

THE DEVELOPMENT OF JOB BROKERAGE IN THE CONTEXT OF ACTIVE LABOUR MARKET POLICY IN THE UK

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Presentation outline

- Context – radical change in labour market policy towards the commissioning of PES and VET provision
- How ‘payment by results’ operates and some of the thinking behind it
- Implications and impacts
- The redesign of services and the role of the Job Broker
- Its not all policy – the changing skills wanted by employers
- UK only - or a glimpse of a more widespread future?

So, what exactly is a Job Broker?

- Work directly/'face to face' with employers and job-seekers to identify jobs, place and support both parties
- Act at the 'interface' between the employers/companies, the job seeker and also (if relevant) vocational education and training (VET) and public employment services (PES) provision

What is the difference between a Job Brokerage and Employment Agencies?

- Job Brokers work in public funded programmes (PES, VET; do not charge 'clients' commercially for the service)
- Interventions tackle disadvantage/market failure at some level – discrimination, unemployment, in vocational training - not 'job ready'
- May work with a variety of agencies – support, youth, health etc
- May involve liaison with / employed by Colleges / training schemes

There have always been public programmes for unemployed people. What is so different (1) ?

Context

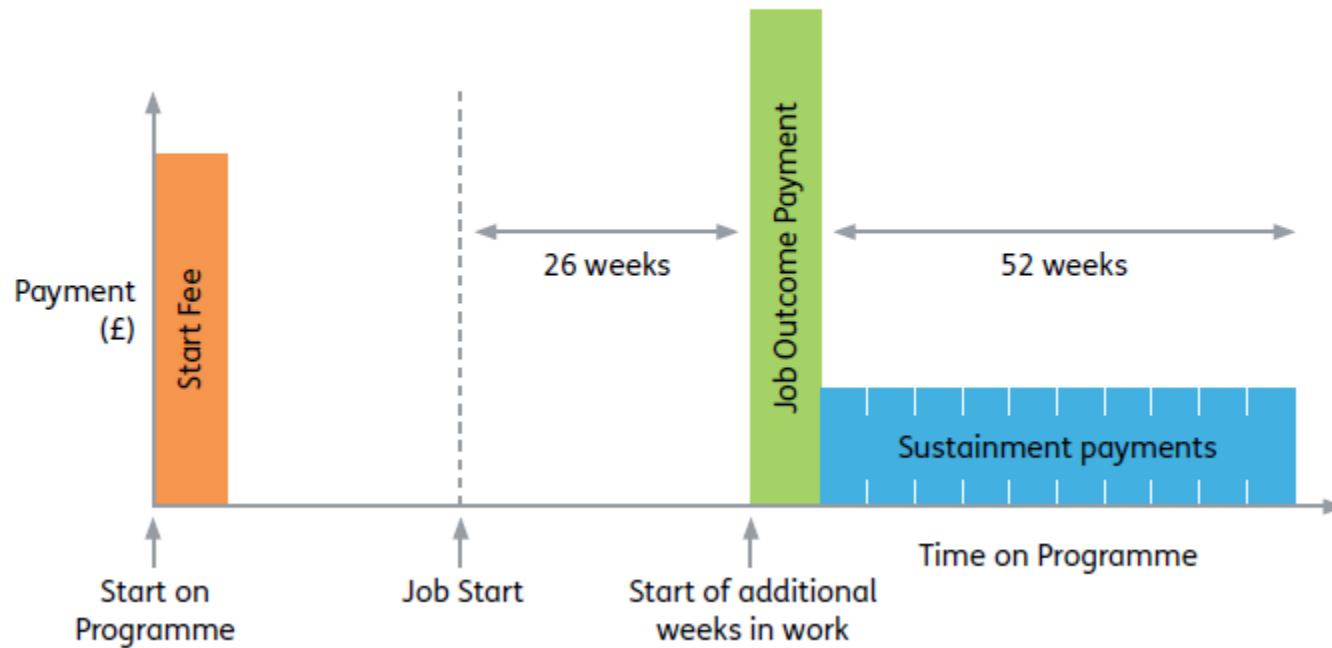
- Financial crisis, Coalition Government (2011+), austerity and higher unemployment: - 'value for money from public sector funds – getting more for less
- Larger scale contracting and outsourcing – move from grants to commissioning
- Massive shift from funding the 'input' of training on VET and PES services (e.g. number of hours, specification of offer) to the 'output' (job or progression)
- Payment by Results (recruit, place or qualify job seeker, sustain the job)

Example: UK EFA ESF NEET contract

Milestone / Result	Amount €	Maximum numbers
Participant undertakes initial assessment on programme	100	500
Begins non-accredited learning programme	50	200
Begins accredited learning programme / VET course	75	200
Completion of non-accredited learning programme	150	150
Completion of accredited learning programme / VET course	50	200
Attainment of vocational qualification at Level 2	250	400
Achievement of job start	150	400
Sustained job – 4 weeks	250	300
Sustained job – 6 months	750	250
Sustained job – 12 months	750	250

Work Programme – service framework

Figure 1: Incentives for sustained work, for example participant



Work Programme – Service Provider Payment structure

Figure 3: Financial incentives per participant, year one, by participant group

	Benefit	Participant group	Maximum payment per participant, £			
			Start	Job outcome	Sustain-ment	Total
1	Jobseeker's Allowance recipients	Aged 18-24	400	1,200	2,200	£3,800
2		Aged 25+			2,800	£4,400
3		Those who are seriously disadvantaged in the labour market, including some who have recently received incapacity benefits			5,000	£6,600
4 a	Employment and Support Allowance recipients	Those who are required to attend, and Support Group	600	1,200	4,700	£6,500
4 b		Those who are required to attend, and Support Group – and have recently received incapacity benefits	600	3,500	9,600	£13,700
5		All others	400	1,000	2,300	£3,700
6	Income Support and incapacity benefits recipients	All (England only)	400	1,000	2,300	£3,700

There have always been work schemes and VET services for unemployed people. What is so different (UK) - 2?

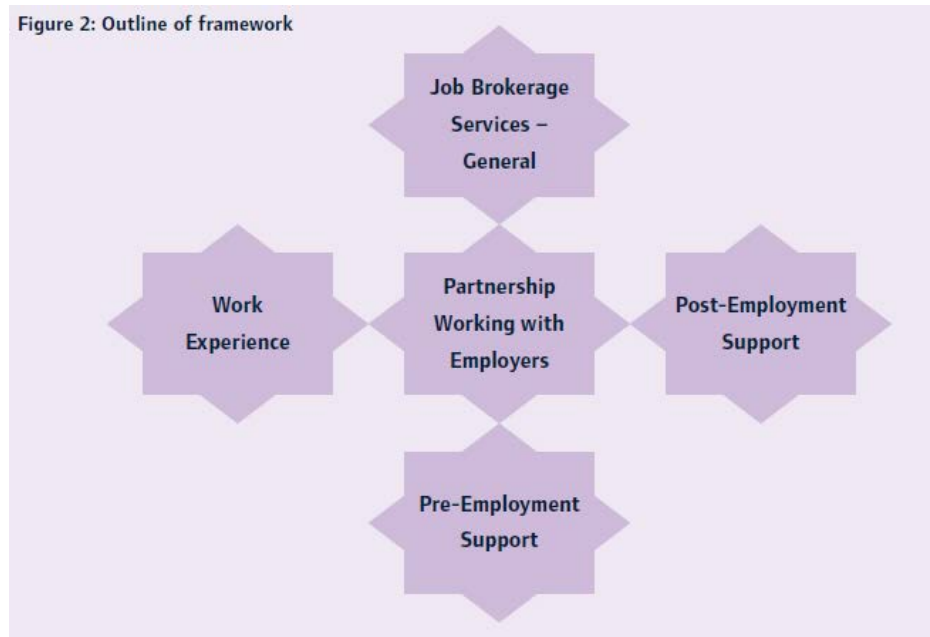
- Major entry by private providers into the commissioning market – incentivised to do so (profit, risk, scale)
- Major implications for providers and how they organise their provision (employer focus) – it is up to them!
- Europe's most de-regulated job market (job creation, job destruction) – few job licensing requirements outside statutory sector ...
- Redesign of the job to be a Broker – and the skills and knowledge required

Advantages and disadvantages?

- Freedom and flexibility in service design for providers (the 'black box')
- Rewards and incentive for success
- Evidence is mixed – impact similar for less cost
- 'Parking' and 'Creaming' – despite differentiated rates
- Issues of investment and innovation
- Disincentives to holistic collaboration
- Loss of Social capital

What does a Job Broker do?

Figure 2: Outline of framework



Being a Job Broker can mean **knowing something** about many things

- – Human Resources & recruitment, employment law, local employment market and sectoral knowledge, marketing and sales, management information systems, equal opportunities and diversity, project management, quality assurance and health & safety)
- and an increasing set of new skills including effective negotiation, interviewing skills, communication, time management, development of job descriptions and person specifications, etc. to operate successfully.

Occupations impacted upon by the requirements of Job Brokerage (in the UK)?

- Public Employment Services advisers
- Job Counsellors
- Careers Counsellors
- Staff in VET organisations, colleges and other contracted organisations that are responsible for helping (unemployed) trainees find jobs
- VET aftercare, Placement officers)

- The Job Broker function can incorporate elements of other occupations – e.g. careers guidance, social worker, private employment agency officer and human resource specialist.

The top 10 skills employers look for in job applicants (NESTA, UK, November 2017)

- The top 10 skills for employers in 2014 to 2016:
- Communication skills
- Organisational skills
- Planning
- Customer service
- Microsoft Excel
- Business management
- Teamwork/collaboration
- Writing
- Detail-orientated
- Sales

Many of the most common terms in job adverts relate to inter-personal skills - customer service and teamwork. Basic competencies, such as writing and problem solving, also feature in the list.

Which 10 skills are now mentioned more frequently?

- Big data
 - Information technology industry experience
 - Contract accountancy
 - Onboarding
 - Digital marketing
 - Information security
 - Transportation logistics
 - Front-end development
 - Patient care
 - Mental health
- (Looking at the top 100 skills) relate to caring for others, such as patient care, mental health. A second group of skills reflect living in a more connected world:

Which 10 skills are now mentioned less often?

- Warehouse management
- Basic internet skills
- Materials design
- Mechanical design
- Advertising sales
- Insurance underwriting
- Retail sales
- Teaching English
- Computer Numerical Control (CNC)
- Derivatives

The appearance of 'basic internet skills' may seem counterintuitive - but more employers are now taking this skill for granted. Others - employers no longer require the skill or because they are now using a different word to describe that skill. Other declining skills relates to consumer finance, such as financial planning and mortgage advice, working with industrial machinery, such as computer numerical control, logistics and skills that rely on the telephone, such as cold calling.

Job Brokers - the UK and Europe

- Payment by Results – present in international development, healthcare, criminal justice as well as welfare to work (and education - 1860s in U.K. schools!)
- Widely adopted in Australia, US, present in Ireland, Sweden and other examples (Lower Saxony ESF)
- Wider move towards ‘outcomes’, results and proving impacts (e.g Learning Outcomes, unit-based rates as well as PBR)
- Bruges communique, ET2020 – all call for reform to ensure greater labour market relevance (VET, guidance, PES)

- UK labour market is atypical of Europe
- Occupations are less regulated in the UK than in the EU and new flexible occupations created more frequently (OECD)
- Commissioning and outsourcing more widespread in public service

Supporting Europe's Job Brokers - results and next steps

- Curriculum Programme – through action learning sets
- Self directed Learning Guide

- Building a European network of Job Brokers – networked on-line
- Exploring new mobility options for Job Brokers (EURES and ESCO)
- Designing a new certification programme via ISO17024 and ECTS at the EU level (2018-2021)

Questions?

- Thanks for listening and for your interest!