EMPLOYER'S TOOLKIT

ENGAGING WITH AND IMPROVING SERVICES TO EMPLOYERS

European Commission

JANUARY 2018

ENGAGING WITH AND IMPROVING SERVICES TO EMPLOYERS

Written by Thomas Oberholzner and Patrick Hughes

Contents

Section 1.
Introduction

KEY HIGHLIGHTS

This introductory section:

▸ Puts the Toolkit in the context of the whole PES

▸ Notes how working well with employers is a key PES role

▸ Summarises the key readership groups for the Toolkit

1.1 What is this toolkit about?

Serving employers effectively is a key plank of an effective PES and is central to achieving PES goals. This toolkit is intended to support PES in designing, implementing and monitoring approaches of effectively engaging with employers. It provides guidance, options and examples to help PES devise relevant measures related to employer engagement. It covers best practice from a range of PES on:

▸ The basic principles and steps in designing a PES employer strategy;

▸ How to use both flexible and standardised approaches for employer segmentation and regional or local flexibility in employer engagement;

▸ The types of PES organisational structures suitable for addressing and working with employers;

▸ The key competencies for employer counsellors and other PES staff working with employers, and the training and guidance they need;

▸ The indicators and targets which can be used to monitor and improve the performance of employer engagement;

▸ And how to collect and use data to manage employer engagement well.

Throughout the toolkit we emphasise the importance of viewing employer engagement as a core function of PES rather than a separate activity. Employer facing work should always be set in the context of the core mission of finding work for those who need it.

1.2 Why is engaging with employers important for all PES functions?

Today's labour markets are changing fundamentally and rapidly. They bring new risks, opportunities, and requirements for the whole labour market, including employers–especially the smaller ones. The challenges include a contracting working-age population and high replacement demand; changing characteristics of the workforce (e.g. share of migrants, attitudes to work); an increasing mismatch between supply and demand of labour/skills; the emergence of new forms of employment; and new digital modes of recruitment. These significant economic, social, and technological changes call for increased attention from PES. In particular, PES face demands for closer attention to the needs of employers; a more labour demand-oriented service package; and qualitative support for employers (especially small and medium-sized enterprises). At the same time, identifying and developing services

for employers through closer cooperation of PES with companies opens up new job opportunities for unemployed people and for supporting employment chances of vulnerable jobseekers.

Recruitment challenges and difficulties are persistent and have even increased overall in Europe over the last few years (Cedefop, 2015; Cedefop, 2016; Eurofound, 2016; European Commission, 2017). Workforce development bottlenecks are more widespread than business constraints related to access to finance or administrative burdens, for example. Across Europe, difficulties in finding suitable, well qualified workers are most widely reported in sectors such as health and social care, ICT, and manufacturing. There are considerable differences between Member States in terms of which sectors are most affected by hiring difficulties.

Smaller companies are often at a disadvantage compared to larger companies as far as employer attractiveness and employer branding are concerned, and therefore experience more problems with filling vacancies. The number of applications for a vacancy is lower in smaller enterprises and they fail more often in filling their vacancies than larger firms. Further, groups of companies with above-average

recruitment needs and difficulties include young firms and internationally active companies.

Companies' use of PES as a search channel for employees varies between Member States, but is quite significant in many countries. However, **PES market share in actually filling vacancies is rather modest**, and stood at only around 8 % in the EU in 2014, with differences between Member States ranging from less than 5 % to around 20 %. Moreover, the importance of PES in companies' recruitments depends very much on the required educational or skills levels. It is particularly low for the highly educated. The low 'market share' and use of PES for medium to high-skill vacancies may reflect a negative perception of employers and low reputation of the PES clientele, or lack of information or recommendation received by the PES about candidates (European Commission, 2014a; Connors & Thomas, 2014).

Consequently, there is a need for PES to improve their relations and approaches to employers, take a more effective role in supporting enterprises with tackling skill shortages and recruitment difficulties, and be more effective as a labour market agent in general.

Table 1 Key factors concerning working with employers

Sectors with highest recruitment difficulties and labour shortages: ▶ Health and social care ▶ ICT ▶ Manufacturing	Increasing time needed to fill vacancies
EU-wide PES market share in filling vacancies: 8 %	Increasing share of non-standard employment contracts
Up to 40 % of employers experience recruitment difficulties in the EU	

1.3 The background of this toolkit

This toolkit is based on the inputs, contributions, and discussions at the Thematic Review Workshop on 'Employer Engagement' in Vilnius in June 2017 as part of the PES Network's Mutual Learning programme. The toolkit draws on a wide range of outputs and materials from PES fiches and previous PES-to-PES activities. The topics of the toolkit reflect the issues which were central and received the most interest at the Thematic Review Workshop.

1.4 Who is this toolkit for?

This toolkit is aimed at the following key groups of PES practitioners:

1. **PES senior management, heads of central and local employers offices/units, and relevant Ministry policy makers:** this toolkit sets out the basic principles, steps and aspects of designing an employer strategy, possible organisational structures, staff competence and training needs, and possible target and indicator systems to monitor employer engagement.

2. **PES national, regional and local delivery managers of employers offices/units:** for implementing employer strategies and working with employers at different organisational levels. This toolkit covers practical advice on segmentation of employers, division of work among PES counsellors, competence and training needs, and collecting data on employer engagement.

3. **PES performance managers responsible for designing and implementing perfor‑mance monitoring, evaluation and labour market data:** this toolkit sets out approaches for possible indicators and targets to monitor employer engagement, and lays out which methods and sources could be used.

PRACTICAL TIP

We hope users will read the full toolkit but those who are pressed for time:

▶ **Group 1** above should focus on Section 2 – drawing up a strategy, but might also look at section 4 on target setting.

▶ **Group 2** might focus on Section 3, particularly the organisation and Human Resource (HR) aspects; and on the performance management elements in Section 4.

▶ **Group 3** should focus on Section 4, but could usefully appreciate the task of developing the strategy set out in Section 2.

1.5 How to use this toolkit

This toolkit is divided into three main chapters reflect‑ing the three key steps in the Mutual Learning and Benchlearning cycle of continuous improvement:

▶ **Section 2** sets out how to plan and design approaches to engaging with employers;

▶ **Section 3** covers good practice in putting new improved plans in place;

▶ **Section 4** covers how to get the best perfor‑mance from employer engagement.

Each main chapter focuses on three key topics and a range of practical information, tips around what to think about, and actions to take in engaging with employers. In the final section of the toolkit we include references to further data sources and advice from a range of PES Network members.

Section 2.
Developing an employer strategy

KEY HIGHLIGHTS

This section focuses on:

► Key questions to consider in drawing up an employer strategy;

► Aligning your strategy with other PES priorities;

► How to segment your work by size or type of employer;

► The considerations in establishing local, regional, and national priorities.

2.1 Basic principles and steps in designing an employer strategy

A strategy is a set of measures designed to achieve a set of goals and realise a desired outcome. In our context, these refer to the relation between the whole PES and employers in the enterprise sector. An example of a strategy is provided as an annex to this Toolkit.

A clear and coherent employer strategy will help to:

► Understand how working with employers is linked to PES strategic labour market goals;

► Create a common vision of employer services for the whole PES organisation and staff;

► Encourage PES staff to work in the same direction;

► Make taking decisions and actions at operational levels easier and quicker;

► Set priorities and resolve ambiguities when resources are limited;

► Communicate the work of the PES externally, especially to employers, and internally to PES staff and managers.

Diagnosing the labour market context for your strategy

Among the first steps, and a basic requirement, in developing a strategy is to analyse and understand the environment and framework conditions, i.e. to **make a diagnosis of the current situation and needs of the enterprise sector** with a view to employment and the **PES' current relations with the sector**. This constitutes an important prerequisite for determining appropriate goals and measures. Table 1.1 provides an example list of questions that could be addressed when making a diagnosis of the labour market context.

Aligning with other strategies within PES and outside it

It is critically important to **take into account existing overarching labour market goals** of the government **and policy approaches of other labour market institutions** when developing a PES employer strategy. For example, you may need to analyse the following strategies and policies:

► The general, overarching PES strategy/goals: the employer strategy should be part of, and embedded in that strategy, and it should be well coordinated and aligned with any strategies

related to jobseekers (see examples of Ireland and Slovenia);
▶ Labour market strategies (and legislation) of the government/ministry;
▶ Strategies/policies of ministries for vocational education and training for the business sector and for social welfare;

▶ Strategies/policies for specific population groups: the long-term unemployed, younger people, migrants, older people, people with disabilities etc.;
▶ SME policies and other sectoral policies;

Table 2 Good practice example

DATA ON THE FOLLOWING ISSUES/QUESTIONS SHOULD BE COLLECTED FOR THE DIAGNOSIS	
How are your employers structured by size of workforce and sectors/industries?	**Usually official statistics or administrative data can be used to analyse and answer these questions.**
How are jobs distributed between employers, i.e. what percentage of all jobs is concentrated in the largest 1%, 5%, 10% etc. of enterprises?	
Which types of companies show high/low job dynamics or high/low workers turnover? Where are the high replacement needs due to an ageing workforce?	
Can you link industry-based employer classification with occupation-based worker classification to establish how important different industries are for a particular occupation and key shortages and surpluses? (Industry–occupation matrix)	
What are the skills needs of different types of enterprises and for different types of jobs?	**To analyse and answer these questions, you can use a survey of a sample of the enterprise population and/or conduct interviews with informed employer representatives, but also collect all experiences of PES staff.**
How do these needs compare to the PES pool of jobseekers?	
What could make disadvantaged groups (migrants, elderly, handicapped, etc.) more attractive to enterprises? Does your current portfolio of active labour market policies (ALMPs) meet employers' needs?	
What are the challenges different types of enterprises face in relation to recruitment and employment? Which disadvantages do some types of enterprises have on the labour market (e.g. small firms, certain industries, young firms)?	
How do enterprises usually search and recruit? Which channels, procedures, practices, instruments, and information do they use or do they prefer? What is their planning horizon?	
What support would enterprises value in terms of recruitment and employment (content and form)?	
Which interfaces to the PES would enterprises like to see? Consider different organisational models and channels of access.	
To which extent is the PES used by different segments of enterprises today? Distinguish between search orders (vacancies) obtained and successful placements. What is the success rate by different segments?	**To analyse and answer these questions, you can: use your own Customer Relationship Management (CRM) data; use a survey of a sample of the enterprise population; conduct interviews with employers.**
How do enterprises assess the (relative) strengths/advantages and weaknesses/disadvantages of the PES? Distinguish between PES-users and non-users. What are their reasons to use or not to use the PES?	
What is the role and importance of other labour market agents? Particular consideration is needed for vocational education and training, as well as career guidance whether delivered by PES or other agencies.	
What internal resources and capabilities does the PES have available to work with employers?	
What are future trends on the labour market? How would this impact recruitment and employment requirements of enterprises? What are the possible ramifications for the PES?	**To answer these questions, you may use the advice of labour market experts (e.g. workshop, briefing).**

▶ It is also advisable to develop the employer strategy in cooperation with business associations and chambers of commerce in order to take their views into account and raise the legitimation of the strategy among the business sector (see example of Slovenia). Involving business associations in strategy development can also lead to specific joint initiatives (see examples in the last chapter of the Methodology Manual on Business Service of the Danish PES included in Annex 3).

The employer strategy may be designed to support and reinforce existing strategies or it may complement them. However, the employer strategy should under no circumstances contradict, or be in conflict with, existing strategies. To that end, it is advisable to make a systematic overview of existing strategies and policies, including e.g.:
▶ Their target groups
▶ Their objectives
▶ Their instruments
▶ Their size – e.g. (expected) number of beneficiaries
▶ Their duration
▶ Responsible institutions

EXAMPLE 1

PES examples of employer strategies:

Goals of the 'Employers' Strategy 2020' of the Slovenian PES

The Employers Strategy is built upon the Slovenian PES overall strategic orientation called ESS 2020 Development Strategy. Feedback from discussions with employers' associations and other social partners was taken into account in developing the strategy. The Employers' Strategy focuses on four strategic goals in the area of cooperation and work with employers until 2020. Every strategic goal has two to four more operational and concrete objectives.

The four strategic goals are:

1. All services to employers shall be offered in one place (portal for employers and 12 offices for employers, plus a central office for employers); one third of PES advisers shall provide services to employers.

2. Services shall be adjusted to employers' size, region, and industry, and special personal attention shall be given to the smallest employers.

3. Cooperation with employers' associations and other stakeholders, in particular education providers on the local, regional, national, and international level shall be strengthened.

4. PES staff shall be guaranteed constant training and education for efficient provision of services to employers.

Evidence of effectiveness

In 2015, the number of activities and events for employers (670 across all organisational levels) increased by more than 100% in comparison to 2014. The number of visits to employers increased by 10% in comparison to 2014.

The 'Employer Relations Strategy 2017-20' of the Irish PES

The Employer Relations Strategy for 2017 to 2020 is based on the overarching Irish Pathways to Work strategy 2016-20 produced by the Department of Employment Affairs and Social Protection (DEASP). Pathways to Work aims to ensure that, where possible, new job opportunities are filled by registered unemployed people. One of its strands is about employer relations development. Specifically, about fostering a more professional approach with the PES to engaging with employers and undertaking PES staff training and development in order to improve the quality of the service offered. The Employer Relations Strategy has been produced to implement this work.

The Employer Relations Strategy's aim is to build effective relationships with employers with a view to increasing recruitment activity and, in particular, increasing employment placements for job centre clients. In particular, it sets out the following objectives:

▶ Develop and implement an integrated and consistent approach to engagement with employers to position the Irish PES as a partner of choice for recruitment and employment services.

▶ Increase awareness among employers of the portfolio of services and supports in order to maximise take up.

▶ Improve the quality, effectiveness, and efficiency of the services offered to employers.

▶ Develop the infrastructure (structures, people, processes, and ICT) required to deliver the objectives.

Determining a strategy or strategic goals is a creative process and there is no pre-defined set of goals and measures one could choose. The *'Example 1: PES examples of employer strategies'* box shows practical strategic delivery goals of employer strategies from the Slovenian and Irish PES. The number of goals should be 'manageable' and it is prudent to not exceed six.

Conducting external assessments of the emerging strategy

PES should consider conducting an independent assessment of the draft strategy or of different strategic options. This should be a systematic investigation, preferably done by experts independent from the strategy development team, of the relevance, coherence, and likely effectiveness of the strategy. It scrutinises, for example, whether the set priorities address the identified problems or opportunities, whether proposed measures are appropriate to achieve the goals, whether the strategy is coherent with other policies, what outcomes and impacts could realistically be achieved, or what positive or negative side effects there could be. In addition, consultation on the emerging strategy should include PES internal stakeholders such as operational managers and a sample of job counsellors, other interested parties in the public sector, and social partners with a particular emphasis on employer organisations as mentioned above.

2.2 Employer segmentation: different employers, different approach

The enterprise sector is very heterogeneous. The PES employer engagement strategy should take account of this and determine appropriate goals or approaches for different segments of employers. In practice, **segmentation can support**:
- Different communication and marketing approaches tailored to their needs;
- The design of ALMPs and service standards tailored to the specific segments;
- The relevant specialisation and development of expertise of PES staff.

If priority groups of employers are selected for PES engagement, the reasons should be clear and evidence-based. For example:
- Focusing on segments of employers where it can attain the most placements with the least resources (i.e. prioritising PES efficiency);

- Focusing on employers which have the most recruitment difficulties (i.e. tackling barriers to economic growth);
- Focusing on those segments where there is an abundance of jobseekers with skills or attributes relevant to that group of employers (i.e. reducing (long-term) unemployment).

However, it is critically important to set out the nature of the priority for each of the chosen segments or sectors to ensure service delivery is correctly designed. Operational criteria have to allow for identifying and categorising employers as intended. For example:
- **Enterprise size:** (see *'Example 2: differing needs of small and large employers'* for a detailed explanation).
- **Industry or sector:** Different industries experience very different growth paths and therefore have different potential for job creation or loss. Different industries also need people of different occupations and labour shortages (or abundance of workers), as well as skills needs, differ very much by occupation. Sector-based segmentations are effective to take advantage of and develop sector-specific expertise of PES advisors.
- **Internationally active companies** which often have more demanding skills requirements and are more open to recruit from foreign countries, as well as **young firms** which are more likely to grow but may experience reputational deficits on the labour market.

2.3 Regional and local flexibility, national consistency and harmonisation of strategies

A key question in designing an employer strategy is whether it should be the same or different across the regions/localities of a country. In other words, the challenge is to strike the balance between harmonisation and flexibility of goals and approaches across local and regional entities.

However, it is most important in designing how a new employer strategy might be configured to take account of the structure of the PES itself. Its accountability level (national; regional; municipal) will usually drive the scale and scope of how the employer strategy is designed.

EXAMPLE 2

Differing needs of small and large employers

Large firms are able to take advantage of a higher public profile in supporting their recruitment and have more resources to systematically invest in building up and communicating an attractive profile for prospective recruits (employer branding). Evidence shows that that a higher proportion of vacancies are filled for larger firms*. Furthermore, large companies use a wider range of more formal recruitment procedures: the use of predefined catalogues (standards) of competencies with scales or grades clearly increases with size of businesses, as do instruments such as psychometric tests, simulations, 360 degree feedback, and assessment centres. So, **large companies may expect formal procedures and extensive documentation from PES and a more sophisticated portfolio of instruments**.

Small firms have less general publicity and usually do not have specialised HR staff or units. They act more informally in their recruitment procedures. This is a product of both resource constraints and organisational culture. The ideal candidate is often in the head of the recruiter rather than outlined via a detailed description on paper. So in smaller companies, job descriptions and competencies expected of employees are often only determined ad-hoc and/or remain implicit. 'Soft', less well-defined criteria such as the ability of the candidate to fit into the existing workforce and culture or the flexibility of the candidate, i.e. the willingness and ability to perform a number of different roles, are often seen as a key requirement by small companies. While interviews and talks, checking CVs and certificates, and obtaining references are common practice in small firms, more sophisticated instruments are rarely applied. In small enterprises, gut feeling and intuition are often pivotal in the hiring decision.

It is perhaps not surprising, given these challenges, that the share of unsuccessful or cancelled search processes increases as firm size decreases. In other words, smaller firms fail more often in filling their vacancies. Furthermore, the number of applications for a vacancy is lower in smaller enterprises. So, **from the PES perspective, small employers need more support with recruitment, talent management, and employer branding, but without burdening them with too extensive of documentation requirements and formalities.**

* (Dietz et al., 2013)

EXAMPLE 3

PES examples of strategic employer segmentation

The Danish PES supports **large nationwide enterprises** through a special unit (Jobservice Denmark) as a single point of entry to the PES. The unit's main task is to coordinate service provision for these companies across all local job centres. A similar approach with a National Employers Unit has been adopted in the UK and Irish PES.

The Slovenian PES offers special services to **small and micro enterprises**, which lack Human Resource Management (HRM) professionals and experience. They can get personal assistance from PES advisors, while larger companies with HRM resources and experience are asked to use the electronic Portal for employers.

In Aragon, the Spanish PES makes an assessment of the most **dynamic sectors** in the region (e.g. the automotive sector), and these sectors are then specifically targeted through company visits.

The Belgian-Flemish PES distinguishes six **groups of sectors** and PES counsellors are assigned to and specialise on one of these sector groups. There are specific strategies ('business plans') for each sector.

One of the strategic goals of the Finnish PES is supporting the **growth of enterprises**. To this end they use a segmentation distinguishing: *start-ups; SMEs with a local market range; SMEs with a nation-wide market range; growing internationalised enterprises; and large enterprises.*

Table 3 Advantages of harmonisation or flexible strategies

WHY HARMONISATION OF STRATEGY	WHY FLEXIBILITY OF STRATEGY
Scale effects: taking advantage of synergies and efficiencies when implemented at larger scale	Regional and local labour markets are different (supply and demand) and call for specific approaches
Enables mutual learning	Wider policy frameworks of regions can be different, with different government or public administration priorities
Enables benchmarking	Regional PES resourcing levels and staff competencies can be different
Equal treatment of employers	More flexibility and bandwidth for innovative strategies and new ideas
Avoids cherry-picking by companies and regional market distortions	Scope for local targeting and tailored service provision
Improved relations with large employers with wider national presence, e.g. retail	Improves relations as employers may feel closer to key decision makers
Increased consistency of outcomes	

Regional flexibility and regional strategy variations should be well-founded and justified and be related to an overarching nationwide strategic framework. In a PES employer strategy, **regional flexibility should be allowed for and factored in in a systematic, transparent and comprehensible way**. This could include the following steps:

▸ Determine the **appropriate level of regional or municipal units** for which specific strategies or strategy variations might be developed. These could correspond to the jurisdiction of regional PES offices, but smaller or larger areas should be considered if more effective or appropriate.

▸ Conduct an **analysis of the regional labour markets** similar to the diagnosis suggested above (structure and dynamics of labour supply and demand).

▸ **Take stock of the regional policy and institutional framework** relevant to the labour market and the enterprise sector.

▸ On the basis of the analysis, make an **overview of how the regions differ** from the general situation and of the specifics of each region.

▸ If there are a large amount of regions, consider creating **clusters of local/regional labour markets** with a similar situation of employers and the labour market. Avoid having an unmanageably large number of employer strategies.

▸ Assess whether and in which way the different situations of the types of regions require adapting and modifying, or specifying the nationwide strategic framework.

▸ Services to employers with multiple sites (in retail for example) will be maintained and improved if there is a consistent service framework of common actions and processes for them.

Ideally, the **planned strategic outcomes and service standards should be clearly aligned across all regions, but goals can then be further specified at the regional level**. For example, while a general goal could be to focus and support growth sectors, the specification of these sectors could be different by region.

KEY MESSAGES

▸ Your employer strategy should be based on a careful analysis of labour market evidence;

▸ The strategy and its goals should be fully aligned with your PES wider strategy and consistent with wider government policy;

▸ Most successful employers' strategies have approaches that are segmented or targeted by size or sector of employer;

▸ Consider with particular care whether your strategic approach will be national, at the PES level, or drawn up regionally or locally;

▸ Finally, the most effective employer plans are built upon consultation both within PES and with external stakeholders.

Section 3.
Implementing employer engagement in PES

KEY HIGHLIGHTS

This section focuses on setting up and delivering the employer engagement strategy:

▶ Exploring the key issues around national and local organisation;

▶ The value of national units to work with major employers;

▶ The value of specialists for employer engagement;

▶ And the competencies required for PES staff working in this area.

3.1 Designing appropriate organisational structures

a) PES units/counsellors dedicated to and specialising on employers

For successful employer engagement, PES need appropriate organisational structures which ensure that enterprises are effectively served. PES organisation of the employer function should be driven by the strategic segmentation approach adopted (See section 2.2). Almost all PES at the Thematic Review Workshop reported from their experience this requires units/counsellors dedicated to and specialising on working with employers. Employer units/counsellors should ideally function as **single contact points** for companies, i.e. they should integrate a wide range of PES employer services or at least be able to respond to and follow up on all different kinds of requests and needs of employers. In effect they would act as a single gateway into PES services for employers.

PES should consider whether employer units/counsellors or contact points should be able to cover some or all of the following services:

▶ Vacancy registration
▶ Seeking additional vacancies from employers
▶ Employment mediation and matching
▶ Job-related training offers/support
▶ Employment subsidies, support for labour mobility, and other relevant ALMPs
▶ Organising specific events such as jobs fairs or working with EURES

While the actual execution of these services can then be delegated internally to specialised units, a key task of the employer contact point is to **proactively maintain personal relationships** with employers. This can often include visits to the companies to provide advice and accessing vacancies and obtaining knowledge about companies' labour needs and skill requirements. To that end, employer units/contact points should be organised at an appropriate geographic level to ensure that they are easily accessible for companies, and companies are easily accessible for employer counsellors. It is advisable to develop a **contact strategy** detailing the frequency of contacts, the set of questions or issues to be raised, the PES services to be offered, and the way information is brought back to and shared within the PES (preferably into a CRM system). The Methodology Manual for Busi-

ness Service of the Danish PES included in Annex 3 provides several examples of different contact strategies.

b) PES units/counsellors for particular types of employers

Next to regional employer units/contact points, it is often useful to implement special units for particular types of employers–in particular establishing a **unit or team dedicated to work with very large companies** operating nationwide. Typical examples are larger banks and retail employers where the branch network can be served locally through dedicated points of contact, but central points of liaison are needed to agree on service standards and understand the employers' recruit-

ment requirements, which are often based on highly standardised job descriptions and frameworks.

First, irrespective of the location of branches, HR departments of such companies often prefer a single point of contact at the PES. In a situation where PES strategies and measures differ regionally, such companies can still be offered uniform services for all their local branches through a special unit/team. A number of PES, including UK and Denmark, have done this.

Secondly, groups of companies requiring specialised PES units/teams can be **employers experiencing difficulties** or those expanding rapidly. Examples might include restructurings or closures, where a rapid response is often required, including special

EXAMPLE 4

PES example of a unit consisting of counsellors dedicated to working with employers

In April 2017, the **Lithuanian PES** set up a new unit consisting of counsellors dedicated to working with employers, i.e. PES counsellors were separated between those working with jobseekers and those working with companies. Existing PES work coaches were retrained to take up the new positions as employer specialist counsellors. The employer specialists have a case load of around 600 employers. They carry out at least two visits to employers per week. In particular, they seek to visit employers that are new to PES services and will try to gain information about the employer's skills needs. They also outline the types of services that the PES can offer.

The main task of the employer counsellors is to match jobseekers with vacancies. To do this, they work with employers to ascertain their needs in terms of skills and competencies, and then liaise with work coach colleagues to identify suitable candidates for positions. By sending information about candidates (e.g. CVs), employer specialist counsellors would then agree with employers on a pre-selection of jobseekers in order to begin shortlisting candidates and start recruitment procedures.

Associated tasks of employer counsellors include, amongst others:

► Organising job fairs and career days;

► Arranging introductory visits to employers for young jobseekers;

► Organising vocational training with local training providers to help employers meet their skills requirements;

► Promoting the use of the PES e-services platform by employers (where they can upload information on vacancies and receive information about candidate jobseekers);

► Signing cooperation agreements with employers, which involve specific concrete goals and actions.

Evidence of effectiveness

The Lithuanian PES matching service and pre-selection recruitment procedure, drawing on the knowledge and expertise of employer specialist counsellors, means that employers are now more likely to fill vacancies with suitably qualified and skilled employees. A network of vocational training institutions has also been developed in collaboration with the PES. This has helped to provide new vocational training programmes to meet employer skills gaps. Overall, employers are generally more satisfied with PES services.

Similarly, in **Estonia**, where PES employer counsellors have been introduced in 2015, the feedback from companies on their cooperation with the PES has clearly improved. Also in **Austria**, the focus on personal contacts with employers has resulted in high satisfaction rates amongst employers.*

* The importance of personal contacts and visits to improve cooperation with employers has also been shown by a previous discussion paper of the PES to PES Dialogue (European Commission, 2014c).

PES examples of a unit for large employers

In **Denmark**, Jobservice Denmark supports large nationwide enterprises with large-scale recruitment needs. Jobservice Denmark is a national hotline and single point of entry to the Danish PES system for enterprises which recruit in several municipalities. Jobservice Denmark's main task is to coordinate service provision for these companies across all concerned local job centres.

In **Ireland**, in the context of the Employer Relations Strategy, a national Employer Relations Division was created within the Department of Employment Affairs and Social Protection (DEASP) in 2015. A centralised Key Account Managers (KAMs) team was established as a single contact point for large employers (250+ employees), which is specialised by occupational area. KAMs provide an intensive and tailored service, including assistance with advertising jobs, identifying suitable candidates from a database, pre-screening, scheduling interviews, and providing interview facilities (in collaboration with divisional teams). Where there is a skills gap, KAMs may liaise with local education and training providers to help meet future skills needs.

Alongside KAMs, there are also 11 Employer Relations Managers in each of the 11 PES Divisional areas. Some of these are accompanied by a dedicated support team, but others draw on the support of general staff when needed. Divisional Managers undertake similar tasks to KAMs, but at a localised level and for employers with under 250 employees. KAMs and Divisional Managers work closely together in order to provide a consistent and cohesive service to employers.

The Employer Relations Division also disseminates articles to employer bodies, runs an annual jobs week where employers are engaged, and profiles services within broader government-run networks (e.g. National Corporate Social Responsibility Stakeholder Group).

In addition, there are contracted Public Employment Services to provide a service for long-term unemployed people and connect with employers to identify and put forward suitable candidates for job opportunities.

Evidence of effectiveness

In the Irish case, the following outcomes of the new organisational structure are emerging:

▸ More employment opportunities for PES clients;

▸ Increased awareness of PES support and services;

▸ Increased utilisation of services and supports;

▸ Higher employer satisfaction levels;

▸ A more consistent service for employers;

▸ Stronger relationships and networks with employers to better understand their needs and expectations.

---

priority for retraining and liaison with social partners. Alternatively, employers expanding rapidly such as retail chains may well require dedicated PES teams to support them.

Thirdly, there are specific needs of a PES contribution to labour market support on projects of national importance and high public profile. Examples here might include significant infrastructure developments such as urban transit systems, major new roads, or other high-profile but intrinsically time limited events such as sporting tournaments, major exhibitions, and more.

c) PES employer units/counsellors specialising on sectors

In some PES, for instance in Ireland, in Belgium-Flanders, and in the Jobcentre of Holstebro in Denmark, employer counsellors or teams are specialising in sectors. In Belgium-Flanders the sectors are based on clustering occupations, for example, the construction sector, logistics, health care, education, ICT, retail, and so on. Sector teams are developing their own plans in relation to the staff, facilities, and financial means they need, and particular services they are going to offer.

Table 4 Advantages and disadvantages of sectoral specialisation

ADVANTAGES OF SECTORAL SPECIALISATION	DISADVANTAGES OF SECTORAL SPECIALISATION
Teams/counsellors build up more knowledge of firms' specific needs and requirements	Sectoral labour market dynamics may require frequent adjustment of capacity of sector teams
Teams/counsellors build up more knowledge about relevant jobseekers	Uneven workload because of seasonality of sectors (e.g. construction, tourism)
Improved mediation and matching performance of counsellors	Dissatisfaction among counsellors focusing on 'difficult' sectors
Improved networking possibilities among relevant stakeholders and labour market actors	Substitution among counsellors is more difficult
Rapid dissemination of good practice is facilitated	Counsellors may be driven exclusively by employer needs at the expense of key PES priorities

d) PES unit for developing and coordinating employer engagement operations

When serving and supporting employers is actually spread over various regional units and teams for specific types of employers, Thematic Review Workshop attendees reported it is highly desirable to establish a **central office or team responsible for coordinating and supervising the PES' employer engagement**. The tasks of a strategic and coordinating employer unit can include:

▶ Designing employer services and service standards;
▶ Determining division of responsibilities and safeguarding cooperation among all units concerned with employer engagement;
▶ Providing advice in special situations;
▶ Developing and maintaining common tools (e.g. IT tools, contract templates);
▶ Developing and producing PR and communication materials, branding;
▶ Monitoring engagement activities and outcomes;
▶ Coordinating mutual learning and exchange;
▶ Advising senior PES leaders on employer engagement issues.

For example, the **Slovenian PES** established a central Employers' Office. That office is responsible for coordination, development, and standardisation of employer-targeted services. Similar teams exist in the UK, Ireland, and Slovakia.

Although the list of duties and accountabilities varies between PES, the consistent guiding themes for such units are that they see themselves as operational rather than strategic policy units; and that they need to be agile and responsive to the news of frontlines PES managers.

e) Organisational means to ensure collaboration between employer counsellors and jobseeker counsellors

Close collaboration between units or counsellors for employers and jobseekers is imperative for effective job mediation and matching. Getting this basic collaboration right is at the heart of PES work. This task should be a priority for operational managers at every organisational level since it is the dynamic that drives PES results.

While jobseeker counsellors know the profiles and needs of potential candidates, employer counsellors know the requirements of the companies and therefore should be involved in the pre-selection of candidates. The following mechanisms can be used to encourage exchange and mutual learning among employer and jobseeker counsellors in PES:

▶ Employer counsellors participate (from time to time) in conversations with jobseekers (unemployed) and in creating a database profile of jobseekers;
▶ Jobseeker counsellors participate (from time to time) in company visits, collecting vacancies and associated job profiles;
▶ Jobseeker counsellors participate in internal events and seminars on employer issues and employer counsellors participate in internal events and seminars on jobseeker themes;
▶ Internal electronic learning platforms where counsellors can provide information on

employers' perspectives, e.g. assessment tools, trends in skills needs and other requirements, feedback and evaluations from employers, etc.;

▶ Organising an 'employer day' including e.g. speeches on employer issues, round tables, presentation of service offers, tours, and involving all PES counsellors;

▶ Employer and jobseeker counsellors should be able to use a common IT system for administration of their work processes related to employers and jobseekers respectively (e.g. a common CRM system).

Employer and jobseeker counsellors should be aware of the goals of each other or, as far as possible, work towards shared goals. Effective collaboration, exchange, and coordination between employer counsellors and jobseeker counsellors can be fostered when they **work together in relatively small teams**, specialising for instance on particular regions and/or sectors.

EXAMPLES 6-7

The **Belgian-Flemish PES** works with small teams each dedicated to a particular sector in a particular region, and each team is covering both the employers and the jobseekers in that region and sector. These teams are understood as 'problem solvers'. Within the teams, some counsellors focus on working with employers and others are mainly working with jobseekers, but they are part of one unit which facilitates collaboration and exchange. Each team also includes a specialist for people with disabilities, a specialist for workplace learning, and a EURES specialist. However, sector teams should not be too strictly separated from each other in order to still allow jobseekers to change from one sectoral target group to another if needed.

In **Denmark**, in a local PES office – the Jobcentre of Holstebro in Denmark – employer counsellors and jobseeker counsellors hold weekly meetings focusing on particular sectors (see Annex 3 for details). They discuss the situation of businesses and opportunities for jobseekers in the sector.

Table 5 Catalogue of key competencies required from employer counsellors

CATALOGUE OF KEY COMPETENCIES REQUIRED FROM EMPLOYER COUNSELLORS

Formal education

▶ Many PES ideally prefer a formal tertiary education from employer counsellors, i.e. a masters/university degree.

Personal and social competencies

▶ Experience/competencies in sales (e.g. being able to communicate to employers the benefits of PES services and of cooperating with the PES);

▶ Good, proactive communication skills and a networking approach;

▶ Ability to take an employer perspective (e.g. understanding their needs and interests);

▶ Problem solving – ability to develop tailor-made solutions for employers.

Professional competencies

▶ Experience/competencies in HR management and staff recruitment (e.g. knowledge about the recruitment process, how to evaluate applications and candidates, how to conduct job interviews);

▶ Knowledge of relevant labour legislation;

▶ Knowledge of the labour market situation;

▶ Knowledge of labour market stakeholders and (potential) strategic PES partners;

▶ Experiences with people with disabilities;

▶ Knowledge of available PES services;

▶ Experience/competencies in project management.

EXAMPLE 8

Key capabilities required from employer specialists at the Lithuanian PES

The Lithuanian PES has identified/defined **four key capabilities** for specialists working with employers. They must be able to:

▶ Properly ascertain and understand employers' needs and interests;

▶ Provide employers with relevant, high-quality information on time;

▶ Offer tailor-made solutions matching the current needs of an employer;

▶ Communicate the benefits of cooperation between the PES and employers.

EXAMPLE 9

Developing capabilities and skills of PES staff assigned to employer services in Ireland

In the Irish Department of Employment Affairs and Social Protection (DEASP) there is a Staff Development Unit (SDU) responsible for providing training for personnel. The SDU, in collaboration with the National College of Ireland has developed a *Certificate in Professional Practice in Employability Services* (a Level 8 Special Purpose Award). This programme includes a four-day module on 'Engaging with and Supporting Enterprises'.

KEY MESSAGES

▶ Dedicated employer-focused counsellors and teams are almost universally the preferred frontline delivery solution for employer services;

▶ Many PES have dedicated central or national teams focused on the needs of large employers and are willing to flex these arrangements if national priorities require it;

▶ A key priority for operational mangers is to ensure that employer and jobseeker facing staff work closely together;

▶ Many competencies required for employer-facing staff mirror those for jobseeker counsellors, but there is also a strong requirement for sales competencies and for a sound knowledge of employment law.

3.2 Enabling your staff to work with employers effectively

Competencies required for working with employers

PES staff working closely with employers need a set of specific competencies to cover and fulfil some or all of the tasks and services mentioned in section 3.1, in particular task elements related to job broking, administrative, counselling and social work, and HR management issues. Table 1.4 presents a catalogue of these key competencies and skills, developed from the discussions and inputs at the Thematic Review Workshop and materials of previous PES-to-PES activities[1].

How to support competence development

PES can use a wide variety of measures and tools to support the development of competencies required for PES counsellors to work with employers. This includes the following:

• **Course-based vocational training**

• **Traditional trainings, usually carried out by external trainers, are often used for the following topics:**
▶ Sales techniques
▶ Recruitment: process, procedures and measures, including selection interviews
▶ Employment law
▶ People with disabilities: legal regulations, workplace requirements, hiring

• **Other possibilities to support competence development include:**
▶ Coaching and mentoring
▶ Handbooks and guides (see the Methodology Manual on Business Service of the Danish PES included in Annex 3)
▶ Intranet exchange tools (e.g. presentation of good practices)
▶ Physical learning and exchange formats

[1] European Commission, 2012b

Section 4.
Monitoring an employer strategy

KEY HIGHLIGHTS

This section focuses on:

▶ Collecting data about employer engagement work

▶ Using data to evaluate and review approaches

4.1 Defining a system of indicators and targets

Systematically monitoring an employer engagement strategy and its goals is crucial in order to assess how well the engagement activities have been implemented, and how effectively and efficiently they work. For PES that will usually mean:

▶ Collecting data for operational and evaluation purposes;

▶ Establishing a portfolio of management indicators for performance management services to employers over both the long and short term;

▶ Using indicators and data to keep service and programme design under review;

▶ Drawing on the data and the indicators to put targets, sometimes called Key Performance Indicators (KPIs), in place to motivate managers and staff to achieve the chosen PES goals.

Note that it is crucial to ensure that the targets set for the employer engagement arm are consistent with and reinforce the broader suite of targets for PES as a whole.

Step 1: What needs to be monitored? Activities and processes, outcomes and impacts

An employer strategy consists of various activities you want to implement (e.g. more employer visits or developing the skills of PES counsellors) and various outcomes, results or impacts you want to achieve. For example: to increase employer satisfaction to a certain level, to increase the acquisition of vacancies from employers, or to achieve a certain PES market share in all recruitments. The first step is to **make an overview of all important processes/activities you want to implement as part of the strategy, all results you want to achieve, and any potential interactions between them**.

You will need to develop a clear picture of the key activities and the expected results flowing from them. Intermediate first order results are usually referred to as outputs and desired final results as outcomes and impacts. An example of what results could follow from an activity is depicted below.

Secondly, in addition to activities and expected results, you should also monitor **inputs**. Inputs may refer, for instance, to external costs/expenditures or

EXAMPLE 10

Example of desired results chain

▶ **Desired goal:** Obtaining a continuing supply of vacancies from employers that can be filled by PES jobseekers.

▶ **Input:** Number of PES employer counsellors; cost of marketing activities e.g. brochures, travel costs for visits, etc.

▶ **Activities:** Visiting/contacting employers; marketing for fillable vacancies; referring PES jobseekers; seeking long-term commitments from employers.

▶ **Outputs:** Number of employers visited/contacted by sector/by PES operational unit; number of vacancies obtained and proportion meeting criteria for filling; number of referrals by jobseeker counsellors.

▶ **Outcomes:** Number/proportion of vacancies filled by PES jobseekers; number of employers committing to notifying vacancies to PES; employer satisfaction levels.

working time of PES staff directly associated with the activities.

Step 2: Defining indicators for activities and processes, outcomes and impacts

Once you have made a well-structured overview of all important activities, processes, and expected outcomes and impacts (goals) of the employer strategy, the next task is to **define relevant indicators representing the activities, processes, and expected results**. Consider the following principles when selecting indicators:

▶ Your choice of indicators should be reasonably **comprehensive**, covering the key activities, processes, and desired results (goals) of the strategy.

▶ They should be **proportionate**, i.e. the effort and cost to obtain corresponding data should be reasonable in relation to the scale of the strategy.

▶ Indicators should be **sharply defined** in order to avoid any doubts and ambiguities as to how to calculate them and what data is to be collected and included.

▶ Indicators should be relevant and **valid**, i.e. actually measure the kind of desired result or implemented activity. Sometimes it can be useful to cover an activity or an expected result not only by one, but by two or more indicators. For example: reaching out to employers through organising events could be measured by the number of events, the total number of partici-

pants, and the number of new participants (i.e. with repeated participations deducted).

▶ For all indicators, **data needs to be available or collectable** in accordance with the indicators' definition and in regular intervals (see section 4.2 Collecting data on indicators). You should avoid changing data sources once decided.

Step 3: Determining baseline and target values for the indicators

In order to assess whether, or to which extent, strategic goals are being achieved and to which degree planned activities are being implemented, it is advisable to determine baseline as well as target values for the indicators.

The **baseline** represents the situation at the beginning of or before implementation of the strategy. For example, the number of employer visits, the degree of employer satisfaction, or the number of vacancies obtained from employers. If an activity is introduced for the first time, e.g. a training for PES counsellors on communication with employers, the baseline is usually zero (0). To establish the baselines, a data collection exercise is required before the strategy's measures are started. Knowing the baselines is also important to define realistic target values for the indicators.

In addition, **targets** should be determined for the indicators, i.e. the indicator values that should be achieved by a certain point in time, for both activities and expected results. These can then be contrasted with the realised values. It is important that targets are realistic and achievable; over-ambitious targets could lead to frustration and a need for later justifications for underachievement. Furthermore, targets at different stages of the results chain need to be interrelated: is the target at one stage sufficient to achieve the target of the next stage?

A set of examples of indicators of various types can be found in the Annex 1 – Indicator template with examples

Step 4: Breaking down the indicator system to different organisational levels

Indicators and targets can and should also be used for leadership and management purposes. Achieving PES global targets requires a clear allocation of responsibilities in terms of which organisational units/

levels and staff members are accountable for which indicators and which proportion of the target. Such a breakdown will support benchmarking between PES units and jurisdictions and help identify possibilities of improvement and good practices.

The appropriate organisational level to which a target can or should be broken down depends on the nature of the indicator. For example, the overall target number of employer visits can be broken down to individual PES counsellors. The number of employer events per year, however, may be broken down to regional offices or to units responsible for sectors. The key criterion here is that the **responsible organisational level should be able to control and influence the target**.

When determining sub-targets for staff members and organisational units, various aspects need to be taken into account:
► To what extent is the indicator/target value actually controlled by the staff member or organisational unit? Targets should be broken down to the level that has control over them.
► What are the current baseline values staff members or units are departing from?
► What are the resources different staff members or units can put into the activities?
► What are the external conditions and potentials in each area, e.g. the total number of employers, type of employers, and available jobseekers?
► Are there relevant sub-targets of other strategies – e.g. for jobseekers - and are they coherent with sub-targets of the employer strategy?

4.2 Collecting data on indicators

There are various methods and sources to collect the data for your indicators. The typical sources include the following.

Business process data

Business process data are the data you continuously collect in relation to the activities your PES is carrying out in the course of business. Today, such data are usually recorded in IT systems. They are collected for various purposes such as documentation, administration, financial reporting, and client relationship management. Apart from process data around vacancies, other examples include visits to employers, complaints, and data on events organised or trainings held.

Quantitative targets of the Slovenian PES Employers Strategy

Amongst others, the Slovenian PES Employers' Strategy sets out two quantitative targets for the following indicators:

► By 2020, the average satisfaction level of employers with Slovenian PES services should be at least 4 (on a scale from 1 to 5);

► Each year, at least 12 activities should be carried out to encourage social responsibility of employers to promote employment of vulnerable groups.

For collecting your data on indicators it is always advisable to exploit these existing data sources as much as possible. In the context of developing your monitoring indicator system you should therefore **carefully review what data is already available** (i.e. being collected for other purposes) to avoid asking for the same data several times and creating new administrative burdens internally or externally.

Reviewing the availability of existing data also includes a **careful evaluation of their suitability and quality** with a view to the requirements of your indicators, in particular in relation to their definition, validity, periodicity, and desired regional, sectoral or PES-organisational breakdown (see section 4.1 Defining a system of indicators and targets).

Depending on the suitability of available data, you may consider **adapting the collection of business**

The Customer Relationship Management (CRM) system of the Slovenian PES

► In the context of the Slovenian PES Employers' Strategy, the customer relationship management (CRM) application has been upgraded in order to facilitate Slovenian PES activities with employers. The CRM system keeps record of all contacts with employers. For example, visits to employers, group meetings with employers, telephone contacts, and also relevant information from media. All relevant data from other Slovenian PES databases are imported to the CRM system, allowing Slovenian PES staff to monitor different forms of cooperation at the level of individual employers and categories of employers (by size, location, industry, etc.). The CRM system is the main tool for planning as well as for monitoring the activities with employers.

process data and/or collecting new and additional business process data to better meet the requirements of your indicator system. It is important however, that requirements from purposes other than indicator measurement are not adversely affected. Adaptations to existing data collection may refer to adjusting definitions of events/cases counted, periodicity of collection, attributes collected, or breakdowns and classifications applied, for example.

Surveys

Where data will not be available or cannot be collected on the basis of PES business processes, one option is to conduct questionnaire-based surveys. With surveys you can collect data for indicators which relate to views and assessments from employers. In the context of monitoring employer engagement, surveys are often used to measure **customer/employer satisfaction with or awareness of PES services**. Note that there is a separate dedicated Toolkit assisting with the development of customer satisfaction measurement systems[2].

More detailed advice on the design and conduct of surveys can be found in Annex 2

Data from external sources

Next to PES business process data and targeted surveys, available external sources may also be used to collect data for indicators. External sources can be used, in particular, for **higher level impact indicators** in your monitoring system. For example, if one of the goals of an employer strategy is to support business growth and job creation, this could be measured by the number of businesses with increasing staff numbers or number of jobs created in businesses obtained from Statistical Offices or social insurance registers.

Data from external sources can furthermore be used as contextual information to put the development of specific indicators into perspective.

Organising and coordinating data collection for indicators

Where indicators rely on different data sources, data collection needs to be coordinated to ensure that

results for the entire indicator system are available for a certain reporting period to make comparative analysis useful. This general area and the tasks discussed below are well suited as part of the role of the central employer unit referred to in Section 3.1 Time scale of measuring indicators.

The following needs to be determined in regard of the time scale of monitoring:

▶ The **reporting period and interval**: Practically, the reporting period and the reporting interval are interrelated. The reporting period is the time period the targets and realised values of each of the indicators are supposed to refer to. Calendar years are the most usual reporting periods and, therefore, an annual reporting interval seems to be most common and appropriate in most instances. Shorter intervals result in higher monitoring costs and comparing indicators of e.g. half-year (or even shorter) periods may be difficult due to seasonality effects etc. [3] On the other hand, longer than annual intervals would inhibit the possibility of timely interventions into the strategy. If the nature of an indicator is so that it refers to a point in time rather than to a period, you may choose an appropriate standard date within the reporting period or calculate an average over several dates within the period.

▶ The **availability date**: This is the date when the data (values) for all indicators of a given reporting period should be available. It can be expressed, for example, as the number of months after the end of the reporting period. This will be different by indicator and data source, but the availability of the whole indicator set depends on the latest available indicator values.

Responsibility for reporting and submission

There need to be clear responsibilities for the process of data collection. As a minimum, the following roles can be distinguished and should be assigned to appropriate PES units/staff members:

▶ **Coordination and compilation** of the indicator set: This involves planning the data collection for each reporting period, requesting the data from data suppliers, checking data quality, plausibility, and compliance with definitions and other

---

2   https://publications.europa.eu/en/publication-detail/-/publication/64e86bcc-23cd-11e6-86d0-01aa75ed71a1/language-en

3   This does not exclude that values of some indicators, where easy to produce, can be provided for shorter periods and in shorter intervals.

requirements, compiling a coherent indicator set, etc.

▶ **Data suppliers** for each indicator: This is particularly important where data cannot be retrieved by the coordinator from a central PES database, e.g. in the case of PES-external data or data from surveys. It needs to be determined which PES unit provides the data to the coordinator.

Careful planning for future data collection is also important to ensure that possible ethical/privacy issues are identified and fully addressed, that the costs of data provision are transparently presented and that arrangements to ensure storage and transmission are planned for.

Annex 1 – Indicator template with examples presents an exemplary template that can be used to develop and frame an indicator system. The template includes examples of indicators typical for monitoring an employer strategy.

4.3 Using monitoring results

Once all indicator values for a given period have been collected and are available, there should be a **systematic analysis and review process** to draw out lessons to be learnt and key improvement actions to be taken by the relevant accountable managers. Analysis and review of the indicators may include several approaches and perspectives:

Looking at trends on indicator values over time

A basic analysis is to review, for each indicator, how far you have progressed from the baseline (or the previous reporting periods) towards the targets for both process/activity indicators and outcome indicators. Progress on outcome indicators informs you about the effectiveness of the employer strategy. The analysis should be broken down by organisational accountability levels as defined in the indicator plan and, as far as possible, by other criteria such as business sectors or enterprise size categories. In doing this make sure you take account of contextual factors especially in highly seasonal sectors such as tourism, or significant labour market changes.

Benchmarking – comparing realised indicator values between regional or other organisational units

Another type of review of your indicator data set should refer to comparing performance along indicators across PES units, regions, or in relation to groups of employers (e.g. sectors or size categories). This can help identifying good and successful practices in implementing the employer strategy, especially in cases where the strategy allows for flexibility in activities or priorities. **Applying a 'benchlearning' approach can be especially useful here.**

If you have collected data on input indicators – such as expenses and resources invested – you can also compare efficiency issues. This means relating activity or outcome values to input values, for example the number of employer visits per employer counsellor or costs for events per participating employer.

However, it is important to carefully analyse the reasons behind any performance variation. This should be done together with those accountable for well-performing areas and, again, contextual data and information on different labour market developments should be taken into account as well.

Analysing interrelations between different indicators

Another type of analysis refers to investigating the interrelation between different indicators. This will help you to understand to what extent activities do really impact on outcomes and whether outcomes at different levels are actually interrelated. For example, you may analyse whether higher or increasing employer satisfaction really leads to more placements. Such kind of analysis should, as far as possible, also include contextual indicators on labour market developments.

Drawing conclusions for improving strategy and activities

When drawing final conclusions and recommendations in relation to the employer strategy, the following principles should be taken into account:
▶ Provide explanations for the development, progress or lack of progress on indicators.
▶ Always consider factors outside the strategy possibly influencing implementation and results (contextual factors).

EXAMPLE 13

Using external support for monitoring

You may consider using external support of specialists with developing your indicator system, with regular collection (of some) of the data and/or with analysing and reviewing the data. Opting for external support will depend on:

▸ The technical and analytical skills and resources available within your PES;

▸ The knowledge and experiences with conducting surveys (if any) within your PES;

▸ **Note:** Collecting data yourself may result in more in-depth knowledge of the specifics of the data and how to interpret them;

▸ The skills and experiences within your PES with (statistically) analysing and presenting data;

▸ Whether or not you think that involvement of external experts could increase the credibility and acceptance of results vis-à-vis internal and external audiences.

Note: Analysing and reviewing data yourself may generate a greater learning effect for PES staff.

▸ Your conclusions should be clearly supported by the data.

▸ Provide information on the methodologies behind the indicator system. You can do this in a dedicated chapter or annex.

▸ Discuss results thoroughly with those accountable for them and initiate a learning process among all parties involved. You may organise a workshop or seminar for staff to that end.

▸ Focus on possibilities for improvements and good practices rather than on 'blaming and shaming'. Results should be presented and communicated in a motivating way.

Discussions at the TRW have revealed that a thorough review and updating of the entire employer strategies is done at least at two or three year intervals.

Further information and resources

► Cedefop (2015). *Skill shortages and gaps in European enterprises*. Luxembourg: Publications Office of the European Union (Cedefop reference series 102)

► Cedefop (2016). *Future skill needs in Europe: critical labour force trends.* Luxembourg: Publications Office of the European Union (Cedefop research paper No 59)

► Connors, C., Thomas, A. (2014). *Small employer recruitment practices. Qualitative research into how small and medium-sized enterprises select candidates for employment.* Department for Work and Pensions (Research Report No 855)

► Dietz, M., Kubis, A., Leber, U., Müller, A., Stegmaier, J. (2013). *Kleine und mittlere Betriebe im Wettbewerb um Fachkräfte.* Nuremburg: IAB (IAB-Kurzbericht 10/2013).

► Eurofound (2016). *ERM annual report 2015: Job creation in SMEs.* Luxembourg: Publications Office of the European Union

► European Commission (2014a). *European Vacancy and Recruitment Report 2014.* Luxembourg: Publications Office of the European Union

► European Commission (2016). *Practitioner's toolkit to assist PES with the development of customer satisfaction measurement systems.* Luxembourg: Publications Office of the European Union. Written by Lukasz Sienkiewicz and Patrick Hughes

► European Commission (2017). *A comparison of shortage and surplus occupations based on analyses of data from the European Public Employment Services and Labour Force Surveys.* Luxembourg: Publications Office of the European Union

**In addition, the PES practice examples cited in this paper
can be found on the <u>PES Practice Repository</u>.**

Annex

Annex 1 - Indicator template with examples

	INDICATOR(S) – DEFINITION	BASELINE	TARGET	ORGANISATIONAL BREAKDOWN / ACCOUNTABILITY LEVELS	DATA SOURCE	REPORTING PERIOD	AVAILABILITY DATE	SUPPPLYING PES UNIT
Activity/process indicators								
Increasing personal contacts to employers	Number of employer visits per year	e.g. 500 in 2017	e.g. 1000 in 2018; 1200 in 2019 etc	e.g. allocation over regional PES units and individual counsellors	e.g. PES CRM system	e.g. calendar year	e.g. 2 months after year end	e.g. regional head of PES unit
Organising information events for employers	Number of events per year / Number of participating employers per year	e.g. 0 / e.g. 0	e.g. 10 per year / e.g. 300 per year	e.g. allocation over regional employer teams	e.g. regional employer teams	e.g. calendar year	e.g. 2 months after year end	e.g. regional employer teams
Etc.								
Output/outcome/impact indicators								
Improve employer satisfaction	Satisfaction level of serviced employers	e.g. 50% (very) satisfied	e.g. raise by 5%-points per year	e.g. target applicable for each regional employer team	e.g. automatic online satisfaction survey	e.g. calendar year	e.g. 4 months after year end	e.g. central IT unit
Increase number of employers working with PES (acquisition of new clients)	Number of new employer clients per year	–	e.g. 1000 per year	e.g. allocation over regional employer teams	e.g. PES CRM system	e.g. calendar year	e.g. 2 months after year end	e.g. regional head of PES unit
Improve success rate in filling vacancies	Share of assigned vacancies filled by PES candidate	e.g. 35% currently	e.g. increase by 15%-points to 50% within 5 years	e.g. target applicable for each employer team and individual mediator, depending on sector specialisation	e.g. PES case management system	e.g. calendar year	e.g. 5 months after year end	e.g. regional head of PES unit
Etc.								

Annex 2 – Further information on survey design

Basic considerations when using surveys

Target group / sample

When using surveys, you need to be perfectly clear about the target group(s) you intend to collect data from. The definition of the target group(s) needs to correspond to the indicator definition, in particular to the reference population of the indicator, and needs to be constant over time to ensure comparability of indicator values over time. You may consider creating different sub-target groups such as users and non-users of PES services, or different types of users, or any business segment your employer strategy is focusing on.

While you do not necessarily need to contact the entire target group, you still need to make sure that your sample is representative for that target group. This is usually done by applying random selection. The realised sample, i.e. the number of actual respondents, needs to be large enough to get reliable values representative for the defined target group. The realised sample depends very much on the response rate to the survey. So you need to make an assumption about the likely response rate in order to determine how many employers should be approached. If you want to get values for and compare sub-groups – e.g. regions, sectors, PES units - you need to make sure that the realised sample for each sub-group is sufficiently large.

Questions

The way you phrase questions is very important for the quality, especially for the validity, of your indicators. Questions need to capture what the indicators intend to measure. You can also use more than one question to represent one indicator. For example, you can ask about different aspects of employers' satisfaction to establish a compound satisfaction indicator [4]. Questions should remain the same over time to ensure comparability.

Practical tip: If you use a survey to collect data on monitoring indicators you may also use the opportunity to include additional questions helping to identify reasons for assessments, contextual questions or other questions not directly related to indicators, e.g. skills needs of companies, informing your labour market intelligence.

Survey method

Conducting an online survey is probably the most cost efficient method. It requires you have e-mail addresses available of your intended respondents and you have access to an ICT survey tool and the skills to work with that tool. The survey tool could be directly linked to the PES CRM system.

Telephone and, even more so, face-to-face interviews require significant staff resources, even though they are done in a computer-assisted manner today. These surveys are therefore often outsourced to specialised survey companies. Telephone and face-to-face surveys allow for more dialogue with the respondent during the interview and collecting more qualitative and narrative data. However, for the purpose of quantitative monitoring indicators you should opt for closed-ended questions.

You may also conduct a questionnaire-based survey among employers at the occasion of e.g. regular company visits of PES counsellors or at events such as job fairs. While this can be cost-efficient, the main disadvantage is that your sample will be distorted and biased and not necessarily representative of the group you intended to target – notably in a time series perspective.

----

4   For more details on aspects of employer satisfaction see the Toolkit assisting with the development of customer satisfaction measurement systems.

Annex 3 - Methodology Manual on Business Service
of the Danish PES

Please see the following website for the methodology manual on business services of the Danish PES:
https://www.star.dk/media/3352/methodology-manual.pdf