

Integrated Virtual Labor Market: Enabling Efficient Public Employment Services for the Future



High performance. Delivered.



Introduction

The prolonged economic uncertainty in the aftermath of the global financial crisis is driving profound changes in the labor markets of mature as well as emerging economies. Policymakers realize that if they don't act now, they risk watching an entire generation of young people suffer the consequences of macroeconomic conditions and policy decisions that are not of their making. However, the risk of responding incorrectly—without appreciating the challenges and their implications on the labor market of the future—is substantial.

Public employment services (PES) around the world are facing four core challenges. Proactively managing the impact of these challenges will be key to the sustainability of labor markets.

- **Talent pipeline:** Employers require assistance in developing their "talent supply chain" to ensure they have the right skills at the right time to meet business needs.
- **Skills mismatch:** A mismatch exists between the skills of the unemployed labor force and the specific needs of employers. Further, there is a lack of

anticipation of future skills and the link between education and employment. Future job vacancies are expected to increasingly require additional skills and credentials.

- **Lack of flexibility and transparency:** Citizens are increasingly feeling the need for easier and equal-opportunity access to the full range of employment services.
- **Preparedness for the future:** Neither job seekers nor educators have a good sense of what employers need and therefore cannot prepare adequately.

Jobs are typically specified by titles or descriptions, rather than skills and competencies, which results in misalignment between labour market needs and the training provided by educators.

These challenges, coupled with rising labor costs, are prompting policymakers to rethink operational paradigms, presenting fresh opportunities to reshape the way they work through digitization. PES of the future will need to play a vital role in correcting these imbalances and creating more efficient labor markets.

Integrated Virtual Labor Market (IVLM)

A necessary and critical step in achieving high performance in labor markets of the future is to focus on creating a next-generation, end-to-end employment services solution with efficient business processes at its core. With the increasing complexity of labor markets, it is imperative to have a single source of information and a set of standardized processes to drive greater efficiency, control costs, and achieve flexibility and transparency. Accenture's Integrated Virtual Labor Market (IVLM) solution, powered by innovative and market-leading functionalities, integrated technology and optimized business processes, is tailor made to serve as the core component of public employment services.

IVLM is a one-stop government solution, catering to the needs of all the key stakeholders of the labor market and offering state-of-the-art features that support job matching, job counseling, lifelong learning and recruiting. It provides an integrated platform that links all the actors of the labor market and supports all job placement processes, including case management.

- The solution provides fast and precise job placement, helping reduce and avoid unemployment through increased flexibility and transparency of the labor market, and thus reducing the mismatch and skill gap.

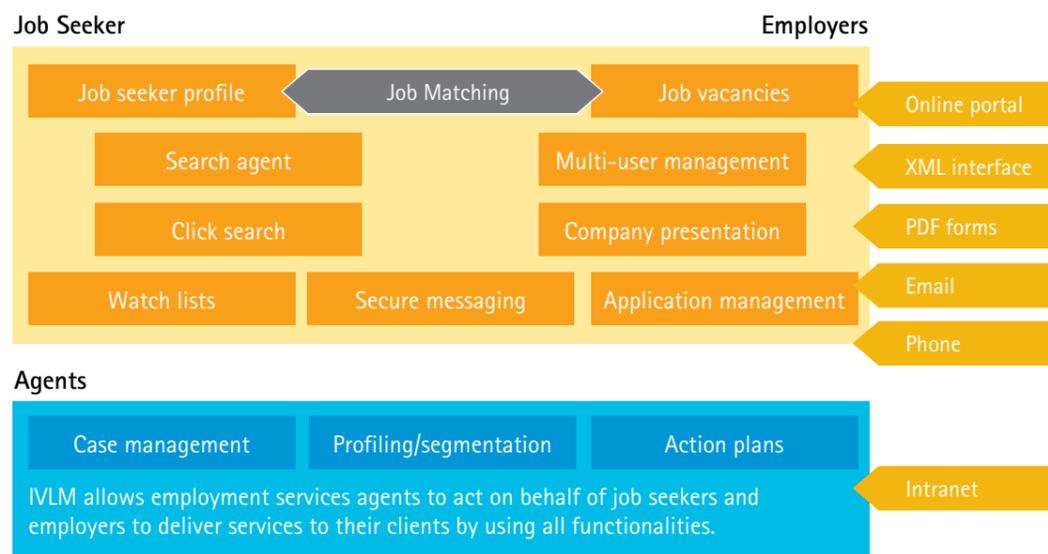
- It can be deployed rapidly using Accenture's assets and deep experience from multiple IVLM implementations.
- The off-the-shelf solution comes with flexible commercial arrangements that include software-as-a-service (SaaS) or license fee-based business models. It can also be implemented as the core of a new PES job placement system.
- It can be easily integrated with other products and technology platforms (e.g., ERP, BI, etc.).

Components of Integrated Virtual Labor Market (IVLM)

The Accenture IVLM solution offers a fully integrated platform for individuals, employers, case workers and government institutions. It uses market-

leading job matching technology, allows multichannel access, and efficiently supports all employment services and recruitment processes.

Figure 1.



Proven performance delivered out of the box

The IVLM solution has been developed by drawing on Accenture's extensive experience of working with PES across labor markets globally. It is a self-service platform for all actors of the labor market that can be implemented straight out of the box. It comes with market-leading functionalities—such as case management, bidirectional matching and mismatch—and a series of prebuilt workflows and utilities to facilitate:

Proven performance and stability, with high quality and relevant job matching

- Implemented two of the largest job boards and employment case management systems worldwide (German and French departments of labor)
- German solution rated No. 1 in matching quality, with 100 percent relevant results, by an independent study conducted by Crosswater Systems

Most advanced job matching features.

- More than just search and filter like other job boards
- Holistic approach in matching right candidates to right jobs, based on a proven set of criteria and built around real life vacancy and profile data

- Bidirectional matching, taking into account both employer and job seeker criteria
- Provides alternative results based on affinities and gliding ranges, always explaining results for maximum transparency
- Simple click and find for novice users and maximum configurability for advanced users
- Gap analysis to detect missing characteristics (e.g., skills, education, mobility)

Innovative features for profiling and vacancy entry supported through various channels and multiple job and skill catalogs.

Easy to use, end-to-end recruitment process—from vacancy registration via online application to hiring the right candidate.

High performance and stability. Based on job portals that are used by more than 1 million users and up to 2.5 million matches every day since 2003.

- Very high performance, with response times of <0.5 seconds
- Very high stability

These innovative features and our process-led approach are designed

to bring sustained value to PES in more ways than one.

Accelerated job market balancing

- Decrease in number of registered unemployed and unemployment rate
- Reduction in number of long-term unemployed
- Reduction in average duration of unemployment

Optimized business and processes

- Consistent service delivery through centralized software and processes
- More efficient communication using integrated eGovernment processes

Advanced job placement quality

- Increased number of job-to-job placements
- Improvement in accuracy of job placement suggestions
- Increased flexibility through sophisticated matching of jobseekers to job vacancies

Increased Transparency

- Increase in registered job seekers and published profiles
- Increase in registered employers and published vacancies

A trusted advisor in your transformation journey

Labor agencies today are striving to reduce costs, modernize technology and improve customer service—all while delivering high-quality services. Accenture helps labor agencies achieve these important goals by drawing on more than 30 years of global human services experience and deep understanding of labor market challenges.

Accenture's approach toward deriving high performance from an employment

services solution emphasizes on optimizing business processes to achieve the desired outcome. We offer a powerful blend of global reach, local flexibility and proven capabilities to enable innovation and continuous improvement in service delivery for employment and human services. This ensures:

- The right mix of skills and capabilities to achieve the client's intended outcomes.

- A flexible and scalable approach and methodology that can adapt to the changing demands of the program and deliver value.

The IVLM solution embodies our deep understanding of the critical success factors in employment services and, coupled with our rapid implementation methodology, promises to bring sustained value to public employment agencies globally.

IVLM solution in action

German National Employment Agency (BA)

BA is the biggest government agency in Germany, responsible for job placement, employment promotion, safeguarding individual employability, and unemployment benefits and subsidies. Virtual labor market (VLM) is part of a comprehensive and complex reorganization process undertaken by BA, through which it sought to improve and expand its range of Internet services.

Accenture designed, implemented and maintained VLM—a comprehensive web-based self-service platform for various stakeholders of BA. VLM is a multichannel solution that also includes a job crawler and a comprehensive internal portal, supporting all internal processes of BA including all case management functionalities. Accenture also helped BA achieve the following important outcomes:

- Define and set up the new organization
- Design and develop new services, and re-design the processes accordingly
- Implement the change management program

The VLM initiative has been a huge success in Germany. It has contributed to a decrease in the number of registered unemployed, as well as the overall unemployment rate. It has also resulted in a reduction in the number of long-term unemployed people and the average duration of unemployment. The initiative has led to increased transparency and accelerated the process of job market balancing. The overall improvement in the quality of job placements and service delivery has contributed in making the VLM initiative a successful eGovernment solution in Germany.

French National Employment Agency

Pôle emploi, the French national employment agency, wanted a new search and matching system to match job seekers and vacancies. The business objectives included improving the efficiency of the intermediation process; reducing job seeking duration by matching similar profiles; supporting the upcoming regulation "Reasonable Job Offer"; supporting the high-volume transactional website anpe.fr; and reducing tension on vacancies that are lacking job seekers.

Accenture worked closely with Pôle emploi to implement a new matching engine, combining strong business processes with technical expertise and efficient change management. We also designed and built an eLearning solution and a training web application to support on-site trainings.

With the help of the new system, which went live in February 2009, Pôle emploi was able to consolidate and rationalize operations to one unique search and matching engine that delivered one billion matches per year. The intelligent, highly flexible matching rules of the new system led to a reduction in job seeking duration by matching similar profiles and enabling new types of searches.

Regional Labor and Vocational Training Ministry of Sardinia, Italy

Sardinia, the second biggest island in the Mediterranean, is one of the five autonomous regions of Italy. The Sardinian economy, driven primarily by tourism, was badly hit by the global slowdown, with declining per capita income and an unemployment rate as high as 14 percent. This led the Regional Labor and Vocational Training Ministry to launch a broad-

based transformation program focused on reorganizing, as well as creating innovative regional labor and unemployment services.

Working closely with the Ministry, Accenture helped redesign the processes and reorganize the regional employment agencies to streamline the widest public employment services network in Italy. Accenture also led a consortium that designed and implemented the Sardinian Labor Information System (SIL Sardinia)—an integrated IT platform for all government policy decisions related to the labor market.

Today, SIL represents one of the most successful transformation initiatives in public bodies in Italy. The new labor information system has provided citizens easier and equal-opportunity access to employment services and enabled the regional ministry to boost its efficiency, flexibility and responsiveness to change.

Ireland Department of Social Protection (DSP)

In response to the recent rise in unemployment to almost 15 percent, the Irish Government established the National Employment and Entitlement Service (NEES) within the Department of Social Protection (DSP). The NEES was to deliver both employment and welfare services through one integrated organization, as opposed to three disparate organizations that previously existed. It was also mandated to assist the unemployed get back to work by providing them relevant education and training, thereby reducing their risk of long-term unemployment.

Accenture helped DSP design the new operating and service delivery model

for NEES that included the mission, scope of services, operating models and the implementation roadmap with a high-level timeline.

NEES has helped integrate employment and benefit payment services within the DSP. As a result, payment of income supports to the unemployed is now directly linked to the equally—if not more important—task of supporting them in their pursuit of employment and related opportunities. The integration of three separate entities—with three separate workforces, processes and technology infrastructure—into a new "one-stop-shop" was a highly successful program.



A photograph of children's legs hanging from a tree branch in a park. The children are sitting on a thick, dark tree branch that extends from the top left towards the center. Their legs are bare and hang down. They are wearing dark shorts and blue denim jeans. The background is a lush green park with trees and a path. The lighting is bright and natural, suggesting a sunny day.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 266,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.

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