

Public Employment Services' Missing Link

How working with employers may improve labor market outcomes and help employers contribute to economic success.

High performance. Delivered.



The global skills gap crisis persists and will only become more acute as digitalization continues to change the labor supply and demand landscape. Workers must develop new skills or upskill to remain relevant and employable in the digital world. Unemployment has reached an all-time high of nearly 200 million individuals and 1.7 billion people—or 46 percent of total employment—are in vulnerable employment situations.¹

Simultaneously, the European Commission warns that Europe could be facing a shortage of up to 825,000 ICT professionals by 2020.² The tides must shift or global economies will perpetually be weakened by skills gaps and mismatches.

Public employment services (PES) and human services agencies play a lead role in initiating change, yet their focus has historically been one-sided—focused on serving the needs of citizens and finding them jobs. However, many agencies lack a strategy for collaboration with employers to serve their needs as well as help maximize business outcomes.

By not putting enough emphasis on employers—a critical player in the ecosystem—agencies are missing opportunities to save costs, grow the economy and realize value through reduced benefit payments, reduced skills gap and lower risk of social tensions. It is time to evolve the mission from predominantly being a safety net to being a partner that helps employers maximize the growth of talent and contribute to the country's economy. Agencies should support employers in

maintaining a talent pipeline that meets future business needs and ensuring an engaged and motivated workforce.

Four factors for addressing the missing link: Collaboration with employers

PES and human services agencies around the world are modernizing their strategies and making progress to improve collaboration with employers, however, no single country is focusing on all four factors.

1. Understand that citizens aren't your only customer

Currently, only 40 percent of PES agencies have contact with a limited number of employers in their country. This reflects the need to fundamentally shift the strategy by expanding the reach of services beyond citizens to cover the needs of employers. This broader labor market ecosystem will then help maximize employee and business potential.

Being employer-centric will require more conscious efforts to:

- Ensure the right tools that enable effective communication with employers and other third parties.
- Train the PES workforce to better serve employers' needs and deepen labor market knowledge and insights.
- Improve processes so that they are tailored to the needs of employers.

Countries have made inroads in partnering more closely with employers. Germany has established large employer-account teams that are dedicated to identifying and serving employers in need of service. This has helped the PES build strong relationships and be perceived as more of a valuable collaboration partner to employers. Employer Account Teams provide local support in multiple areas such as staffing, continuous education, support for start-ups and facilitation of local communication in the labor market.

2. Share, rather than sit on, information

Information sharing is already improving labor market ecosystem collaboration in a few leading countries. For agencies that adopted a “give and get” mentality and make their useful data available to employers, other government agencies and labor market actors, several improvements would happen:

- Collaboration would yield better alignment between demand for skills and development of skills.
- Data would inform employer investment decisions, growth plans, recruitment strategies and more.
- Employers would improve long-term workforce planning, thereby contributing to more efficient and competitive economies.
- Information sharing and analytics would show data on trends and offer clarity on the skills needed to help grow the economy in the future.

For instance, Singapore has identified critical future industries and skills, has shared the information with the broader ecosystem and evaluated how to best get the skills needed to grow in the future. Since the launch of the BlueFlipper program in 2001, more than a million citizens have received training, improving their employability and enhancing their lateral or upward career mobility.

India conducted a comprehensive competency mapping of the population to identify current and future skill gaps. They redesigned education and re-training programs accordingly, planning to skill 500 million by 2022.³ Accenture, through its Skills to Succeed Program, has trained 36,000 people in India including 7,500 women in rural areas, 16,000 construction workers (migrant laborers) and 850 people with disabilities.

3. Segment for success

Just as citizens have unique needs, so do employers. Segmenting employers by for example size, region or industry, enables human services and PES agencies to tailor services accordingly and thereby improve service quality and customer satisfaction. Austria has improved service by establishing a specialist advisory service aimed at employers with more than 50 employees that have to deal with fluctuating workloads or larger layoffs.

Segmentation also enables agencies to better serve small- and medium-size enterprises—an important segment for growing the economy. PES in Germany and Sweden even use different channels to deliver services to employers. For instance, personal contact or support is considered very important for small-to-medium enterprises, while online channels and telephone are considered more important for larger employers.

Agencies are making a shift in key performance indicators to reflect the shift in strategy. Most agencies traditionally measure success by volume—number of matches made—as opposed to outcomes. PES in Sweden and Netherlands have changed reporting targets to align with a more employer-centric strategy. Rather than focusing on volume-based measures, these agencies have migrated to quality-based measures of service. To date, results have shown an increase in quality and improved outcomes.

4. From reactive to proactive

Rather than a reactive “catch you when you fall” approach, human services and PES agencies can reach out proactively and support employers holistically to maximize potential early on. Active labor market coaching can help employers to identify and understand now, the skills they will need to thrive in the future, as well as the right measures needed to obtain that talent.

PES and human services agencies should also collaborate with employers to build the right incentive programs for preventing sick leave and long-term absence among employees. Wellness and other programs can help to prevent illness and keep employees healthy, thus breaking the cycle of absenteeism. Analytics tools can be used to help predict employees with the highest risk of long-term absence and sick leave, enabling employers to intervene with preventive measures.

Norway launched a pilot project that focuses on participation in work-related activities after eight weeks of absence. The program has significantly reduced sick leave periods. In the United States, more than one-third of large employers give a financial incentive for staff who participate in health programs, and 8 percent penalize workers financially based on screening of risk factors such as weight, blood pressure and cholesterol.

Agencies can share such best practices with employers to offer real solutions for reducing leave and the associated costs that go with employee absence.

Bridging the missing link

Better collaboration and interaction among PES/human services agencies and employers is the missing link to improve labor market outcomes. When employer needs are met through more customized, relevant services, employers will be more adequately equipped to grow their business and contribute to their country's economy.

References

¹ International Labour Organization, "World Employment Social Outlook: Trends 2016;" page 9, online at http://www.ilo.org/global/research/global-reports/weso/2016/WCMS_443480/lang--en/index.htm

² European Commission; "Grand Coalition for Digital Jobs," June 7, 2016, online at <https://ec.europa.eu/digital-single-market/en/grand-coalition-digital-jobs>

³ Accenture; "Skilling Journey in India."

For more information:

[Lena Carlström](#)

lena.carlstrom@accenture.com

[Karen Klakegg](#)

karen.klakegg@accenture.com

Connect with us @AccenturePubSvc

About Delivering Public Service for the Future

What does it take to deliver public service for the future? Public service leaders must embrace four structural shifts—advancing toward personalized services, insight-driven operations, a public entrepreneurship mindset and a cross-agency commitment to mission productivity. By making these shifts, leaders can support flourishing societies, safe, secure nations and economic vitality for citizens in a digital world — delivering public service for the future.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 375,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.