Combined Econometric and Self-Assessment Motivational Profiling of jobseekers

Key challenges addressed by development and use of the profiling tool include the following:

• Keeping in mind an objective to decrease the unemployment spell in the context of limited staff resources, it was necessary to identify an appropriate strategy for targeted individual work with the client and to match the client with appropriate services to facilitate return to employment. Profiling appeared to meet this challenge by reducing the risk that unemployment spells are increased by ‘locking’ the jobseeker into inappropriate measures and/or repeating this failure by attempting several measures with individual jobseekers;

• It was a challenge to ensure that staff in all local offices treat their customers in a similar way, and customers who belong to the same profiling group (similar distance to the labour market) should ideally receive similar offers of services. (There was a risk of receiving different offers of services depending on the local office or case officer);

• Cost savings/efficiencies were required and long and costly support measures may have been offered to jobseekers who may already have high probability of finding a job. Thus, linking profiling with ALMP measures could increase transparency and accountability for the use of the funds allocated to ALMP measures.

Name of the PES
State Employment Agency of Latvia (SEA)

When was the practice implemented?
An econometric profiling system was developed and implemented in 2013. From May 2013 to November 2013 the profiling method was developed (electronic design, testing and training of staff) and a user handbook was written. From 1 November 2013, the method was extended to all local employment offices. The system needs regular (annual) revision and updating of the statistics/econometrics on which a ‘decision tree’ is based.

What were the practice’s main objectives?
The objective was the development of a profiling system to determine the client’s likelihood of finding a job and main obstacles. The system assists Latvian PES (SEA) counsellors to determine a set of most appropriate active labour market policy measures and an individual ICT generated service package lists the suggested services for the individual jobseeker, in order of priority.

What activities were carried out?
The profiling tool allows staff to classify jobseekers in 39 different groups depending on their probability of finding a job combined with the results of self-assessment of skills and motivation of the customer. For each group, a different set of services (service packages) and frequency of future visits is suggested by the system.

The profiling process comprises a combination of data from self-assessment of the client (done in close collaboration with the client and Latvian PES counsellor) and econometric analysis of the client’s data compared to statistical data for the comparison group. It consists of several stages:

▶ The Latvian PES counsellor conducts a motivational interview with a client and fills in the form in the profiling system assessing the client’s motivation to cooperate with Latvian PES, the client’s motivation to search for a job and the client’s self-assessment of their skills. The interview is based on 12 predefined questions.

▶ In parallel, the profiling system automatically determines the client’s likelihood of finding a job by comparing demographic information from the information system of Latvian PES about the client with the average length of unemployment for the demographic group the client belongs to (data for the last 27 months).

▶ As a result of combining 4 criteria sections (motivation to cooperate with Latvian PES, motivation to search for a job, self-assessment of skills, and the (econometric) likelihood of finding a job), the profiling system automatically determines which of 39 profile groups the particular client belongs to.
The system generates the client’s profile, description of the profile, set of methods, strategies and suggestions of how to work with the client (e.g., questions to discuss with the client), set of most appropriate suggested active labour market measures and suggested order (priority) of receiving services.

Latvian PES counsellors use the results of profiling as one of the methods in the individual and tailored work with the client to develop an individual action plan. Every 6 months, or after participation in an active labour market measure, sections of the profile are updated (self-assessment and motivation criteria).

What outcomes/results have been achieved?

The total number of clients profiled at least once since June 2013 to November 2015 is 269,563. On 1 November 2015, 93.9% of the stock of current registered unemployed persons have been profiled (actual number – 73,293 persons).

The main expected impact from the implementation of the automated evidence-based profiling system is the ability to identify the set of measures that will result in the client’s fastest return to the labour market.

The first assessment of the profiling system indicated that jobseekers receiving support according to the profiling recommendations show better results (with regard to motivation and integration in the labour market) than non-supported jobseekers. However, more data and a longer period of observation is needed to provide a sound evaluation of the system. Evaluation is planned in 2016, using data from 2014 and 2015.

What are the lessons learnt and success factors?

Main success factors:
- evidence based design of the profiling model;
- combining the client’s self-assessment and calculations on the probability of finding a job (linked to the client’s demographic information);
- involvement of the Latvian PES staff in the interpretation of the results of the profiling and use of results in their individual work with the client.

Lessons learnt:
Evaluation of the system is feasible only when there are a sufficient number of observations (number of profiled participants entering and leaving different measures, and followed up for at least 6 months to monitor changes of their employment status).

If supported by evidence, to use profiling results in the planning of ALMP measures (their scope and coverage).

Use of the profiling results may be limited by budget implications and labour market policy, e.g. although wage subsidies seem to be a measure with the highest rate of integration in employment, use of wage subsidies is limited because of budget limits (expensive measure), because of a limited number of new vacancies and also a need to avoid labour market distortion that can be caused by subsidies.

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