Better Labour Market Intelligence

THE EU SKILLS PANORAMA - ACHIEVING REGIONAL AND LOCAL IMPACT

GOOD PRACTICE APPROACH TO EXPLORE EXISTING REGIONAL AND LOCAL PROVISION OF SKILLS FORECASTING

March 2014

This research bulletin summarises findings from an analysis of innovative or well-implemented labour market intelligence tools that help to establish a better balance between the demand and supply of skills. In identifying the characteristics of good practice questions are explored about how existing regional and local provision of skills forecasting can be enhanced for stakeholders, including through interrelation with the EU Skills Panorama (EUSP).

RECOMMENDATIONS FOR POLICY-MAKERS

In European regions, there are many examples of 'good practice' in labour market monitoring. Analysis of good practice examples from regions in 11 European countries shows that successful instruments need to have clarity in regard to following questions, which raises important issues for consideration in the development of the EUSP, especially with regards to focusing on the regional level:

- **Who is the LMI for and is it user orientated?** This requires the needs of clearly differentiated user groups to be identified (e.g. individuals, employers, and/or policy-makers), although there may be multiple users.
- **Where is the main geographical focus?** Regional/local practitioners or policy-makers have different perspectives and requirements from national policy makers as they are often responsible implementing the, labour market policies locally and combining them with different goals of regional development.
- **What information and intelligence is provided and is it based upon high quality data and forecasts?** The main timespans for information should be considered, e.g. current skills shortage data may be more useful to individuals already in an occupation than those needing forecast to plan their future long-term career. Big Data enabling greater 'real-time' analysis of online, administrative and other data has many potential uses.
- **How is the information and intelligence provided?** Websites and other media need to be dynamic and clearly targeted at providing appropriate, customised and useful information. The role and involvement of intermediaries to support users and promote the use of the LMI needs careful consideration.
- **How do we open access to the LMI and underlying data?** Two-way accessibility of data and LMI is important. This can enable other organisations to tailor data to their own users (e.g. developing smartphone 'apps'). In the other direction, initiatives need to systematically bring in LMI from other sources (e.g. employers).
- **Does the initiative have a clear focus?** The initiative could primarily gather and provide LMI and services or be an enabler who ensures that LMI provided by other bodies is available in a useful way to final users.
- **Have sufficient resources been provided to develop a user-friendly interface with high quality LMI that concretely helps users make appropriate decisions?**

A TYPOLOGY OF GOOD PRACTICE

This project defined good practice as: *"innovative and/or well-implemented labour market intelligence tools (or policy/action which is based on the LMI) that help establish balance between demand and supply of skills within a particular region"*

Typology of good practices

Project partners analysed 38 good practice examples from regions in: the United Kingdom, Sweden, Italy, the Netherlands, the Czech Republic, Germany, Poland, Ireland, Spain, Austria and France.

The examples fell into the following broad themes: (1) Comprehensive tools (2) Occupation-based tools (3) Sector-based tools (4) Data mining and monitoring tools (5) Skills profiles and matching (6) Cooperation/labour market actions. These examples raise important issues for consideration in the development of the EUSP.

COMPREHENSIVE TOOLS

Use a wide range of methodologies and are mainly nationally focused

Comprehensive tools use a wide range of methodologies to gather, analyse and publish LMI. They often combine: qualitative and quantitative techniques; sectoral and occupational views on the labour market; forecasting using recent trends analysis; and are also strongly linked to policy actions. These tools are mainly nationally focused and seek to:

- Join dispersed sources of information on job opportunities and job descriptions;
- Support labour market mobility (territorial, occupational, sectoral);
- Help individuals to make best choices in education and training;
- Maximise the impact of education, employment and skills policies and employer behaviour to support jobs and growth; and
- Address specific labour market imbalances and needs.

Mainly draw on nationwide surveys and analysis

Nationwide surveys and analysis are the most frequent source of information, but administrative data is also often used. The data are more likely to be robust and consistent with international and Eurostat data. Information is disseminated electronically and online search tools are used to allow users to run queries.

In many cases, comprehensive tools are initiated by government ministries or institutions. These strong foundations mean that they often have stable financing, structure, expertise and human resources. Partnership between organisations is an important feature.

It can be argued that comprehensive tools are most consistent with the focus of the EUSP.

OCCUPATION-BASED TOOLS

Provide significant input for regional development strategies

Occupation-based tools provide significant input to regional development strategies. However, the scale of focus varied from the national to the regional level.

Occupation-based tools are generally used in career guidance counselling, although they sometimes form the basis for specific labour market actions. The matching of skills demand and supply is a significant attribute. Occupation-based tools are often very closely linked to education policy and regional development policy.

Mainly used in career guidance

Occupation-based tools provide a wide range of analytical information on occupations, often including skills profiles and forecasting (although the methodology for occupation-based forecasting may differ significantly). Most occupation-based tools combine quantitative analysis with some expert assessment. As the quality and level of detail of regional level survey data is

often poorer than national level data, this can have a significant role in improving the end user value and reliability of the information tools.

Administrative data are quite often used

Administrative data are quite often used in occupation-based tools. Other data sources include: the Labour Force Survey and the employer surveys.

It is increasingly important to build these tools in close partnership with key regional stakeholders: firstly because it is vital to understand the 'on-the-ground' practitioner needs and interests of potential users and social partners; and secondly because policy should be evidence based. As occupation-based tools are primarily used for career guidance, simple and concise information needs to be provided.

Where standardised databases are used, then occupation-based tools can potentially be integrated with the EUSP.

SECTOR-BASED TOOLS

Strong partnerships are central in sector-based approaches

Unlike occupation-based tools (where the choice of methodology can be more or less bounded by availability of occupational classifications), there is a wider variety of sector approaches. However, as with occupation-based tools there are still strong links to the education and training sectors and to policies trying to improve balance between the supply and demand of skills.

Combine various methodologies

Strong partnerships between LMI providers and stakeholders are central to sector-based approaches. Therefore, they are strongly influenced by employers who use these tools to improve their competitiveness and to increase interest in their sector. The tools may also be research oriented, developing the knowledge base and methodologies to identify opportunities in emerging sectors of the economy.

Sector-based approaches combine various methodologies in order to provide a reliable base for labour market actions e.g. forecasting models, surveys, qualitative information.

By making the classifications and methodologies sensitive to employer needs, there is a danger that there may be major inconsistencies between sectors and with national and EU-wide databases. The EUSP could be useful in seeking to achieve cross-sectoral consistency where appropriate. It is important to decide what timescales are to be used for the LMI; e.g. current data is of interest for identifying opportunities and shortages now, but long term timescales are needed for identifying career opportunities or future skills shortages.

DATA MINING AND MONITORING TOOLS

There is a variety of data mining and monitoring tools

There is a variety of data mining and monitoring tools for the gathering, analysing and publishing of primary data (employment, graduates, vacancies, jobseekers, etc.). Some are nationwide products covering the whole labour market; some provide great detail on a limited number of topics; and others develop new methodologies and regional LMI providing a database across all areas relevant to a region's competitiveness.

These tools are generally the outcome of dissatisfaction with the quality and detail of LMI

Generally, the initial driver of these tools is dissatisfaction with the quality and detail of information on the labour market, and in particular with the inefficient use of available data. Making efficient use of such data is vital for the long-term stability of the tool in a context of economic recession and reduced public budgets. However, it is also important to develop tools that use innovative techniques in gathering and analysing primary data, in order to overcome these limitations.

Another common feature of these tools is that they are usually more suitable for use by public

authorities or policy makers for identifying high-level trends, rather than by individuals e.g. job seekers. The potential for a more efficient use of Big Data, often administrative data, needs greater consideration.

Key to good practice in developing these tools is co-operation with stakeholders and a clear analysis of their needs, so as to better focus the LMI and improve its usefulness.

The EUSP could identify the key sources of relevant data, seek to promote consistency in it across the EU, where possible, and identify the most appropriate forms of data mining for use at the regional level. The EUSP should also consider the use of big data analytical tools, e.g. to use administrative and online sources to identify changing opportunities in 'real time'.

SKILLS PROFILES AND MATCHING

Focus on young people and graduates

Skills profiles and matching tools focus on two major target groups – young people and graduates. These groups have experienced increasing unemployment rates since the start of the recession. These groups require the opportunity to develop the skills needed in the labour market, and to ensure that these skills are used effectively at work.

The tools combine data monitoring and services for users

These tools employ a combination of data monitoring and services for the identified users. Administrative and survey data is used to analyse students' and graduates' employability and destinations, as well as the needs of employers to some extent. Service users are matched to the most suitable training opportunities or job vacancies.

One strength shown in the examples is their link to other LMI providers or services in the field of employability, education or training, and the more comprehensive information that these can provide. Another strength is that they are highly performance orientated: collecting feedback from users, employers and schools for service improvement and their effectiveness in matching jobs and skills in the labour market.

Consideration needs to be given to the balance of using skills and competences as well as occupations as the focus for matching different types of job.

COOPERATION / LABOUR MARKET ACTIONS

There are tools that focus on collaboration rather than providing a detailed analysis of labour market development

These tools focus on the collaboration of actors in the labour market, rather than providing a detailed analysis of labour market development. Partnerships at the local level between schools, businesses and municipalities are the key features of these tools.

These partnerships do not necessarily all serve the same purpose. Some aim to support young people's transition from education to work, attempting to overcome the barrier between the education system and the labour market. Others exist to develop local labour market strategies, building partnerships between businesses and local authorities to determine local economic priorities and undertake activities to drive economic growth and create jobs.

These tools demonstrate the way in which an LMI developer can contribute to matching jobs and skills through networking and communication as well as through data collection and analysis. Partnership working is also important for gaining 'buy-in' from key actors, which is key to the future development of the EUSP.

ABOUT THE 'SKILLS PANORAMA - ACHIEVING NATIONAL AND REGIONAL IMPACT' PROJECT

The ARLI project contribution

The 'Skills Panorama - Achieving National and Regional Impact' (ARLI) project's goal is to inter-relate the existing regional and local LMI with the EUSP development. The project supports and improves the usage of the EUSP by exploring how regional and local labour market observatories can embrace it and build it into their own policy development and into their systems for informing their stakeholders about their labour markets. This is done through mutual learning and developing a best practice approach to partnerships and inter-relationship. The insights will be disseminated partly through the European Network on Regional Labour Market Monitoring, which brings together the (regional and local) LMI expertise across the EU. Thus, it is a useful vehicle to facilitate this action.

The audience of the ARLI project

The project addresses a great number of organisations and institutions within the following categories:

- The EUSP team and its audiences
- Skills forecasting and labour market analysis organisations at national, regional and local level
- Stakeholder organisations, including political parties, trade unions, employers' representatives, regional and local governments, NGOs, training providers and citizens' groups, etc.

FURTHER READING

Branka, J. and Matouskova, Z. 2014. Good Practice Compendium. Achieving Regional and Local Impact Through Labour Market Intelligence. EU Progress Project.

Branka, J. and Matouskova, Z. 2014. Good Practice Synthesis Report. Achieving Regional and Local Impact Through Labour Market Intelligence. EU Progress Project.

Available at: http://www.regionallabourmarketmonitoring.net/arli_public.htm

ARLI PROJECT PARTNERS

ARLI has seven partners from across the European Union. Each partner is expert in using labour market information and intelligence for forecasting skills and employment strategies.

- University of Exeter (UK) (lead partner)
- IWAK at Goethe University Frankfurt am Main (DE)
- Employment Research Institute, Edinburgh Napier University (UK)
- University of Milano – Interuniversity Research Centre on Public Services (CRISP) (IT)
- National Observatory for Employment and Training at National Training Fund (CZ)
- KWIZ (NL)
- Arbetsförmedlingen Analysavdelningen (SE)

The project partners are all members of: EUROPEAN NETWORK ON REGIONAL LABOUR MARKET MONITORING

ARLI is funded with support from the European Union's PROGRESS Programme.

European Commission

Funded with support form the European Union's PROGRESS Programme