



# Mutual Learning Programme

**Key messages from the Peer Review on**

**“Measuring labour market tightness to improve employment policies and reduce skills mismatches”**

Paris (France), 18 December 2018



**Full materials available at:**

**<https://ec.europa.eu/social/main.jsp?langId=en&catId=1070&newsId=9205&furtherNews=yes>**



## Why measure the labour market tightness?

- Information used to inform decisions on:
  - How best to help the unemployed, especially vulnerable groups
  - First career choices and job change choices
  - Helping employers (especially SMEs) to make good recruitment decisions
  - Dialogue with employers on improving the working conditions
  - Migration policy decisions (work permits)
  - Training decisions (which programmes to fund)



## **Definition of the labour market tightness**

- Classical definition no longer meeting the needs (vacancies / unemployed)
- Single to multiple definitions
- Quantitative / statistical analyses  
+ qualitative approaches / human judgement



**The labour market balance**



**Comprehensive approach**



**Diagnosis Mechanism  
of the Labour Market Needs**





## Approach in Denmark

- Several institutions:
  - *Danish Agency for Labour Market and Recruitment (PES)*
  - *Ministry of Education*
  - *Ministry of Finance*
  - *Think tanks, trade unions and employer's organisations*
- Different purposes, methods and practical applications
  - Macro-economic imbalances (The employment gap)
  - Short term imbalances by occupations (The labour market balance)
  - Recruitment surveys (The labour market balance)
  - Future skills mismatches (medium and long term)
- No uniform definition of labour market tightness



## Approach in Denmark: the labour market balance

- The Danish Agency for Labour Market and Recruitment, with the objectives aimed at the day-to-day implementation of ALMPs:
  - support the day-to-day work of the local jobcentres and other actors involved in implementing active labour market policy (e.g. unemployment insurance funds)
  - input for the administration of specific schemes (like granting work permits and programmes for training and education)
- For eight regions by combining data from administrative registers about unemployment, employment and employee turnover with a survey amongst employers.
- Published twice a year, <http://arbejdsmarkedsbalancen.dk/>
- A stepwise bottom-up procedure + an element of expert judgement
- The decision rules themselves are of an ad hoc-character (not always based on more advanced statistical analysis)



## Output: A regional categorisation of about 900 occupational groups into five groups

Category	Definition
Shortage or severe shortage of labour	Occupations with recruitment problems and low or very low unemployment
Mismatch (paradox) problems	Occupations with recruitment problems and high unemployment
Good job opportunities	Occupations with no recruitment problems, relatively low unemployment and high employee-turnover
Less good job opportunities	Occupations without recruitment problems, high unemployment and low employee-turnover



# Serve yourself!

Occupation →

Sector →

Region →

Balance →

1

## Vælg stillingsbetegnelse

Skriv navn på den stilling du vil se – eller se alle fra listen og vælg

[Se alle](#)

## ELLER vælg erhvervsgruppe

Hvilken erhvervsgruppe vil du se jobmuligheder for?

2

## Vælg område

Hvilket område vil du se jobmuligheder for?

[Vælg alle](#) [Fravælg alle](#)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Nordjylland | <input checked="" type="checkbox"/> Vestjylland |
| <input checked="" type="checkbox"/> Østjylland  | <input checked="" type="checkbox"/> Sydjylland  |
| <input checked="" type="checkbox"/> Fyn         | <input checked="" type="checkbox"/> Sjælland    |
| <input checked="" type="checkbox"/> Hovedstaden | <input checked="" type="checkbox"/> Bornholm    |

3

## Vælg jobmuligheder

Vil du se status for alle stillinger, eller fx kun dem med gode jobmuligheder?

[Alle jobmuligheder](#) [Fravælg alle](#)

- |   |                          |
|---|--------------------------|
| <input checked="" type="checkbox"/> Omfattende mangel på arbejdskraft | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Mangel på arbejdskraft            | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Gode jobmuligheder                | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Paradoks                          | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Mindre gode jobmuligheder         | <input type="checkbox"/> |

SØG

Nulstil søgning

## Very good job opportunities

### Rigtig Gode Jobmuligheder

"Stillinger virksomhederne mangler arbejdskraft til"

lager- og logistikmedarb...  
pædagogmedhjælper  
butiksassistent  
pædagog  
social- og sundhedshjæl...  
kontormedhjælper  
chauffør, fragt, distributi...  
socialpædagog  
salgskonsulent  
kantineleder



## Good job opportunities

### Gode Jobmuligheder

"Balance mellem udbud og efterspørgsel"

butiksmedhjælper  
rengøringsassistent  
køkkenmedhjælper  
kontorassistent  
ekspedient  
chauffør, budtransport, køretøj under 3½ ton  
kundeservicemedarbejder  
opvasker  
tjener  
omsorgsmedhjælper  
handicaphjælper  
specialarbejder, jord og beton  
lærervikar  
cater  
chauffør, persontransport  
cafemedarbejder  
projektmedarbejder  
specialarbejder, byggeri  
kommunikationsmedarbejder  
procesoperatør  
klejnsmed  
bageriarbejder  
parkeringsvagt  
redaktionssekretær



## Less good job opportunities

### Mindre Gode Jobmuligheder

"Flere ledige end virksomhederne efterspørger"

fabriksarbejder  
pedelmedhjælper  
receptionist, kontor  
tolk  
specialarbejder, grønne områder  
gartneriarbejder  
klargører  
multimediedesigner  
sikkerhedsmedarbejder, vagt, sikkerhed og overv...  
webudvikler  
mediegrafiker  
salgschef  
proces teknolog  
skrædder



## Approach in Ireland

- Understanding interplay between supply and demand factors driving labour market tightness
- Use of multiple sources
- Focus on incorporating 'live' job postings
- Detailed occupational view
- Stronger focus in Ireland on how migration informs the labour market supply/demand analysis at a point in time



# The Irish approach: a composite picture

Labour market dimension

Data Sources

Interesting characteristics of use

## Employment trends/transitions

- ~ Labour force survey (previously QNHS) (CSO)
- ~ QNHS quarterly transitions analysis (SLMRU)

- Micro-level view of individual transitions
- Profiles of individuals in transition (qualifications, occupation)
- Granularity on type of status – employed, unemployed, inactive

## Vacancies

- ~ Online job vacancy analysis: DEASP Jobs Ireland (PES portal) and IrishJobs.ie (SLMRU)
- ~ Earning Hours and Employment Cost Survey (CSO)

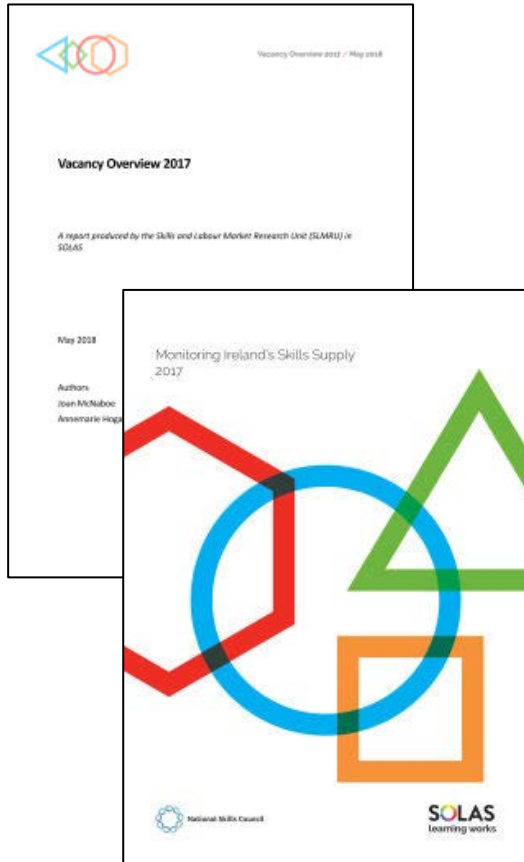
- Transforming vacancy information
- Coding job titles to SOC2010 occupational classification
- Data mining / exploring automation

## Hard-to-fill vacancies

- ~ Recruitment agency survey (SLMRU)
- ~ Analysis of demand for employment permits (DBEI)

- Focus on demand-side timeliness – twice-yearly survey
- Resource efficiency – surveying agencies with broader view rather than employers
- Incorporating external labour market (migration) within analysis

# Examples of products



- **Publications and tools:**
  - Comprehensive annual labour market updates reports
  - Infographics
  - Priority sector and policy studies
  - Interactive tools – National skills database: <http://lmi.solas.ie/>
  
- **Research infrastructure connected to policy**
  - Well-established and stable organisational architecture
  - SLMRU hosted by SOLAS, strategic further education and training funding agency for Department of Education and Skills
  - Expert Group on Future Skills Needs sits within Department of Business, Enterprise and Innovation, provides advisory function to government
  - Evidence-based approach enables LMI to feed into policy-making (e.g. employment permit lists, National Skills Council etc.)

Vacancies in the Information and communications sector, 2017

The Vacancy Overview 2017 report highlights the vibrancy of the ICT sector and the high demand for skills in this sector. What is becoming increasingly apparent is the evolution of the skills required for this area. Technical skills are no longer the sole requirements, with the expansion of IT roles across numerous sectors, the need for business skills along with soft skills are considered to be just as important. Experience is also key in the job vacancy notifications with five years' experience required for many of the vacancies.

**Key findings from the Vacancy Overview 2017 report include:**

- 126,500 were employed in the Information and Communications sector in quarter 4 2017
- The one year growth (+9%) and five year growth (+56%) for this sector was in line with overall growth in the economy, although this growth refers to the ICT sector alone.
- This sector had the highest share of new employment permits issued in 2017, at 38%, or 3,900 new permits
- A substantial level of movement is occurring within the sector as shown in the analysis of transitions and recent job hire data.
- Two fifths of all vacancies identified as difficult to fill in the latest Recruitment Agency Survey (October 2017) were for this sector, particularly for software developers.
- Over a quarter of all job announcements in the media in 2017 were for this sector, primarily relating to companies based in Dublin

**Vacancies were primarily in professional and associate professional roles including:**

- Software engineers/developers (with Java, C++, PHP, JavaScript, Perl)
- Architects (solutions, technical data, cloud)
- Security (engineer, architect, managers, cyber)
- Other engineers (systems support, infrastructure, test, QA)
- Business analysts (with SAP, Agile, Scrum)
- IT project managers, applications/web developers, delivery managers (programme/ service)
- Systems/database administrators
- Data analysts
- Automation (engineer, test, software, technical)
- Product managers
- Technical/helpdesk support (language skills, system requirement)
- UX/UI designers



## Approach in Greece

- Diagnosis Mechanism of the Labour Market Needs, since 2015
- Systematically draws, processes and manages data and figures of four national databases (PES, LFS, Ministry of Labour, employers) + secondary data
- Results on the dynamism of professions, industries, sectors
- Results in three level ISCO-08 classification for professions and in double and three-digit classification level for branches of economic activity.
- Regular reports posted on the official website of the Ministry of Labour ([www.ypakp.gr](http://www.ypakp.gr)), EIEAD ([www.eiead.gr](http://www.eiead.gr)) and OAED ([www.oaed.gr](http://www.oaed.gr))
- Next steps: regional dimension, information on skills levels, specialisation

# Diagnosis Mechanism of the Labour Market Needs

Mismatch priority occupations

**Greece**



## Shortage occupations

Business services and administration managers

ICT operations and user support technicians

Sales, marketing and development managers

## Surplus occupations

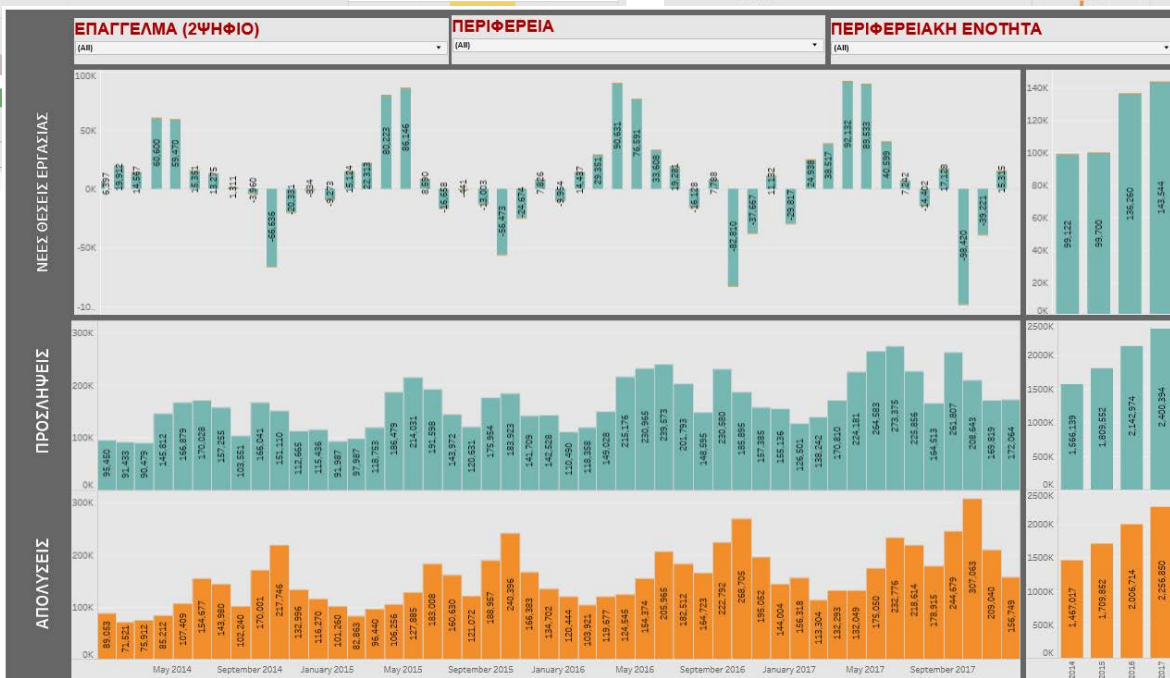
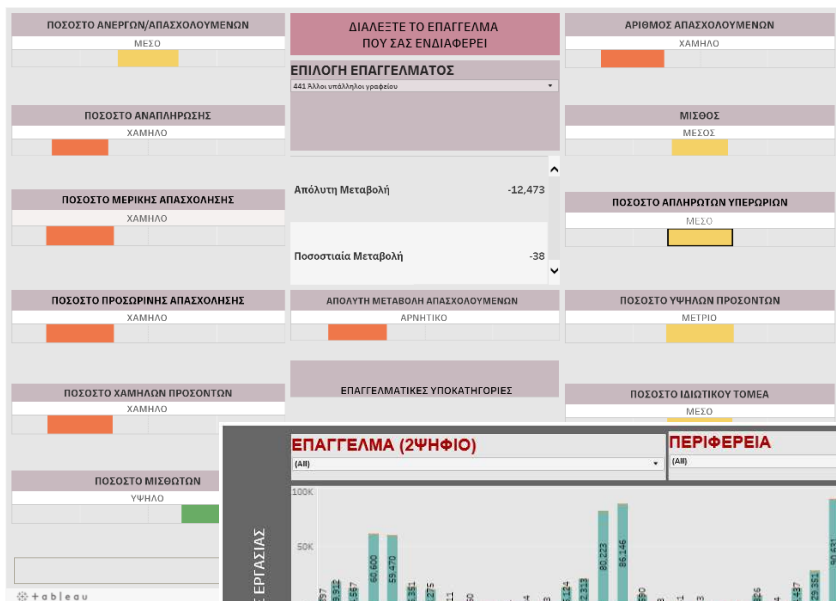
Building frame and related trades workers

Mining and construction labourers

Wood treaters, cabinet-makers and related trades workers

Painters, building structure cleaners and related trades workers

# Interactive Tables of the Mechanism (examples)







## Measurement of the labour market tightness

- Combine different sources to capitalise on their strengths and overcome their weaknesses:
  - PES data: readily available / covering part of vacancy market
  - Employer surveys: comprehensive current picture of business needs / costs, response rates
  - Online scrapping: real time data, good coverage / depth of information, cross counting, data protection



## **Dissemination of results – format**

- Clarity of purpose, intended audience and use of LMI (policy maker / PES / employer / unemployed / career choices)
- Different products for different audiences
- Level of disaggregation, esp. at the regional and local level helpful
- Visualisation helpful



## **Dissemination of results – messages**

- Simplification helpful but take care of leading to biased conclusions
- Neutral findings vs recommendations for action / non-action
- Active promotion!