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**Peer Review ‘Effective Services for Employers’
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Estonian Unemployment Insurance Fund

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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 Estonian Unemployment Insurance Fund serves the needs of both jobseekers and employers. The overall mission, in relation to employers, is to help them to find and recruit suitable labour as well as to provide support in times of economic restructuring.

Recognising employers as clients and partners was one of our first strategic steps in the role of the PES.¹ We see employers as a solution - they have the jobs we require to help jobseekers back into work. Our strategy is to actively reach out to employers to attract more vacancies and apprenticeship opportunities in order to help jobseekers into employment. This approach also enables us, in partnership with other organisations (Enterprise Estonia², training institutions, municipalities etc.), to anticipate and respond to employers' needs in a timely manner to enable us to be involved with their development and recruitment plans at an early stage.

We aim to provide employers with up to date information on available labour and help them to fill vacancies with the people with the right skills and qualities. When employers cannot find suitable candidates among jobseekers we are there to provide tailor-made training and/or apprenticeship programmes to prepare potential candidates for the job according to the needs and requirements of the employer. Employers who recruit the long-term unemployed or employ people with disabilities or longstanding health problems receive specialised advice from us as well as financial support.

Another key aspect of our strategy involves supporting employers in times of economic restructuring by sharing their expenses related to redundancy³ and helping redundant employees quickly find new employment. For employers it is more cost effective to reorganise the company and this prevents solvency problems, and also helps to reduce the negative impact of redundancy.

It is also important to note that employers are the 'masters' of the Estonian PES. They are members of the highest body of the EUIF – the Supervisory Board. They decide together and on equal footing with the representatives of trade unions and the Government, the strategy, priorities, targets and budget of the EUIF.

¹ EUIF was founded in 2001 to administer unemployment insurance benefits. Since May 2009 the EUIF is also responsible for providing employment services and delivering active labour market programmes to jobseekers and employers.

² Enterprise Estonia (EAS) promotes business and regional development in Estonia. EAS is one of the largest support institutions for entrepreneurship, providing financial assistance, advice, cooperation opportunities and training for entrepreneurs, research establishments, public and the third sector.

³ A specific character of Estonian unemployment insurance is that it also covers the risk of redundancy. In the case of redundancy the employer pays the employee one monthly wage and unemployment insurance adds up to two monthly wages depending on the years of employment with that employer. The insurance benefit is financed from employers' unemployment insurance contributions.

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

Role	Importance of the role (scale 1 – 5, 1 is the least important, 5 is the most important)
Labour market advisor	4
Job broker and filler of vacancies	5
Human resource consultant	3 ⁴
Partner in addressing the needs of jobseekers	5
Other (please specify):	5

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

All our services to employers as well as for jobseekers are delivered free of charge.

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

All services are offered to all clients in all regions/localities in Estonia.

⁴ The role of ‘*human resource consultant*’ does not involve the provision of traditional HR consultancy services, but more general consulting in finding and recruiting suitable employees and where necessary making use of available PES support.

1.5 What services are currently offered to employers?

Type of service	Offered yes or no?	Brief operational description of services	Segmented or universal service? (If segmented, on what basis?)	Service delivered by which PES staff?
Collection and provision of labour market information	Yes	Providing information about the structure, changes and trends of the labour market as well as about the available labour force	Universal	EUIF call centre and information desks in regional offices, advisors for employers, but also EURES advisors
Drafting and posting of vacancies	Yes	A self-service portal provides a standardised environment for employers for posting information about their vacancies. Additionally, advisors for employers assist in drafting and posting vacancies, when needed.	Universal	Advisors for employers, but also a call centre in the role of help desk for self-service portal users
Recruitment services	Yes	In addition to standard recruitment services (publishing and mediating vacancies), we carry out pre-selection (including conducting job interviews and/or tests) activities. We also organise recruitment events, where employers can introduce their vacancies and hire people among the jobseekers attending the event. Employment trials and visits to employers can be organised as a part of the recruitment process.	Universal	Advisors for employers, career advisors, EURES advisors
Human resource consultancy	Yes	We provide advice on training and also organise skills training or work practice (apprenticeship). EURES advisors advise employers on issues related to labour mobility and transnational recruitment. Information on support measures for the employment of disabled people is available for employers in EUIF, but we also make use of the competence of other specialists and organisations.	Universal	Advisors for employers, EURES advisors, advisors for jobseekers (case managers)

Information and advice on subsidies and ALMP	Yes	We provide information on all our services and benefits.	Universal	The EUIF call centre and information desks in regional offices, EUIF website, advisors for employers, EURES advisors, jobseekers advisors
Support for the integration of disadvantaged groups and long-term unemployed before and/or after employment	Yes	<p>We grant wage subsidies to motivate employers to recruit the long term unemployed.</p> <p>To support the recruitment and employment of people with disabilities or long-term health problems EUIF provides a range of services: advice and financial support to adapt the workplace, free use of special technical aids, assistance with job interviews, and employment with a support person. These support measures are, when needed, also provided to persons who are already working.</p> <p>An individual job coaching and placement programme is organised for people who face multiple barriers to employment. This also involves, when needed, advice and support to the employer.</p>	Universal	Advisors for employers, advisors for jobseekers
Rapid response and redeployment for large-scale redundancies	Yes	<p>As employers are obliged to notify EUIF about large-scale redundancies, EUIF can respond rapidly by providing redundant employees with job-search guidance, career counselling, training or other help that is needed to support them in the process of redundancy and in finding a new job quickly.</p> <p>In the process of large-scale redundancies EUIF also offers assistance (what needs to be done in case of large-scale redundancy) to the employer and gives instructions about how to claim redundancy benefits for their former employees.</p>	Segmented, depending on the scale and impact of redundancy	EUIF rapid response team, advisors for employers
Legal advice and support in relation to employment	No	Legal advice and support in relation to employment law is provided by the		

law		Estonian Labour Inspectorate.		
Other service(s)		Training and apprenticeship programmes to prepare jobseekers for jobs according to their needs and the requirements of the employer.	Universal	Advisors for employers, service consultants (training), advisors for jobseekers

**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?**

About 1000 employers attend our information and cooperation events (seminars, briefings, round-tables etc.) every year. In 2010 employers notified EUIF about 38 406 different vacancies, which was 2.7 times more than in 2009. In 2011 (as of 31.10.2011), the number of new vacancies was 41 832. EUIF estimated the market share of vacancies to be 45 %. Wage subsidies were used by employers to employ nearly 11 000 people in 2010. Apprenticeships in enterprises are organised on average for 2500 people and employment trials for about 500 persons a year.

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

Typically we work with small and medium sized employers from the fields of industry, client services and construction. In terms of geographical location, most employers are located in or nearby larger regional centres, especially in the capital city area.

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

Usually employers, who look for executive or management key persons, are most likely to use widespread public campaigns or targeted head-hunting carried out by their own recruitment specialists or private service providers.

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

The most used service is job mediation because this is free of charge (offered by the EUIF) and at the same time it is the first step in the recruitment process. Wage subsidies and tailor-made training programmes are also of great interest.

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

	2010	2011	Forecast 2012	Forecast 2013
Share of expenditure in ALMPs' budget				
Training	19 %	35 %	39 %	37 %
Apprenticeships (on-the-job training)	9 %	8 %	8 %	9 %
Restoring employability (coaching for working life for long term unemployed)	4 %	7 %	13 %	12 %
Business start-up	14 %	9 %	8 %	8 %
Wage subsidy	42 %	23 %	15 %	14 %
Other measures	2 %	3 %	6 %	9 %
Stipendiums	6 %	8 %	7 %	7 %
Travel allowances	4 %	7 %	5 %	5 %

The distinction between funding allocated to services for employers and services for jobseekers is not clear cut. For example, providing job mediation and matching does not involve direct costs as this is carried out by PES staff and is included in operational costs. Also, employers clearly benefit from skills training and apprenticeships programmes. However, these are services that are first of all aimed at improving the skills and qualifications of jobseekers.

It is also important to note that the share of expenditure varies over time, depending on the economic situation and profile of jobseekers. For example, in 2010 when the impact of crisis was most severe in Estonia, priority was given to measures to support employers in job creation and employment of the unemployed. This is reflected in 42 % of resources being directed to the payment of wage subsidies and 14 % to business start-up grants.

We do not measure how much time advisers spend assisting job seekers and how much servicing employers. We have also not calculated how much money is spent exactly on employers and how much on jobseekers.

The number of specialist staff (employers' advisors) is 24 and the number of jobseekers' advisors (job mediation advisors and case managers) 221. However, in addition, a number of other specialists and the 'back-office' support service both strands. Operating costs also include expenditure related to the development of information system and e-services, publishing information materials, organising information and cooperation events etc., that are relevant to servicing both strands.

2. ORGANISATION OF THE SERVICES TO EMPLOYERS

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

2.1.1 How is their work organised?

Advisors for employers work in every regional (county) office of the EUIF. Each advisor is responsible for his/her region – both in respect of recognising the needs of the employers as well as delivering employers' services. In addition, a **rapid response team** is located in the head-office to respond and deliver services in the event of redundancies. Employers' services are developed and planned and their daily delivery is supported by a **Service Manager** in the head-office.

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

Employers' advisors are trained on the job and they receive job-related training according to the EUIF's training plan. There are regular seminars for employers' advisors organised by the head-office to ensure that services for employers are delivered according to the same standards and principles in every region.

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

No.

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 EUIF does not have formal partnership arrangements in place to deliver the services for employers. For apprenticeship programmes, wage subsidy payments and disability employment services, a contract is signed between EUIF and the particular employer. Partnerships with employers, employers' organisations, the national qualifications board, vocational training institutions and other agencies are mainly arranged on the basis of respective demand – for example, if there is a need to prepare employees for a particular employer or sector. Information and expertise is exchanged with: Tartu University; the Development Fund; Enterprise Estonia; analysis, research and other competence centres; and opinion leaders.

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 EUIF regularly holds information and cooperation events for employers at the national, regional and local level to introduce our services and the support that we can offer as well as to receive feedback from employers. In everyday work employers' advisors contact employers personally and offer services according to their needs.

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?

Employers' advisors mostly use telephone contacts, but visiting the employers or arranging meetings in the EUIF's office (face-to-face contacts) are also common.

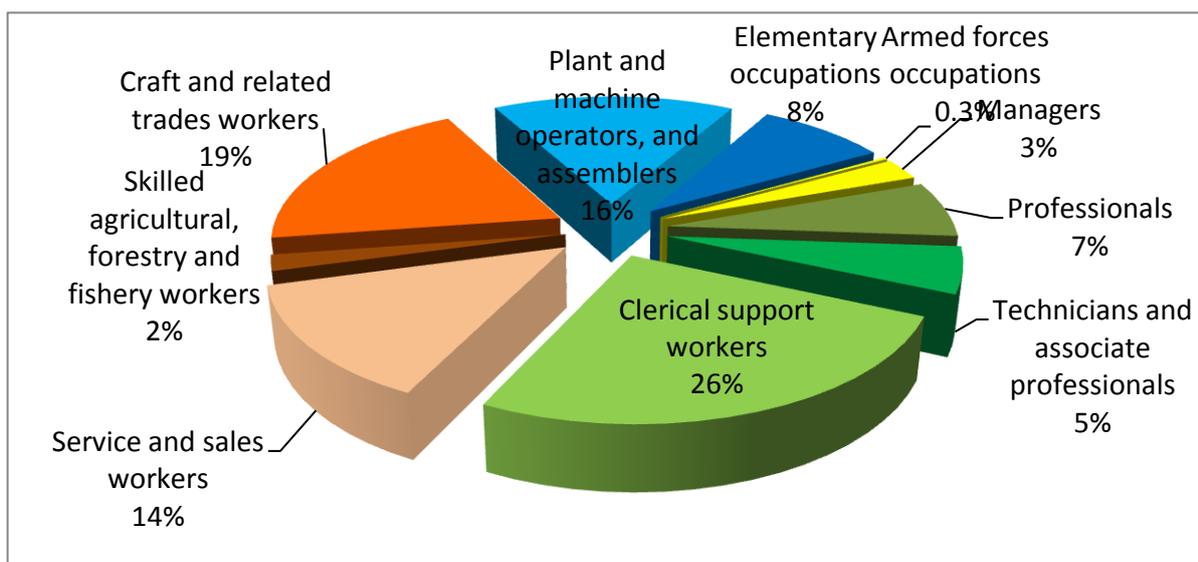
4. WORKING WITH EMPLOYERS: RECRUITMENT AND FINDING JOB OPPORTUNITIES FOR DISADVANTAGED INDIVIDUALS

4.1 Is the reporting of vacancies compulsory?

No.

4.2. What types of vacancies are most reported?

Medium and low-skilled jobs in the fields of industry, client services and construction are most reported.



Vacancies mediated by EUIF in October 2011.

4.3. What specific tools and systems do the staff use in their work with employers and which ones are particularly effective for recruitment and vacancy filling?

All vacancies reported by employers are checked by the employers' advisors. In order to guarantee that the jobseekers referred to the vacancies meet the needs of the employer, the advisor consults with the employer and the jobseeker's personal advisor. When necessary, an employers' advisor and/or a career advisor make the pre-selection of the candidates on the basis of CVs, interviews or tests. A personal approach to employer to clarify requirements and expectations is usually the most effective in vacancy filling.

4.4. 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?

It depends greatly on employers' needs, which service or combination of services is the most effective. Wage subsidies are most commonly used to employ long-term unemployed individuals. The evaluation of wage subsidies is currently being carried out. Apprenticeships programmes and work trials have also helped to place long term unemployed or unemployed with little or outdated work experience. Sixty four percent of participants in apprenticeships get a job within six months of completing the programme. Tailor-made training programmes ensure that jobseekers obtain skills that are relevant to their particular employer and job (44 % of participants in training programmes gained employment within six months of completing the programme).

5. MONITORING AND EVALUATION

5.1 What systems are in place for performance measurement and evaluation?

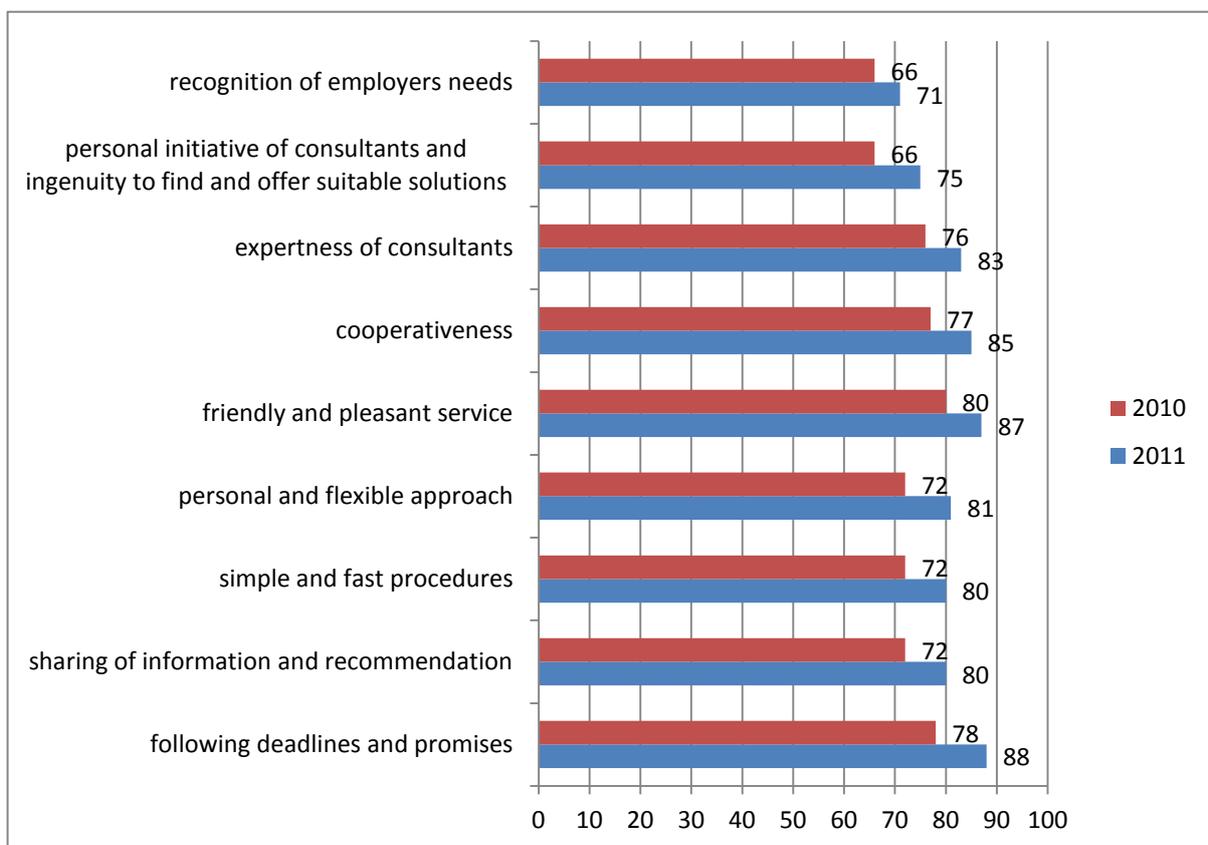
For monitoring and evaluating the cooperation with employers the EUIF:

- 1) conducts an annual client satisfaction survey – we assess employers' satisfaction with the service process (e.g. is it fast, on time, simple) and staff competence (recognising needs, finding and offering flexible solutions) as well as with the quality of the call centre's service and user-friendliness of the self-service portal;
- 2) organises employers' round-tables in every region to explore their needs and expectations and discuss service design and delivery;
- 3) invites employers to fill out a feedback form on the website;
- 4) carries out evaluations of the programmes – in 2012 we will evaluate the impact of apprenticeships.

5.2 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 main indicators are: inflow of new vacancies, market share of vacancies, and the employment outcome of apprenticeships. The results of the regular customer satisfaction survey are depicted in section 5.3.

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



Employers' satisfaction survey 2010 and 2011 (% of satisfied employers)

5.4. Is there a system in place to feed evaluation results into service development?

Results are analysed by specialist teams and discussed in the Management Board. Results are taken into account when proposing the two-year employment programme and EUIF's annual work plan. This is not a formalised procedure.

6 CONCLUSIONS

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

- motivating employers to recruit senior people and people with disabilities
- building sound partnerships with employers who are willing to give the most disadvantaged job-seekers (to help us to address their obstacles to employment) a chance
- anticipating training needs in medium and longer term perspectives to be able to have skilled labour prepared for the employers by the time they need it.

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

- personal contacts
- timely anticipation and response to employers' needs.

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	Experiences with 'key account managers' for larger/most important employers Cooperation between advisors for employers and advisors for jobseekers in the employment office
Contacting and engaging with employers	5	How to best anticipate employers' development and recruitment needs What methods work best in other countries in reaching out to employers? Differentiations of services to employers – what is the strategy and principals?
Recruitment and finding job opportunities for disadvantaged individuals	5	How to build effective partnerships with employers and promote their social responsibility
Monitoring and evaluation	4	