are clustered around important core PES functions. The analysis begins with a discussion on the 'case for skills' for the PES, which calls for a more general reorientation of PES services and functions. The first 'core function to be addressed is skills identification; as the primary source of labour market information (LMI) and in view of the fact that many of the other core functions of PES, such as skills matching and orientation are contingent on the availability of LMI, it is logical to begin with an analysis of the potential of PES to develop comprehensive and timely sources of LMI.

Finally, the importance being attached to the emergence of a European-wide demand for 'Green Skills' creates a great challenge for PES and, consequently, warrants the inclusion of a separate section in this paper.²

¹ The main sources to look at are the report of the High Level Expert Group on New Skills for New Jobs of the European Commission, titled "New Skills for New Jobs: Action Now"; further points are coming from the study of the Danish Technological Institute about Anticipation of skills needs among PES and the Commission Note on "Making Transitions Pay". The full list of recommendations and their sources are listed in Annex 1. This is of course a selection, but these are the sources where PES were explicitly mentioned.

² Due to the high visibility and importance attached to the discussion on Green Jobs and Skills the PES Working Group on New Skills for New Jobs were looking at the proceedings on the conference "Greening of the economy and its implication for PES" from the European Commission, the study on Green Jobs from the European Economic and Social Committee and the EPSCO-Council Conclusions on Green Jobs.



The structure of this paper is outlined in figure 1 above. The analysis begins with a general discussion of the ‘case for skills’ incorporating the recommendations emerging from the various reports which were carried out under the Commission’s ‘New Skills for New Jobs Agenda. The analysis focuses in particular on the implications of these recommendations for the future role of PES.

This general discussion is followed by a more detailed elaboration which considers the implications specifically in terms of the six main functions provided by PES, namely skills identification, skills orientation, skills profiling, skills verification, skills matching and skills training.

Under each function, the relevant recommendations are summarised, a (suggested) response from PES is proposed, the role of the stakeholders is discussed and the factors required for the success of the proposed response are outlined. The latter include actions which might be taken by the European Commission to facilitate and support the implementation of these proposals.

The case for skills

Summary of relevant recommendations

The traditional approach to skills acquisition has been based on the “linear” assumption – that most people go through the education system, enter into a job for life and finally retire. That assumption is being strongly challenged by an increasingly evolving labour market which requires workers to engage in a continuing skills acquisition process involving numerous transitions to different occupations and skills-sets.

This traditional approach has underpinned the importance attached to acquiring once-off formal qualifications. But as the labour market has become more volatile, greater interest has focused on non-formal and informal learning as methods of both developing and acknowledging skills and competences.

It is important to communicate the benefits of a skilled and adaptable workforce and skills utilization in the workplace and PES has a critical role to play in promoting the value of training and up-skilling.

Core competences such as career management skills are an essential element of any skills profile whilst it is crucial that all education and training cover key enabling competences. In case of unemployment, PES should ensure that their clients are equipped with the skills needed for reintegration and to move smoothly within labour markets. This view must be promoted and PES are well positioned to do this targeting key groups (e.g. non-learners).

Furthermore PES should incorporate individual action plans or employability development plans based on a given individuals skill set, with a special emphasis on PES assisting people to develop and transfer skills to enable them to commence self-employment. PES has a role to act as a labour market mediator/ “honest broker” in the labour market, and is considered to be in the best position to support the further development of employer collaboration networks, facilitating the sharing of information and good practices in skills use and development.

The role of PES

The slow and gradual recovery in Europe, which is simultaneously experiencing economic restructuring, is undoubtedly highlighting the importance of skills in achieving sustainable economic development and inclusive societies.

Even in times of high unemployment, there are mismatches on the labour market. PES are currently involved in discussions, communicating the role of skills in socio-economic development. The important factor is the channel of contacts, be it to job-seekers or to employers. It is important to develop both national and local channels to jobseekers and employers “making” the case for skills. The development of a common understanding and a common language of skills and competences, be they ‘hard; or ‘soft’ skills, in the worlds of education and work is a prerequisite for PES in making the case for skills. Making that case will only be successful if in the end a measurable outcome for both job-seekers – a job that fits their profile – and employers – a candidate that fits the demand of an open vacancy – can be achieved (Best Match).

One way forward in achieving this objective is through creating and entering into partnerships among and with various stakeholders. Such cooperation can provide the PES with insights on

how to balance the supply and demand for skills in increasingly complex local labour markets.

In the future, the tendency will be for PES interventions to focus on earlier and preventative actions. Depending on the extent of skilled shortages PES will consider extending their client base into the employed or the inactive (“hidden reserve”). Furthermore, PES will develop more specialized employers’ services.

All this is being done by taking into account the specific role of PES in the whole process of balancing skills supply and demand. Of course, the extent to which PES can directly determine either the demand or supply of skills is quite limited. But the PES can significantly enhance the efficiency of the transition from job-seeker to self-employment or employee status.

This is the role which the PES should focus on and to execute it effectively the PES will need to develop a more sustainable and successful skills assessment-/ profiling tools, enabling systematic follow-up to verify the profiling results.

PES could also serve as a referral point (First-Stop-Shop) for self-employment related services. It could, for example, offer mentoring or mediating services. There are many successful business men and women who are in retirement and who would be more than willing to offer their expertise and experience to aspiring entrepreneurs and the PES could provide a positive role in facilitating a transfer of knowledge and know-how.

Skills Identification

Summary of relevant recommendations

PES need to build up professional Labour Market Information Services (LMI), which must include tools to assess structural imbalance between skills supply and demand to enable an early diagnosis of skill gaps. They should also improve their capacity to anticipate future skill requirements (forecast capacity) using a mix of different methods at European and national level in a coordinated way, combining skill supply and demand forecasts with qualitative information on skills requirements.

Enhanced access to quality data and the analytical capacity to analyse this data are pre-requisites for the development of quality LMI. PES as the “natural” moderators of labour market monitors should develop public-private-partnerships to share innovative strategies for analyzing skill demands. PES, as potential contributors should be involved not only in the anticipation of skills needs, but also in the creation and dissemination of good practices. This will involve better production and use of Labour Market Information Systems, and include policy functions and ensuring the relevance of education and training offers, migration policies and activation measures. To further enhance the quality of data, qualitative instruments such as surveys among students, graduates and employers, and strategies to convince them to respond to surveys should also be developed. In considering demographics, there is a more urgent need to identify strengths and weaknesses in the skill profile of inactive groups. As well as sharing good practices on skills identification, the outcomes, and information on skills surplus and shortages should be shared across EU countries.

Suggested Actions at PES level

There are *two dimensions* to this topic: First and most importantly, PES have to monitor the current labour market situation, and make this information generally available, thus providing clients, partners and stakeholders with a clearer picture of the current labour market situation.

Utilise labour market information to enhance decision-making

Properly functioning labour market information (LMI) systems can be an effective platform for information, interaction and decision-making. That is an ongoing process, which still needs to be further developed, especially the cross-referencing of different labour market variables, ensuring good quality, and wide coverage of data. The use of other sources (administrative data like social security data) for skills identification will also have to be explored.

These kinds of mostly quantitative labour market information need to be complemented by qualitative information (e.g. employers’ surveys, etc) from sector organizations, employers, training institutions, etcetera to provide depth and comprehensiveness. In this context, augmenting the data with economic branch/sector analysis has considerable potential. Furthermore, new innovative technical solutions like for example Data Mining can be used to extract information about skills and competences on the Internet (e.g. in job-vacancies).

Utilise labour market information to forecast future skills needs

The second dimension is the capacity to anticipate the future of the labour market across varying time horizons. In times of budget restraints there is an increasing need to base, long-term education and training choices on evidence of how the labour market, and specifically the demand for certain qualifications, will evolve in the future. This evidence should include trends on emerging skills in addition to data on how the demand for existing skills will evolve.

The work of anticipation of future labour market development will be intensified in the majority of PES in the near future. PES is also intensifying the process of sharing good practices in monitoring and forecasting through mutual learning exercises. In this context, the recent workshop on 'best practice in skills needs anticipation systems' provided a very good example of how the PES can benefit from a pooling of information on how skills needs anticipation is carried out in the different Member States³.

Setting up or entering partnerships at national and European level are also a critical part of the infrastructure which needs to be developed around skills needs identification processes.

Role of stakeholders

PES data needs to be enriched with data from other sources both in terms of volume and quality. Every forecast, especially those covering a national perspective, has to be verified at regional level by companies and employers and sector organisations. The data sets available on the supply side (coming from the general education system), at the level of training providers, in employers or sector organisations and in regional authorities (e.g. Regional Development Agencies) have to be merged with PES data to create a more complete picture of the labour market.

National, regional or municipal administrations should engage in the exchange of administrative information to the maximum extent consistent with data protection legislation. Ideally, sector organisations and those authorities responsible for curricula or occupational standards should share their knowledge about changing trends and developments with PES.

All investments have a skills dimension and the PES therefore, should be involved in regional; and local economic planning decision.

The same is true for companies and employers organisations, even in cases, where there seems to be no necessity (e.g. ample supply of skilled labour) for considering the consequences of investment decisions for skills supply and demand. Decisions on relocation, out-sourcing and off-shoring can have a profound impact on a local labour market; if the PES has adequate advance notice of such decisions, they will be much better prepared to effectively manage the subsequent upheavals in the labour market which such decisions can give rise to.

Factors for Success

Job vacancies represent a potentially rich source of information on skills demand. Unfortunately, PES currently has only a limited access to the total vacancy market. Furthermore, the proportion of the market PES has access to is usually biased towards traditional industry occupations.

³ The proceedings of the conference, which took place in Brussels on January 25th and 26th are available from the Commission.

To develop a more comprehensive view of skills demand, it is essential that PES has access to other data sources, particularly sources of vacancies for professional and technical occupations and competences. It is also important that PES maintain good relations with local employers as these employers are an important source of intelligence on local skills demand.

A good monitoring and forecasting system has both a top-down and bottom-up approach. An overall assessment of the economy and trends in sectors and occupations on a national level has to be verified at local and regional level. For example, national quantitative and qualitative data on the development of skills and competences in a certain branch of the economy will have only limited use at regional level, if that economic branch is not represented in that region.

Therefore there is a strong need to establish local, national and EU-wide labour market monitoring systems in order to assess current and emerging skill-based employment opportunities. Without reliable sector and occupation LMI, any skills oriented monitoring and forecasting system will only have limited coverage and accuracy.

Skills Orientation

Summary of relevant recommendations

Firstly after skills have been identified the resulting information should be made widely available and labour market monitors established. This can be achieved through exploiting the full potential of digital media, both to link the existing sources and to make them available in targeted, user-friendly and accessible formats. To achieve this, high quality provision of career guidance by specialized services should be strengthened. Examples of these are development of career management skills and vocational orientation in schools, careers services at universities, career guidance for the employed to stimulate lifelong learning, as well as more general career guidance activities, e.g. as part of the work of employment advisors in PES.

The cooperation and coordinated service delivery of all career guidance providers should be enhanced. At the same time these guidance and counselling services should not only provide information, but also give motivational support for individuals and tackle stereotypes. Better support for SMEs should be provided through special counselling services to optimize skills utilization and by building up regional qualification infrastructures enabling them to pursue skill upgrading.

In addition to looking outward to external clients, it is equally important to stimulate awareness and increase the available knowledge base for PES staff. Usable products for front-line staff should be developed. The question remains whether the primary role and core services of PES need to be redefined. They may become transition agencies, where lifelong employment oriented guidance services and a focus on learning as well as career development are the main pillars of their service. In that case PES will no longer only intervene with the registered unemployed and provide single job to job matches, it will be necessary for a shift away from managing unemployment to managing careers taking into account different types of transitions.

Suggested Actions at PES level

The ongoing provision of guidance is becoming an increasingly important PES service. For this service to be effective, innovative, animated, easy-to-use and cross-referenced Labour Market Monitors are necessary, to both inform stakeholders at the various levels (national, regional, local) and assist jobseekers/ employers in evidence-based decision making. The visualization of labour market information for jobseekers, employers and PES-staff is an important development in facilitating the dissemination of easy to understand LMI.

Regarding the place of guidance in the overall PES design, structures and processes, many PES still have to decide whether to offer high quality career guidance through delivery of specialized services (e.g. development of career management skills and vocational orientation in schools, careers services at universities, career guidance for the employed to stimulate lifelong learning) at the same time as more general career guidance activities (e.g. as part of the work of employment advisors in PES). In this context, the debate will focus on whether there should be increased cooperation and coordinated service delivery from all career guidance providers or whether the PES should develop into an integrated guidance service provider, being both the holder and broker of labour market information and the provider of labour market centred services.

Another development is the increasing amount of self-services for clients of PES. Guidance is seen more and more as a sub-function of (re-)integrating people into the labour market, so that labour market oriented guidance is likely to become an increasingly more important service of PES, as it becomes regarded as a demand oriented service rather than a supply-focused process. PES is starting to provide anticipatory consulting regarding advanced training for employees and employers alike.

Role of stakeholders

In general, the provision of skills orientation is mainly education oriented - if an individual would like to enter into a specific occupation, the service informs the individual on what kind of training is necessary and where it can be done. Greater cooperation between stakeholders and increased transparency can enable a more efficient skills and career orientation service.

Furthermore, every guidance service for an informed occupational decision should not only cover the educational side, but it should also provide information on the likely labour market situation at the end of that training period.

There are advantages also in companies offering career guidance services to their employees while they are still in a secure employment situation. This would allow for identifying at-risk-groups, allow for continuous training in a stable and workplace oriented environment and increase productivity. Institutions of general education could also provide a platform for labour market actors to provide guidance services.

Factors for Success

A lot of work has to be done to make the wealth of data being described in the Skills Identification Cluster visual both for the counsellor providing guidance and the recipient. Data needs to be presented in a user and customer friendly way, to “bring the message across” towards people from different educational backgrounds.

In the context of the changing demographic situation, companies need to realise that to an increasing extent, they will have to count on the existing workforce to make the necessary adjustments to the company’s skills profile instead of “exchanging” outdated skills sets or adding state-of-the-art knowledge. This awareness is also necessary for employees to prompt them to make “career situation checks” a routine and to proactively plan their career with their employers.

The success of IT-based systems for self-services for clients depends on the capability of the systems to allow for easy-to-find and –understand analysis for a great variety of users.

Skills Profiling

Summary of relevant recommendations

In addition to its more traditional approach of assessing competencies which arise from formal qualifications, PES should develop and implement cost-efficient approaches to identify prior learning and practical experience. They should also improve the integration of existing tools by including enhanced self assessments tools – so to assist jobseekers in better analyzing their own skills – and to make qualifications, skills and competences visible.

Suggested Actions at PES level

Work is ongoing in regard to capturing and describing a jobseeker's full potential. With a growing trend towards bi-directional matching there needs to be an increasing focus on profiling vacancies. The possibility of achieving a good match between the employer's vacancy and the job-seeker's skills is strongly influenced by the quality of the data on vacancies. PES therefore needs to enter into a dialogue with employers so that they provide as precise a definition of their vacancies as possible. In this area, every opportunity should be used to work with employers associations, local chambers of commerce, etc. to promote this "message" and to work together in making progress.

Enlarging the profiling focus will be a future issue, as employers increasingly value soft-skills as mandatory pre-requisites for employment. It will be necessary to have a common understanding/ taxonomy on soft skills as a starting point. The future development of the economy will increasingly depend upon enhancing the skills of people already in the labour market and those having undertaken initial vocational training in the past rather than hiring young people entering the labour market. A different profiling focus will need to be found to respond to the challenge of the increasing demand for transferable skills. It is anticipated that linking profiling to individual action plans/ personalized service offer or re-integration strategies will be further strengthened. The issues which are still subject of debate include the questions of which client groups will undergo a detailed skills profiling process and to what extent this will be done by the individual itself (IT-based) or by general/ specialised PES staff.

Role of stakeholders

A lot of work and research has to be done in several areas such as self-assessment of skills and competences, easy to use testing methods both for hard and soft skills (e.g. motivation) to and target-related profiling methods (self-employment, re- or up-skilling decisions, etc.). Companies need to be encouraged to develop a different understanding of the use of skills requirements: Existing jobs and vacancies need to be described, not only in terms of occupations, but also in terms of soft and hard skills and competences. Employers should also develop a better understanding of relevant vs. additional skills, essential soft skills, workplace-action based competence descriptions, etc. For Human Resource Managers of companies it must become normal to capture skills and competence acquisition through informal and non-formal learning at the level of the workplace.

Factors for Success

Skills profiling cannot be seen as a stand-alone tool, it has to be an integrated part of a fully fledged reintegration process. It has to be understood not only as a process targeted at job-seekers, unemployed or employees, but also equally for vacancies. The same sophisticated approach with the same level of accuracy has to be developed on the demand side also. Although skills profiling has to take place both on the supply and demand side, the processes themselves and therefore the skills of the personnel doing the profiling on the supply and demand side will have to differ. Establishing a profile of job-seekers or talking to companies about the characteristics of vacancies asks for different forms of structured interviews.

Furthermore, profiling must include the appropriate balance between ‘soft’ and ‘hard’ skills. Otherwise there is a risk of increasing the level of mismatches and the systematically under-utilisation of the human capital of the workforce. The information on skills and competences gained through work-experience as well as informal learning will be a key factor in future profiling processes.

Skills Verification

Summary of relevant recommendations

In order to consider the two sides of skills profiling - external profiling by PES-staff and self-assessment, cost-efficient approaches to validate qualifications - skills and competences have to be developed. It will be necessary to create and adapt new assessment methods and tools to capture and reflect the complexity of hard and soft skills and competences of learners. As a first step, a greater level of awareness of recognition schemes and certification systems should be developed. Clear and transparent rules should be set for the recognition of degrees and qualifications, which better recognize migrants' skills and better tools should be developed to provide for individual self-assessment. Europe-wide indicators to measure levels of transversal key competences should be created, enabling quantitative targets to be set and the provision of metrics to monitor progress.

Suggested Actions at PES level

A future point of interest will be skills testing. PES are increasingly acting as a point of access for this validation process. As non-formal and informal qualifications increase in importance, the validation of skills and competences outside of the formal qualifications frameworks with diplomas and certificates will have to be addressed. The verification and classification of competences gained through work-experience will be especially important in the future work of PES. PES are starting to work with accredited training institutions to have certificates automatically recognized by employers to facilitate training investments. Work has commenced to verify the soft skills which are increasingly important to employers. There are ongoing questions as to the extent to which this verification procedure should be an in-house process or outsourced to external providers and how far self-assessment can be used – with the associated issue of the validation of the results – and what part of the process must remain within the remit of the PES staff.

A related question concerns the extent to which the mainstreamed process can be delivered by Placement Officers as opposed to specialized staff like psychologists. It is not yet clear whether a target-group specific approach is useful or not, although there is a tendency for more individualised approaches instead of profiling based on socio-economically defined target groups. Some PES are offering recognition services as part of a larger service for employers to assist recruitment. This cooperation with employers is also used to transform human resource management information from companies into information which is relevant to the labour market.

Role of stakeholders

Companies should be encouraged, and will benefit from validating skills and competences gained through the working context in such a way that they can be used for matching or as a basis for further qualification (re- or up-skilling). Training institutions have to outline and therefore certify what can be accepted as prior learning achievements for their training contents. To ensure quality, an accreditation process of training providers could be helpful. Those authorities responsible for recognising non-formal and informal learning achievements need to define to what extent these can be credited for achieving a first or a higher qualification. This might shorten training cycles and enable a targeted training programme;

with the use of The European Qualification Framework qualifications from job seekers from outside the EU may be assessed.

Factors for Success

Due to the increasing use of self-service instruments the gap between verified results coming from structured interviews by trained staff and unverified results of self-assessment processes is going to widen. If that gap cannot be narrowed, the quality of matching results based on self-assessed skills and competences could outweigh the advantages gained from self-service processes. Tools have to be developed in order to allow for quick and reliable verification processes of self-assessment -in particular for jobseekers preselected for employers.

The same is true for the validation of information on soft skills, especially if a sound investment decision (e.g. training or self-employment) depends on this information. The recognition at EU level of skills and competences coming from formal, informal or non-formal training through the European and national Qualification Framework could be very helpful particular in the context of a system of mutual recognition of such qualifications. Such 'exchangeability' of different qualifications could result in shorter training cycles and facilitate the upward qualification processes.

The recognition of skills and competences from non-EU-countries must be improved to a level that would allow for entry to the labour market or, if appropriate a quick up-skilling to the skills level required in the labour market of the Member State. Trans-European recognition of skills and competences can result in a better matching of job-seekers to vacancies for this client group and in avoiding the problems of over-qualification or under-qualification.

Skills Matching

Summary of relevant recommendations

In general, PES should focus more on the quality of transition as viewed from the perspective of the accumulation of competences, and consider the long term consequences of training and placement decisions as well as of job and life quality, instead of only considering the “simple” matching of labour supply with demand. PES should guarantee the individuals’ employability, adaptability and ownership of their movement into, within and out of labour markets. Internet- and skill-based matching tools in PES should be further developed. Focusing solely on occupations will no longer be sufficient. To facilitate this development, it is important to develop the available knowledge base into frequently usable products for front-line staff.

Suggested Actions at PES level

PES are working in the area of a skills and competences based matching process to complement qualification based matching. This includes an appreciation by the PES of the importance of including soft skills in the matching process. The self-matching capacity of the PES is currently being enhanced so that more resources can be devoted to enhancing the employability of difficult to place clients.

The extent to which automated matching can replace face-to-face interventions is still to be decided. But in both cases PES are trying to make sure that the process is integrated, and that a comprehensive analysis of the labour market, based on the available data, is available to the client.

It is still a matter of debate, if that platform should be a shared owned platform by public and private actors. These platforms act as Virtual Labour Markets where the maximum of vacancies is visible and available to allow for matching processes.

The matching process is a core function of PES, so the extent to which the market supports PES ownership of that process is critical. The market share or degree of market penetration is an important indicator of market support and PES are working on increasing its share. A high market share is necessary to allow for a suitable matching result (Best Match), and to ensure that the automated matching process is effective.

While a guarantee of a sustainable matching result is a desirable outcome and PES are working in that area, a note of caution is necessary. PES interventions, for example, in the area of re-skilling or up-skilling, have an average duration of only a few months, and their impact therefore is relatively modest when compared to the impact of an average of 10 years of general schooling and up to 3 years of initial vocational training.

This while the PES must do whatever it can to enhance the employability of its clients, it must be cognisant of the fact that these clients have already spent many years in the education system and that there is a limit to the extent to which the PES can radically alter their formation as human beings and labour market actors.

Role of stakeholders

In order to enable PES to have access to all vacancies, employers are invited to utilise the matching processes of the PES and/or to have common public private platform for vacancies. The PES should adopt a pro-active role in encouraging employers to avail of their matching service by demonstrating how effective that service is.

Factors for Success

If all stakeholders are linked together online (employers, employees, unemployed, PES staff) labour market information systems not only help to create market transparency on skills, they also raise placement efficiency, and increase the quality of vacancy information. As soft skills are gaining in importance, it is becoming necessary to develop ways of categorising those skills into single discreet competences. A comprehensive and detailed taxonomy covering both hard and soft skills is essential in order to allow for a competence based matching process. The quality of the matching is dependent on the level of detail being achieved in the profiling process both for job-seekers and vacancies.

As already mentioned, PES is keen to significantly increase the volume of vacancies it has access to. One way of encouraging employers to notify PES of their vacancies is to ensure that the job-seekers being proposed to employers by PES have the required level of quality in respect of *both* soft and hard skills.

Customer satisfaction has to be the core performance indicator for PES. As the majority of matching results in the future will be on a 'best matches' only basis, the quality of the service provided by PES to both employers and job-seekers will determine both the scope and effectiveness of the matching process. A good matching service will create a self-perpetuating dynamic; more employers will use the service and this in turn will shape the perception of job-seekers in respect of the level of access the PES provides to the jobs market in general. An efficient PES can make an effective contribution to balancing skills demand with skills supply across all economic sectors.

Skills Training

Summary of relevant recommendations

PES should extend partnerships beyond public and private employment services towards much broader links with other relevant labour market actors, e.g. training providers. Partnerships or multi-stakeholder arrangements at both a national and regional level should encourage greater collaboration between education and training providers, employers and professional bodies. They should also ensure the responsiveness of education and training systems at all levels including through legal frameworks, institutional structures and financing mechanisms, and develop criteria to measure, monitor and evaluate progress. This requires the development of comprehensive systems to track and monitor learners' success on the labour market and incorporating the results into the quality criteria used to assess education and training institutions. This would include increased use and better evaluation of the impact of learning accounts or vouchers.

In a further step, outcome-based qualifications and a common language for use in the education/training sectors and the world of work should be developed while ensuring the involvement of all actors including PES. The use of learning outcomes in the planning and delivery of educational and training programmes at all levels should be encouraged and facilitated. Eventually mid-to long-term skilling strategies should be integrated into the performance management of PES and should gradually replace the current approach based mainly on short-term matching.

Suggested Actions at PES level

There are a great variety of PES approaches to skills training. In some countries PES are obliged to define and deliver training programmes. In others there is a functioning market of training institutions where PES only provide training/learning vouchers to job-seekers to enable them to find a training institution that suits their needs. PES has access to the most detailed and timely data on the labour market and this places PES in a strong position to identify market opportunities and to design appropriate training responses. However, if PES is limited to a funding and supporting, network-building to shape training contents and formats will probably be rather limited. However, if the PES role requires acting on labour market information to stimulate stakeholders' actions, the future role of PES may gradually change to being an initial service provider.

In either case, it will be necessary for PES to work on collaboration with other labour market agents. In most cases PES do not deliver training by them-selves, but tender or issue training vouchers. Given budget constraints, it is crucial that PES ensure value for money in direct provision or contract tender arrangements. Tendering provides PES with an opportunity to not only increase labour market reintegration, but to also move further away from an input-based (duration, number of hours the training, specific content) towards an outcome-based (what kind of knowledge, skills and competences should be there after the training) performance measurement system. Such an orientation would address more effectively the link between funding of training institutions and success in labour market outcome (integration).

PES are beginning to explore the issue of offering training where there is a high level of probability of a positive outcome-based training result in terms of employability and sustainability.

One element showing promising results is the promotion of a strong labour market focus in training, especially through training on the job and through providing incentives to employers to qualify people in a real economic life situation. This development has resulted in the creation of partnerships between employers and PES in some countries, with employers of sector-specific funding to enhance the qualifications and competences of their workforce.

In the context of the trend towards preventative approaches, PES are actively considering skills maintaining/preservation interventions instead of re-skilling at a later point of time. This includes addressing training while still being employed and promoting the value of up-skilling to both employers and employees. PES are beginning to provide qualification platforms and infrastructure for SME (e.g. by helping to create qualification pools for SME on regional levels) and they are increasing their range of preventive measures by supporting qualification schemes for older and unskilled workers who have an increased risk of unemployment.

The development of the European Qualifications Framework, and the European Taxonomy on Skills, Competences and Occupations with the involvement of PES could be considered to be a starting point for this process. It is a matter of debate as to how to profile and verify soft skills, but the acquisition of soft skills is, from the employer's perspective, an increasingly important component of any skills training programme.

Role of stakeholders

Training institutions must provide modular elements which can be added to already recognised learning achievements from formal (nationally, EU-wide or in third countries), informal and non-formal training.

The authorities who are responsible for recognising qualifications have to consider the importance of recognising 'transitional' or 'part-qualification' – both as an instrument in a modular approach to training, but also as a low-intensity and first-step tool for those furthest away from the labour market.

The increasing demand for outcome-oriented provision of training will lead towards a different funding model where the amount of risk a training provider may have to accept may be greater than it currently is.

Companies who do not have the capacity to provide training themselves (too few numbers of staff available for training at the same time, no machinery, no trainers) may have to organise themselves in "Qualification Pools" or sectoral training institutions to allow also their staff to be re-skilled and up-skilled. This is valid both for initial vocational training and lifelong learning at the workplace and in an employment situation.

However, it is important to recognise that re-skilling and up-skilling is also the responsibility of individuals, employees and employers. The State does not bear a monopoly of responsibility in this area and this needs to be acknowledged in the design of policies in skills training.

Factors for Success

In times of severe budget constraints the positive impact of any training with regards to a labour market outcome has to be demonstrated. Evaluation has to be capable not only of showing direct integration results after training, but also of following an individual for a

longer period of time throughout his working-life and in several stages (in work, in transition/training, unemployed, family time, sabbatical, etc.). There is a growing need for longitudinal studies which demonstrate the medium to long-term impact of skills training.

In times of austerity, the availability of timely, quality data can ensure that training interventions represent value for money. Investments in training in the future will require to be evidence-based and the PES must develop the partnerships and the data infrastructure to ensure that its training provision is based on a proper assessment of both costs and benefits.

Green Skills

Summary of relevant recommendations

PES should enhance their dialogue with employers who are operating in the ‘green economy’ This will enable them to better understand processes related to the greening of skills, and emerging occupations with a green profile. It will also assist PES to develop common definitions of green skills and it will also allow for a better understanding of how these skills are categorized.

Consequently PES will be in a stronger position to identify the type of training interventions which will equip job-seekers and employees with the skills and competences for working in the ‘green economy’.

Closer cooperation with the worlds of education and training and tighter engagement with employers enables PES to encourage public-private-partnerships to map qualification, skills and competence needs for jobs linked to a low-carbon economy.

Employment services are important actors for brokering workforce transition towards greener occupations and improving the match between labour demand and supply. Where appropriate, employment services could facilitate the uptake and delivery of green skills and qualifications by developing the right mix of information, guidance, orientation and training for job seekers and job changers wishing to pursue green career paths.

PES processes need to add optimum value to ensure that client groups can be best informed about emerging employment opportunities in the Green Economy. This will enable an adequate flow of qualified workers to facilitate the transition to the low-carbon economy. As a first step, awareness amongst PES of skills needs in a greener economy must be fostered to improve understanding of the short and long term implications on their work, and enable them to review how suitable their operating structures are to meet this challenge.

A strategy (e.g. adjusting of business models and service delivery accordingly in relation to service provision) has to be developed which positions PES as a central coordinator responding to the human resources needs of the developing green economy.

PES can become a key actor in the labour market transition to a low-carbon, resource-efficient and green economy. The role of PES as key actors brokering workforce transitions towards greener occupations has to be safeguarded. For that, additional work has to begin straight away to consider the implications of these transitions for PES market share and penetration and the PES business model. In an initial phase the shift to a low carbon economy is likely to create employment requiring high-and medium-skilled workers. However, as this change becomes embedded in the economy its job creation effects will treacle down to lower skilled jobs – this being the bulk of PES clients. Therefore, early action and planning by PES to ensure positive outcomes and to prepare these groups accordingly, is required. PES also have to recognise that as public authorities and public enterprises they can lead by example in the new forms of work organization associated with the greening of the economy.

To inform client groups, Labour Market Information and guidance tools must be developed. These should be based on unique green skills-sets to re-orientate jobseekers to the opportunities increasing available in the Green Economy. This will facilitate the uptake and

delivery of green skills by developing the right mix of information, guidance, orientation and training for job seekers and job changers wishing to pursue green career paths. More specifically, the monitoring and assessment of green indicators, identified by the EMCO-Working Group on Green Indicators, to improve information and potential performance measurements has to be assured. In a first step, the development and promotion of the acquisition of skills required for jobs linked to economy-greening, in particular the so-called ‘STEM’ skills (science, technology, engineering, mathematics), need to be strengthened. Close links into the national VET systems and education authorities to allow for mutual information on new skills requirements must be established. It will be necessary for PES to facilitate the timely adaptation of environmental skills education/ skills training – especially the provision of up-skilling programmes for low-skilled workers in the Green Economy (e.g. waste handling and recycling) – and for future curricular content development to meet the new emerging green labour market needs. PES, in addition to schools, should also introduce basic education in the Green Economy and high-quality vocational training programmes ensuring equal opportunities.

In the end, PES must establish a clear role in the delivery of Active Labour Market Policies ensuring the “greening” of these interventions and be involved in the management and delivery of ALMPs with a green tint. Additionally, sufficient understanding of the green economy will be necessary for PES to identify risk areas of retrenchment and downsizing of industries and/ or changes arising from government regulation to reduce carbon footprints. PES must provide an adequate service response to such changes. It will therefore be necessary to improve the anticipation and management of restructuring with the aim of, inter alia, contributing to better management of economic transitions, promoting the restructuring of sectors in difficulty towards future-orientated activities. This will be especially important for those linked to a low-carbon, resource-efficient and greener economy. That could include a potential role in the relationship/ interface to the soon to be established European Sectoral Councils (ESCs). This will include support for the management of sectoral changes, to analyse quantitative and qualitative labour market trends in any given sector in the context of economy-greening, and development of strategies to encourage pro-active sectoral training initiatives on green skills. PES can make recommendations on how to fill qualitative and quantitative gaps in the labour market. It can also be envisaged that PES contribute to the analysis of the potential employment and skills impacts when designing climate or environmental policies or regulation, in order to develop the appropriate labour market policies.

Role of PES

There are a variety of potential responses to meet the challenges of the ‘green economy’ based upon the different legal settings and responsibilities of individual national PES. In those countries where the curriculum-setting is organized by chambers of trade and commerce, and where, due to the size of the country, the answers to qualification and labour-demand is organized at local level, PES do not act as “market makers” but only intervene at the local level in response to ad-hoc demands in instances of market-failure. Due to budget restraints more and more PES are looking to provide future qualifications with a stronger focus on the profile of a job-seeker (if she/he is capable and willing). They also consider the likelihood that specific qualifications will only be taken up by the local/ regional labour market once training has finished. In cases, where the curriculum setting and the training provision is strongly provided or influenced by PES themselves, the challenge of identifying the necessary skills and incorporating them into qualification offers is already high on the agenda. At this stage, it appears that there is an overlap between existing and “green jobs” which in turn implies a

combination of traditional and new skills rather than completely new occupations being created. As with any emerging and changing occupations the definition and taxonomy of green jobs and related skills is currently underdeveloped and therefore it is not possible to capture and classify them. Efforts need to be made in this respect so as to come up with meaningful and evidence based messages that can enhance PES interventions and practices.

In all cases PES must have the capability to provide a more detailed picture of the specific labour market situation and offer credible guidance for job-seekers or still-in-school students about these growing opportunities.

Role of Stakeholders

In such an evolving volatile and uncertain market (due to new technological developments and regulatory frameworks emerging from political discussion) companies and training providers have to constantly and rapidly compete to secure the right mix of labour market intelligence (vacancies, new job-requirements, up-coming occupations, etc.) and training contents. This is needed so that placement and guidance services can support job seekers and job-changers who wish to pursue green career paths.

Factors for Success

The earliest possible definition of green jobs/ occupations and even more green skills and the introduction of those into a common language/ taxonomy is essential to create transparency. This will guarantee evidence-based and targeted action by all actors. In this emerging and rapidly changing field only cooperation among stakeholders can provide the right mix of information, guidance, orientation and training for job-seekers and changers. This is also necessary to quickly fill “green” vacancies to provide the basis for economic growth and maintain a technological lead in this area. Initially special support for SMEs can assist in safeguarding quick and thorough mainstreaming of the green agenda in everyday economic life.

Annex 1

Recommendations towards Public Employment Services

High Level Expert Group Report:

Recommendation
„Make the case“ for skills and use modern information, communication and marketing techniques to encourage greater commitment to skills upgrading
Ongoing advice to encourage “non-learners” to demand skills development
Help that individuals take over more responsibility for lifelong learning and develop career management skills
PES should set an example by transforming themselves into modern, flexible and adaptable service providers and establish transparency with respect to their performance in order to direct effectively their resources
PES should consistently design their training schemes according to market needs as well as to stimulate entrepreneurship and self-employment
PES should incorporate individual action plans or employability development plans
Develop and implement cost-efficient approaches to identify and validate prior learning and practical experiences, improve the integration of existing tools by including enhanced self assessments tools and to make qualifications, skills and competences visible
Raise awareness about schemes for recognition and certification and guidance and counseling and assist jobseekers with analyzing their own skills better
Make greater use and better evaluate the impact of learning accounts or learning vouchers based on the principle of co-investment
Establish co-investment via counseling/PES for the unemployed
Prioritise guidance and counseling services and motivational support for individual, improve the quality of these services and that they tackle stereotypes
Publicise on the web the opportunities and offers as well as the prices and returns of public and private education and training courses for informed choices
Further develop profiling systems including internet and skill-based matching tools in PES as traditional matching processes focusing solely on occupations will no longer be sufficient
Communicate the benefits of a skilled and adaptable workforce and how to improve skills utilization in the workplace
Support the further development of employer collaboration networks to share information and good practices in skills development and skill use
Provide better support for SMEs by special counseling services to optimize skills utilization and by building up regional qualification infrastructure to enable them to pursue skill upgrading
PES have to build up professional Labour Market Information Services

Provide the right incentives to intensify cooperation between the providers of education, training and businesses and encourage dialogue between the world of education and work
Encourage greater collaboration between education and training providers, employers and professional bodies through partnerships or multi-stakeholder arrangements on national/regional level
Ensure the responsiveness of education and training systems at all levels including through legal frameworks, institutional structures and financing mechanisms and develop criteria to measure, monitor and evaluate progress
Encourage employers to co-invest and participate in the activities of education and training institutions in professional or governance and advisory board roles
Develop outcome-based qualifications and a common language between education/training and the world of work while ensuring the involvement of all actors including PES
Encourage and facilitate the use of learning outcomes in planning and delivering educational and training programmes at all levels
Make labour market needs analysis and the definition and implementation of appropriate learning outcomes a priority in institutional leadership and strategy as well as in institutional level information and quality management
Change the “linear” assumption – that most people go to school, then move onto vocational education or university and then go to work and finally retire – into a continuing skill acquisition
Break down barriers and widen access to education for a variety of audiences, including adults and vulnerable groups through accreditation of prior learning and flexible pathways
Develop the integration of the key enabling competences in all forms of education and training
Develop and provide tools for individual self-assessment
Embed digital and media literacy at all levels of education and training and map competences towards a goal of digital fluency for all citizens
Develop Europe-wide indicators to measure levels of transversal key competences, set quantitative targets and provide the metrics to monitor progress
Ensure an adequate flow of qualified workers to facilitate the transition to the low-carbon economy
Include environmental awareness in all curricula irrespective of the level of education and training
Introduce and mainstream field studies, project-based learning, employee volunteering in cooperation between schools, universities, vocational training and other education bodies and business/NGO/public institutions (skills and employment partnerships)
Ensure alignment between reforms of national qualifications systems and of assessment/quality assurance systems
Create, adapt and develop new assessment methods and tools to capture and reflect the complexity of hard and soft skills and competences of learners
Encourage public-private-partnerships to map qualification and competence needs for a low-carbon economy and design relevant qualification profiles and curricula
Reinforce in teachers’ education curricula “work-related” issues: skills development, entrepreneurship and professional guidance, ensure that newly

qualified teachers have the appropriate skills and practical experience to foster transversal competences and that they can engage with digital media
Re-skill as many existing teachers in the above mentioned qualifications
Encourage teachers and institutional leaders to spend time in workplaces in industry or other services
Strengthen continuing training of teachers in particular by facilitating placements outside the education and training sector and communication with enterprises and other users of qualifications
Make similar efforts to develop the skills of other key actors in the learning sector such as specialists in pedagogical support, curriculum development, assessment, career guidance and providers of other education related services
Improve the capacity to anticipate future skill requirements using a combination of different methods at European and national level in a coordinated way, combining skill supply and demand forecasts with qualitative information on actual skills needed
Ensure good quality statistical data on jobs and skill/ competence requirements
Develop measuring tools of structural imbalance between skills supply and demand
Make the resulting information widely available and establish labour market monitors by exploiting the full potential of digital media both to link the existing sources and to make them available in targeted, user-friendly and accessible formats
Involve potential contributors – including PES – in the anticipation of skills needs, create and disseminate good practices on better production and use of Labour Market Information Systems including its policy function and relevance for education and training offer, migration policies and activation measures
Develop comprehensive systems to track and monitor learners’ success on the labour market and make this part of quality criteria for education and training institutions
Create EU sectoral council, bringing together existing national networks at EU level for the analysis of the skills needs and the development of proposals for updated qualifications for each sector
Encourage the emergence of a new and specific body representing all key stakeholders of the learning sector at EU level
PES as the “natural” moderators of labour market monitors and providers of the needed IT-infrastructure and the private sector should – through public-private-partnerships – share innovative strategies for analyzing skill demands and matching workers and vacancies
Share information on surplus and shortages of skills across EU countries and take it into account in immigration policies
Set clear and transparent rules for the recognition of degrees and qualifications to better recognize migrants’ skills

DTI-Report:

Recommendation
Early diagnosis of skill gaps
Up-skilling through individual profiling and action
Enhance access to and quality of data
Enhance capacity to analyse data
Develop forecast capacity
Develop qualitative instruments like surveys among students and graduates or employers
Develop strategy to convince/ make employers responding to surveys
Develop strategy to create a higher awareness in politics for long-term instead of short-term thinking
Identifying strengths and weaknesses in the skill profile of inactive groups and up-skilling strategies for them
Integrate mid- to long-term skilling strategies into the performance management of PES mainly based on short-term matching
Awareness rising of the available knowledge base → develop knowledge base into frequently usable products for front-line staff

Commission Note “Making Transitions Pay” to EMCO

Recommendation
Focusing on the quality of transition seen from the angle of competences accumulation, long term consequences of training and placement decisions as well as of job and life quality instead of the still necessary but not anymore sufficient “simple” matching labour supply with demand
Offering modulated income support plus retraining/ reorientation services to secure transitions
Develop making work pay strategies which go beyond the traditional focus on incentives to take up work or to stay in work
Participate in the move from job to employment and further on to a broader career security
Guarantee the individuals’ employability, adaptability and ownerships of their moves into, within and out of labour markets
Securing the portability of rights and entitlements, e.g. also regarding training rights, independently of a specific employment relationship, employment status or geographic location of employment
Ensuring the full up-taking of training, e.g. in combination with short term working, or apprentices in case of a job loss
ALMPs and institutions implementing them such as PES should not anymore be confined to offering jobs and individual placement but instead help people with occupational redeployment and helping both the unemployed and the inactive by providing access to guidance, personalized actions plans, training, re-training, work practices and job search assistance
High quality provision of career guidance by specialized services, e.g. development of career management skills and vocational orientation in schools, careers services at universities, career guidance for the employed to stimulate lifelong learning while at the same time more general career guidance activities, e.g. as part of the work of employment advisors in PES, should be strengthened and the cooperation and coordinated service delivery of all career guidance providers should be enhanced
Open up for young people with specialized individual services to guarantee a comprehensive approach of transitions from school to vocational/ on-the-job training and later on from training to work
Develop a system that allows young people to opt in and out of employment without risks of downward mobility
PES should move beyond partnerships between public and private employment services towards much broader partnerships with all other relevant actors in the context of a labour market, e.g. training providers
Redefinition of the primary role and core services of PES, becoming transition agencies, where lifelong employment oriented guidance services and focusing on learning as well as career development are the main pillars; the time of intervention just in case of registered unemployment and single job to job matches is over, a shift from managing unemployment to managing careers taking into account different types of transitions
PES have to be capable of reaching out to new clients as well as extending both their preventive and existing service provision, such as training guidance or support, career advice and guidance to those already in employment and to employers

Commission Note on the proceedings of the PES-Conference on Green Jobs:

Recommendation
Optimising PES processes to ensure client groups can be informed about emerging employment opportunities in the Green Economy
Enhance dialogue with employers in the field of a Green Economy/ Greening of the Economy so as to better understand processes related to the greening of skills, emerging occupations with a green profile and consequently consider the training offer required to direct workers towards such employment possibilities
Develop a strategy (e.g. adjusting of business models and service delivery accordingly in relation to service provision) to answer the considerable implications of a Green Economy/ Greening of the Economy for the world of work and thus for the agenda of employment services
Defining 'green skills' and better understanding how these are categorised
Develop Labour Market Information and guidance tools based on unique green skills-sets to re-orientate jobseekers to the opportunities increasing available in the Green Economy
Develop close links into the national VET systems and education authorities to allow for mutual information about new skills requirements, the timely adaptation of environmental skills education/ skills training and for future curricular content development to meet the new emerging green labour market needs
Position PES as a central coordinator of responses to the human resources needs of the developing green economy
Monitoring and assessing green indicators, identified by the EMCO-Working Group on Green Indicators, to improve information and potential performance measurements
Intensify contacts with employers in order to be able to address their needs properly thus also taking the opportunity to modernise service provision
Working on the aspect of market share and penetration in the business model due to a tendency to high- and medium-skilled employment in a Green Economy whereas the main focus of the work of PES lies in the low-skilled labour supply
Providing up-skilling programmes for low-skilled workers in the Green Economy (e.g. waste handling and recycling)
Internal awareness raising among PES on skills needs in a greener economy, especially for its operating structures, to better understand the short and long term implications on the daily agendas of PES
Developing a clear role for PES in Active Labour Market Policies to ensure the “greening” of these interventions and to be involved in the management and delivery of ALMPs with a green tint
Having enough of an understanding of the green economy to identify risk areas of retrenchment and downsizing of industries and/or changes coming from Government regulation to reduce carbon footprints to provide an adequate service response

Council Conclusions for the EPSCO-Council:

Recommendation
Integrating instruments and measures to sustain productivity and to ensure quality in employment In the pursuit of a resource-efficient, green and competitive economy
Develop Labour Market Information and guidance tools based on unique green skills-sets to re-orientate jobseekers to the opportunities increasing available in the Green Economy
Improve the anticipation and management of restructuring with the aim, inter alia, of contributing to better management of economic transitions and to promote the restructuring of sectors in difficulty towards future-orientated activities, such as those linked to a low-carbon, resource-efficient and greener economy
Discussing a potential role in the and/ or the relationship/ interface to the to be established European Sectoral Councils (ESCs) to support the management of sectoral changes, to analyse quantitative and qualitative labour market trends in any given sector in the context of economy-greening, and make recommendations to fill qualitative and quantitative gaps in the labour market
Promote the greening of workplaces and work organization and alert enterprises to the contribution that a greener work organisation and workplaces can make to the fight against climate change, as well as to the advantages they can bring in terms of cost-lowering and greater competitiveness
Recognise that public authorities and public enterprises can lead by example in the new forms of organisation of work associated with the greening of the economy
Contribute to the analysis of the potential employment and skills impacts when designing climate or environmental policies or regulation, in order to develop the appropriate labour market policies
Secure ownership in the transition to a low-carbon, resource-efficient and green economy as an important labour market actor
Develop and promote the acquisition of skills required for jobs linked to economy-greening, in particular the so-called 'STEM' skills (science, technology, engineering, mathematics)
Develop strategies to encourage pro-active sectoral training initiatives on green skills
Enabling a better identification of skills for jobs linked to economy-greening and optimal matching between labour demand and supply through a closer cooperation with the worlds of education and training and tighter engagement with employers to ensure the role of Public Employment Services as key actors for brokering workforce transitions towards greener occupations
Facilitate the uptake and delivery of green skills by developing the right mix of information, guidance, orientation and training for job seekers and job changers wishing to pursue green career paths

Study Group Report on Green Jobs of the Economic and Social Committee

Recommendation
Introduction of basic education in the Green Economy and greening education by schools and PES
Creating local consultation councils to close the gap between vocational needs and available training by working together to identify skills and training needs sufficiently in advance
Managing the transition by PES towards a Greener Economy through high-quality vocational training programmes ensuring equal opportunities
Ensuring that the new jobs are good, of high quality and well paid