



Peer Review:

‘PES and effective services for employers’

(Pôle emploi, Paris, 19-20 January 2012)

Executive summary

Greater focus is needed on the demand side of the labour market

PES are currently facing twin challenges. On the one hand they are required to place disadvantaged groups such as low skilled, long-term unemployed, older workers and disabled individuals – their core target group, which in many countries has been supplemented by a significant number of individuals made redundant as a result of the economic crisis. At the same time they need to address the short to medium term challenges arising from demographic change leading to potential skills shortages. Both factors create imbalance in matching, and as a result it is recognised that important emphasis needs to be placed on the demand side of the labour market. Particularly in PES where registered jobseekers primarily consists of the above mentioned groups, there has been a tendency in the past to focus on the supply side and achieving placement increasingly through a more individualised approach. However, in order to secure employment opportunities for job seekers and to ensure that future skills needs of employers are identified early and can be met, more recently in a number of PES a tendency can be observed to engage more strongly with the demand side. The following summarises the main message of a recent Peer Review on PES and effective services for employers.

PES service design for employers varies according to the concrete challenges of the national labour market

The level of resourcing and structure of employer services depends on whether, in the prevailing economic and demographic situation, the labour market is supply or demand side driven. Countries with higher rates of unemployment tend to expend the majority of their efforts in targeting larger employers who are more likely to offer a significant number of vacancies, including for harder to place individuals. This has been particularly relevant in the context of the crisis and increasing long-term unemployment. Countries with lower overall unemployment and greater evidence of emerging skills shortages are targeting services to SMEs and companies with unfilled vacancies, who sometimes require HR advice which is not available in-house.

A comprehensive marketing strategy and networking have been successfully used to reach more employers

Most, if not all, PES aspire to increasing the market share of employers they work with, although in some countries such as the UK, there is a more “residual” approach, with market mechanisms in the foreground of matching supply and



demand. This requires successful strategies for making and sustaining contact and co-operation. Many existing sources of information and channels are available to PES to exploit in order to increase their reach. These include databases of employers previously having used PES services, but not having done so for some time; contacts with social partner organisations and chambers of commerce; press coverage on new employers moving into or growing in certain regions, and so on. Contact and trust with social partner organisations could be stronger in PES with a tripartite governance structure.

A number of PES also mentioned that they have been able to use contacts established with employers in restructuring situations who were able to help when the economic situation improved. Dealing with PES during such difficult situations encouraged a number of such employers to establish trust and learn to value PES services.

Specialised staff and innovative activities can all provide means to increase the effectiveness of reaching employers

A number of PES employ specific prospecting staff to target certain employers, often with a sectoral focus. All PES emphasise the specific skills needed by PES employer counsellors, above all when reaching out to new customers. These are different from the psychological, social work and guidance skills needed by job seeker counsellors. The emphasis in PES employer services is more on sales skills and in some cases specific sectoral or HR knowledge. While such training is largely provided in house or in associated training bodies, some PES use more private sector training or indeed recruit counsellors with such backgrounds. Knowledge of both the demand and supply sides of the market is important for all PES counsellors, regardless of whether they deal primarily with employers or jobseekers.

In addition, a number of innovative activities were identified to reach out to employers. These include organising events such as job fairs and speed-dating to bring employers and jobseekers together, round tables, seminars or conferences organised by PES themselves or in co-ordination with social partner organisations or chambers. Such events can focus on issues not directly related to PES services (such as legal advice to employers in dismissal situations or regarding privacy policy), but can establish initial contacts and raise the standing of the PES in employers' eyes.

The marketing initiatives mentioned above are generally considered to be highly successful. The Swedish PES reported an increase in the share of companies that they have been in contact with in the past year from 50% to 70% (based on customer surveys) by using such means. It is interesting that this has been achieved in a context where emphasis is placed on PES counsellors being trained to combine their advice and counselling function for jobseekers with an employer service role.



Customer segmentation and agreements help to effectively differentiate the services offered according to the PES objectives

The focus and segmentation of employers targeted and the services provided varies according to the goals to be achieved. Although most of the countries represented at the Peer Review emphasised that their service offer was universal, there are examples of service level segmentation depending either on the needs of the demand side to be serviced or on the identified needs of particular employer groups. France is an example of a country targeting large employers because of the high number of vacancies which can be offered. Some of these larger employers also enter into pacts to recruit a certain number of individuals from disadvantaged groups, thus gaining access to more individualised services of account managers but on the whole the approach to large employers is more universal. Another example of a segmented approach focussing on the requirements of difficult to place jobseekers is being developed in the Netherlands, where only employers willing to offer opportunities to such jobseekers obtain access to a wider range of PES services (including pre-selection, face to face advice and other innovative services) and dedicated advisers whereas other employers can only access information and services (including, of course, vacancy registration) online.

Germany provides an example of services being targeted to the needs of SMEs who often have limited internal HR capacity and particularly benefit from advice on training and recruitment to be able to face future demographic challenges and skills shortages.

Agreements with large, multi-national employers can have multiplier effects at national level and across countries

PES focussing on “economies of scale” by targeting large employers who can offer a large number of vacancies (both in terms of absolute numbers of vacancies and turnover of vacancies), often have strong contacts with multi-national employers. France, as well as a number of peer countries, conclude contracts with such large employers setting out mutual commitments in relation to the services to be provided on the one hand, and the number of vacancies or hard to place individuals to be taken on over a given period of time. Such agreements offering stable relationships between PES and large employers were also identified in the UK and Sweden. A further added value of working with large employers is that their engagement with disadvantaged groups, often as part of a Corporate Social Responsibility (CSR) Strategy, can act as a “good example” to others. Such agreements are often articulated at different levels, with a central framework agreement at the national level, more closely defined with local goals and co-operation strategies at the decentralised level.

One possible opportunity identified during the Peer Review was not only to create multiplier effects at the national level, but the potential of creating multipliers across countries by working with social employers, potentially through European social dialogue processes, to make similar commitments in all their operations across the EU.



Quality PES services are the key to engage employers and to make subsidies work

A full understanding of the needs of employers, a positive attitude and the ability to present the skills, rather than deficiencies, of job seekers, combined with a good range of PES services was considered to be at the heart of successful placement efforts for disadvantaged groups. The clear identification of employer requirements, the valuing and certification of skills, including those acquired outside the workplace, the offer of pre-selection by PES, direct meetings with employers and more intensive after placement support were considered by many PES to be more important than the offer of subsidies. Pôle emploi in France has developed a method of recruitment by simulation (demonstrated at the Peer Review) which is developed with the co-operation of employers and under which employers commit themselves to take on jobseekers achieving a certain standard of performance in a simulated demonstration of their relevant job and core skills (no CVs or formal interviews are used). The role of work trials and supported on the job learning was particularly highlighted. A number of countries (including the UK and Austria) have achieved success with awards and CSR labels.

Although targeted subsidies can have an important role to play in placing individuals facing particular challenges in accessing the labour market (such as individuals whose capacity is restricted because of a severe disability), there is a wide ranging academic literature and evaluations emphasising the risk of creaming and churning associated with many subsidy schemes. It was therefore notable that discussions at the Peer Review emphasised many other ways in which PES can work with employers to facilitate the placement of such individuals. For certain target groups grants to employers to adapt workplaces have also shown themselves to be successful in opening up employment opportunities for disabled individuals.

Monitoring of employer services should emphasise quantity as well as quality

The share of vacancies gathered, as well as the number of vacancies matched, and customer satisfaction surveys are standard ways in which most PES seek to assess their interaction with employers. A limited number of countries (e.g. Germany, Sweden) have developed a more detailed catalogue of quantitative and qualitative indicators which are regularly monitored, and in the German case at least, used for benchmarking purposes. These measure, among other things, the speed of matching, the quality of interactions and the extent to which employer requirements are being met by PES services provided. Many PES expressed a strong interest in learning more about such monitoring and benchmarking tools.

More information on the Peer Review is available [here](#).