



## The European Commission Mutual Learning Programme for Public Employment Services

DG Employment, Social Affairs and Inclusion

### PEER PES PAPER – Bulgaria

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Employment Agency Bulgaria

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In collaboration with GHK Limited and the Budapest Institute.

## 1. SERVICES FOR EMPLOYERS: OVERALL MISSION, STRATEGY AND PROFILE

#### 1.1. What is the PES's overall mission and strategy in relation to employers?

The Bulgarian Employment Agency is an executive agency to the Ministry of Labour and Social Policy for the implementation of the Government policy on employment promotion. There are nine regional and 105 local labour offices throughout the country. The Employment Agency operates within the national and European legal framework, fulfilling employment policy to achieve the objectives and commitments of the country in terms of the EU 'Europe 2020'.

Providing employment allows the full use of every individual's capabilities and skills and defends their rights to a dignifying existence and active social participation.

The mission of the Employment Agency (EA) is to increase employment by providing a quality workforce in the employment and inclusion of disadvantaged groups in the labor market.

The employment strategic objectives:

- short-term goal increasing employment and reducing unemployment
- long-term goal to increase economic activity and the employment potential of the population.

The main priorities of national employment policy include:

- Increasing employment through quick and efficient job placement of the unemployed in the primary labour market and through programs and measures under the Employment Promotion Act, including activation of the inactive and discouraged;
- Improving the quality of the workforce through acquisition of new skills and competences of the employed and unemployed to provide the necessary workforce for restructuring of the economy, higher productivity, and better matching the needs of the labour market;
- Reduction of unemployment in regions with low employment and high unemployment.

Key functions of the Employment Agency are:

- registration of vacancies and persons actively seeking employment;
- mediation services for employment;
- joint participation with municipalities and employers in the development of social activities beneficial both for the community and the state;

- participation in the development and implementation of programs and measures for employment and training aimed at specific groups of unemployed persons who for various reasons are more adaptable to a difficult labour market;
- to implement, individually or jointly with other bodies or organisations, projects and programs for employment, vocational education and training, social integration, pre-financed by EU funds or other international organisations (including those with participation of Bulgarian resources);
- protection and preservation of employment;
- organisation of qualification and motivation training for the unemployed and employed;
- mediation in finding employment of Bulgarian citizens abroad and of foreigners in Bulgaria; and
- analysing of supply and demand in the labour market and forecasting eventual changes in it.

The specific mission or strategy in terms of services to employers is part of the agency's primary mission employment, aimed at meeting the needs of the labour market and ensuring a quality workforce.

#### 1.2 How does the PES view its role via-à-vis employers?

| Role  | Importance (1 is the least important, 5 is the most important) |
|---|--|
| Labour market advisor   | 5  |
| Job broker and filler of vacancies  | 5  |
| Human resource consultant   | 5  |
| Partner in addressing the needs of jobseekers   | 5  |
| Other: Participation in the development and implementation of programs and measures for employment and training aimed at specific groups of unemployed persons who for various reasons are more adaptable to a difficult labour market. | 5  |
| Employers who enter into contracts in these programs receive subsidies, and hiring people with disabilities makes them socially engaged.  |  |

#### 1.3. Which services are offered only on a chargeable basis?

Employers who employ foreign nationals / citizens of countries outside the EU / employment in the territory of Bulgaria, paid the state fee for issuing work permits.

For the provision of brokerage services, the Employment Agency charges foreign employers and licensed intermediary agencies from countries with which no agreements for hiring Bulgarian citizens in other states operate. Fees are paid by employers who are not from the member states.

### 1.4. Are all services offered in all regions/localities or is there local discretion on what to offer and what not to offer?

The Employment Agency offers employers:

- Information and consultation for services;
- Mediation for recruiting suitable candidates;
- Staff training;
- Referral to appropriate programs and measures for employment and use of appropriate incentives; and
- Information and assistance in carrying out collective redundancies.

Services are provided to employers by the officials of the 'Labour Office' throughout the country.

### 1.5. What services are currently offered to employers?

| Type of service                                       | Offered yes or no? | Brief operational description of services   | Segmented or<br>universal service?<br>(If segmented, on<br>what basis?)  | Service delivered by which PES staff?   |
|---|--------------------|---|--|---|
| Collection and provision of labour market information | yes                | Registration of vacancies and persons actively seeking employment.  | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment intermediaries and staff in regional offices. |
| Drafting and posting of vacancies                     | yes                | Publication of information about vacancies in the regional offices, the site of the EA and media. Organising job fairs in the country.  | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment intermediaries and staff in regional offices. |
| Recruitment services                                  | yes                | Employers have the opportunity to:  - Commit themselves to a selection based on a list of suitable job seekers, according to the requirements for appointment to the specific workplace.  Labour offices provide an opportunity to interview the candidates:  - Working with a mediator to make the selection;  - Employment intermediaries offer suitable candidates to employers. | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment intermediaries and staff in regional offices. |
| Human resource consultancy                            | yes                | Employers are provided with an opportunity to maintain and upgrade the skills of employees and officials encourage the territorial mobility of unemployed persons   | Universal service provided by regional offices of the Employment         | Service is provided by employment intermediaries and staff in                   |

|   |     | and new recruits.  | Agency.  | regional offices.   |
|---|-----|--|--|---|
|   |     |  |  |   |
| Information and advice on subsidies and ALMP  | yes | Employers shall inform, consult and refer to appropriate programs and measures for employment and use of appropriate incentives  | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment intermediaries and staff in regional offices. |
| Support for the integration of disadvantaged groups and long-term unemployed before and/or after employment | yes | Encouraging employers to train and employ disadvantaged individuals by funding training and employment of their employees.   | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment intermediaries and staff in regional offices. |
| Rapid response and redeployment for large-scale redundancies  | yes | Employers to inform and assist in carrying out mass redundancies, by forming teams to prepare a draft of the measures aimed at brokering and developing training programs and employment retention of employees. | Universal service provided by regional offices of the Employment Agency. | Service is provided by employment brokers in regional offices.                  |
| Legal advice and support in relation to employment law  | yes | The Executive Agency General Labour Inspectorate inform, advise and monitor employers on compliance with the law of employment.  |  |   |
| Other service(s)  | no  |  |  |   |

### 1.6 On average, how many employers does the PES work with per year? What share is this of the total number of employers in the country?

The average number of employers who are clients of the Employment Agency and its territorial divisions is about 100 000. Vacant jobs announced by these employers at the local labour offices in the country represent about 30 % of the total market.

#### 1.7 What is the profile of the employers that the PES typically work with?

Traditionally, most employers are the regional centres, due to many factors, according to the specificity in the sectoral structure of the local economy, seasonality of employment and the number of economically active population. In the regional centres - clients of the Employment Agency are small, medium and large enterprises, while in the other areas, clients are mainly small and medium enterprises /number of staff up to 250 persons. Special attention is paid to corporate clients.

It is important to note that 75 % of the jobs in the labour market are offered by employers of the real economy.

### 1.8 Are there some types of employers who are currently less likely to engage with the PES and why?

Practice shows that the legal requirements for using state subsidies are difficult to implement in large firms with a big turnover of staff. However, there is not a specific type of employer who is less likely to engage with the PES. On the contrary, most of the employers actively advertise vacancies and use the services of the EA.

#### 1.9 What are the services most used by employers and why?

#### The most used services include:

- Intermediary services: the EA is the largest mediation firm in the labour market and its services are free of charge. The territorial divisions keep a database of all announced vacant jobs and registered jobseekers.
- Involvement in programs for training and employment: this provides the
  opportunity for subsidised employment and for the improvement of the
  qualifications of employees. Socially engaged employers provide employment
  for disadvantaged people young people under 29 years of age, unemployed,
  poorly qualified and unskilled, people over 50, disabled and discouraged
  persons.

### 1.10 What financial resources are allocated to the services for employers compared to services for jobseekers?

Employers, depending on the type of service, benefit from either funds for the salary of staff and / or all social and health insurance contributions, or the costs for transportation or travelling employees, or funds for the training of personnel.

The unemployed benefit from training courses, scholarships, travel and accommodation allowance if the training is provided in a different location. To encourage territorial mobility, the unemployed receive funds for transportation costs.

To promote entrepreneurship, funds are provided for initiating the activity, for consulting services, for paying the interest on the loans and others.

#### 2. ORGANISATION OF THE SERVICES TO EMPLOYERS

#### 2.1 Does the PES have specialist staff who provide services to employers?

The organisation of work in the different offices depends on the number of staff. At the large labour offices in the regional centres, there are dedicated teams for providing services to employers. At the small offices, there is usually a dedicated person. The management team is also involved in contacts with employers. Directors of territorial units make initial contact with key employers, corporate clients and new employers in the region.

#### 2.1.1 How is their work organised?

The organisation of work varies in the different places. In regional centres, teams are distributed in regards to the area of economic activity. There are action plans which envisage periodic visits to employers to update information about their status and about the services which the EA could provide.

## 2.1.2 What training and skills development do the specialist staff receive and for how long?

The specialist staff who work with employers have initial training and then periodically upgrade and develop skills through workshops and distance courses for improving their knowledge and proactive behaviour in offering services.

#### 2.2 Does the PES have generalist staff to work with employers?

#### 2.2.1. How is their work organised?

All employment firms have a pre-established schedule of meetings with employers and jobseekers and thus plan their activities and daily tasks.

### 2.2.2.What training and skills development do the generalist staff receive and for how long?

Teams that work with employers have an initial training and periodic upgrade and continually develop their skills.

# 2.3 What partnership arrangements does the PES have in place to deliver the service to employers? What type of partner organisations and with what purpose?

The Employment Agency has signed agreements with private employment firms to work together to meet the needs of employers. The Employment Agency has in place agreements on the cooperation and exchange of information with other government agencies and corporate clients. There are robust partnerships in place with national organisations of employers and trade unions, and industry structures.

#### 3. CONTACTING AND ENGAGING WITH EMPLOYERS

### 3.1 How does the PES identify, target and make initial contact with employers that could potentially benefit from the PES services?

The Employment Agency uses various sources of information for new companies. Social partners and existing Cooperation Councils support work on identifying potential new customers.

3.2 What tools, approaches and communication channels are used to develop a sustained contact and relationship with the employer and how effective are they? In particular, what is the most effective channel for initial contact?

Each regional office has a hotline. Employers can submit their vacancies via phone or during the regular meetings with the intermediaries. The most effective way to communicate is by direct face to face contact with employers or their representatives.

## 4. WORKING WITH EMPLOYERS: RECRUITMENT AND FINDING JOB OPPORTUNITIES FOR DISADVANTAGED INDIVIDUALS

#### 4.1 Is the reporting of vacancies compulsory?

The binding element for declaring a job is only for employers in the public sector at central and regional levels. All our customers have the right to use the services that we offer.

#### 4.2. What types of vacancies are most reported?

Characteristics of vacancies:

- 45 % of vacancies are aimed at people with low qualifications
- 27 % of advertised jobs are aimed at people with secondary education and professions
- 23 % of the jobs advertised are aimed at the highly skilled.

## 4.3. What tools and approaches are used to incentivise employers to take on disadvantaged individuals and the long-term unemployed and which ones are most effective?

Employers are encouraged to hire unemployed people from disadvantaged groups by subsidising the cost of their salary and / or all social and health insurance contributions. The employment of people without education and training is subsidised by funding the salaries and benefits, both the employee and the mentor.

#### 5. MONITORING AND EVALUATION

5.1. What are the main indicators used in evaluating the effectiveness and efficiency of the services to employers? Aside from measuring the number or duration of vacancies filled, what other indicators are used? What have been the main evaluation results in recent years?

The indicators are associated with analysing the number of jobs advertised and the number of persons employed and the number of vacancies that remained unfilled for more than one month.

### 5.2 What have been the satisfaction levels and feedback of employers to the services offered?

We periodically conduct surveys of customer satisfaction for services provided, analyse the information and find ways to improve the quality and meet the needs.

#### 6 CONCLUSIONS

### 6.1. What do you see as the main challenges in relation to delivering effective services to employers?

The main challenges include:

- Increasing employment through quick and efficient job placement of the unemployed
- Improving the quality of the workforce
- Increasing employment in regions with high unemployment.

### 6.2. What are your conclusions on what works best in relation to delivery of effective services to employers?

The most effective elements include:

- The Employment Agency has structures throughout the country
- The staff is highly qualified and ready to meet customer needs
- The high market share speaks of trust, tradition and quality
- There is robust cooperation with social partners
- The ability to subsidise socially engaged employers.

# 6.3. In the Peer Review discussions, on which of the following issues would you most like to focus and what three things would you most like to learn from others?

| Role  | Importance of the focus (scale 1 – 5) | What would you most like to learn from others in the area(s) you are most interested in (three points in total)? |
|---|---------------------------------------|--|
| PES organisation and staffing   | 4                                     | What are the interrelationships of different levels - the central office and the local office?                   |
| Contacting and engaging with employers                                  | 5                                     | What training is provided and with what frequency to labour intermediaries?                                      |
| Recruitment and finding job opportunities for disadvantaged individuals | 4                                     | What is the amount of subsidy provided to employers, and under what conditions?                                  |
| Monitoring and evaluation   | 5                                     | What are the main criteria and indicators to measure the performance of job centres?                             |