



AGREEMENTS BETWEEN THE PES AND EMPLOYERS TO REINFORCE RELATIONS AND SERVICES FOR EMPLOYERS.

Bilateral cooperation agreements with employers

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LUXEMBOURG

The Luxembourg PES (ADEM) underwent a reform in 2013, which included developing its employer services to reinforce relations with employers. As part of this, a partnership agreement signed between the government and the Luxembourg employer association outlined the need to create more intense cooperation between the PES and employers. This partnership agreement also aimed at increasing the number of registered jobseekers who are successfully integrated into the labour market by 5 000 over the three-year period of the partnership agreement. In order to reach these ambitious objectives, bilateral cooperation agreements with employers and employer federations were then developed. The bilateral cooperation agreements aim to improve the way the PES works with employers and provide a structured format for cooperation. It also aims to increase the number of unemployed people registered with the PES by committing the employers to invite pre-selected jobseekers for an interview and to give clear feedback on their employability. This requires regular contact between the PES and employers who have signed the bilateral agreement with the PES. Management as well as the regular monitoring of the individual agreements is also necessary.

Name of the PES

Luxembourg PES (Agence pour le développement de l'emploi (ADEM))

Scope of measure

National

When was the practice implemented? (including start and end date for pilot projects)

2015 – ongoing

What was the driver for introducing the practice? Was it internal or external?

A reform of the Luxembourg PES in 2013 led to a reorganisation of the whole PES. Before the reform, the Luxembourg PES had a negative reputation in the labour market. Employers did not regard the PES as an important actor as its focus was primarily on jobseekers. Most employers would therefore decline candidates put forward by the PES for job vacancies. Following the reform, the PES focused on building a dedicated employer service, which they did not previously have. The new employer service became an important part of the PES reorganisation in order to reinforce relations with employers. As a result, the PES received more positive feedback and employers acknowledged its positive impacts. During 2014-15, discussions took place between the government and the Luxembourg employer association, leading to a bipartite agreement specifying that there will be a more intense cooperation between the PES and employers. This formed the basis for setting up a partnership agreement between the PES and the Luxembourg employer association. Within this broader partnership agreement, the setting-up of bilateral cooperation agreements with employers and sectorial employer federations forms a central element.

Which organisation was involved in its implementation?

- ▶ Luxembourg employer association is a key partner which can motivate employers to sign such bilateral cooperation agreements and comply with them. Bilateral cooperation agreements between the PES and employers as well as sectorial federations are part of a broader partnership agreement between the government and the Luxembourg employer association.
- ▶ Chamber of Commerce and Chamber of Crafts (business organisations) organised sensitisation workshops with employers to explain how the agreements work and what support is available.

Which groups were targeted by the practice?

The main target group of the bilateral cooperation agreements are employers who, on a regular basis, provide jobs suitable for jobseekers registered with the PES (often jobs requiring lower levels of qualifications). In fact, the majority of jobseekers registered with the PES have low qualifications and the PES is therefore limited in providing the right candidates for highly-qualified vacancies.

What were the practice's main objectives?

The two main aims of the cooperation agreements with employers are to improve the PES relationship with employers, as well as provide a defined and structured cooperation. Furthermore, all bilateral cooperation agreements state that when the PES proposes a candidate for a vacancy, the employer commits to giving the person an interview and to providing better feedback on the candidate's interview than they previously used to. This overcomes the issue of registered jobseekers being recommended for vacancies but not being invited for an interview.

What activities were carried out?

- ▶ A basic bilateral cooperation agreement provides minimum requirements which all employers must fulfil. Employers may then wish to commit to additional requirements and the agreement can be developed accordingly.
- ▶ PES mainly targets employers who can provide vacancies for registered jobseekers, which do not require qualifications. Sometimes different types of employers are also targeted due to the special services they have to offer, such as coaching jobseekers.
- ▶ Every employer has a dedicated PES employer counsellor who they are in regular contact with and meet on a regular basis. This allows the employer and counsellor to discuss recruitment problems they are having and find solutions.
- ▶ Employers receive a label indicating they are a "partner for employment". This label can be used in their Corporate Social Responsibility communications and acts as an incentive for other companies to get involved. If employers do not comply with the bilateral cooperation agreement, the PES can withdraw the label. None have been cancelled to date.
- ▶ Training and sensitisation meetings were organised by the PES with employers to explain the benefit of the bilateral cooperation agreements and procedures involved, as well as how the PES can support them.
- ▶ The PES has an easy and accessible system to finance on-the-job-training for jobseekers for up to six months. Training is developed in conjunction with employers and employer federations. Employers commit to cooperating with the PES and defining what is included in the training. The PES then pre-selects candidates and chooses which ones will enter the training. There is nearly a 100 % hiring rate of PES registrants that finish the training.
- ▶ The PES regularly organises job days together with employers within the framework of the agreements, which stipulate that companies must take part in all job events organised by PES. These events bring jobseekers and employers together.
- ▶ As part of the monitoring process, the PES created an online portal where meetings are set up every 2-3 months with key stakeholders from the Luxembourg employer association, PES and the Ministry of Labour in order to review progress and actions taken together.
- ▶ Due to the great success during the first partnership agreement (2015-2017), the PES and the Luxembourg employer association agreed in December 2017 to continue the partnership agreement for another three years and to adapt it to the current situation of the labour market. Next to the placement of jobseekers, a special emphasis is placed on reducing the imbalance between job vacancies and the available profiles of jobseekers by providing tailor-made training offers.

What resources and other relevant organisational aspects were involved?

When launching the PES employer service in 2014, approximately 10 PES staff were working in this new established PES service. This has now grown to 60. Therefore, there was no dedicated recruitment push for people working on the bilateral cooperation agreements, as they form part of the core business of the PES employer services.

What were the source(s) of funding?

PES operational budget. As the measure forms part of the day to day operations of the PES, no dedicated source of funding was used for the establishment of bilateral cooperation agreements with employers. The sensitisation workshops were sponsored by the Chamber of Commerce, Chamber of Crafts, employers, or employer federations (and did not use PES budget for this activity).

What were the outputs of the practice: people reached and products?

- ▶ The key indicator outlined in the partnership agreement between PES and the Luxembourg employer association is to increase the number of registered jobseekers who have successfully integrated into the labour market by 5 000 over the three-year period of the initial partnership. Figures from 2015 and 2017 show that this ambitious target was fully reached.
- ▶ The partnership agreement also specified that the PES, in collaboration with business organisations or sectorial employer federations, carries out sensitisation workshops in order to encourage employers to collaborate with the PES. During the duration of the first partnership agreement (2015-2017), 24 workshops have been organised, each gathering 100-200 people.
- ▶ The PES has established more than 30 bilateral cooperation agreements with employers, representing over 10 % of the labour market in Luxembourg when considering the number of people working for these employers. Nevertheless, the PES' focus has been more on the quality than on the quantity of agreements undertaken.
- ▶ All other targets of the agreement have been achieved.

What outcomes have been identified?

- ▶ The partnership agreement included deploying an employer satisfaction survey, which showed positive results. 84 % of employers indicated they will work again with the PES and have recommended their services to others. Only 7 % of employers would not recommend the PES employer services.
- ▶ Engagement of the employers has significantly increased over the last three years. The PES implemented an online job board for jobseekers and employers, and 1 600 employers now have regular access to the portal. This aims to bring jobseekers and employers together to facilitate job matching and recruitment.

What are the lessons learnt and success factors?

- ▶ Bilateral cooperation agreements should first be made with larger, well-known employers in order to gain from their visibility in the labour market. When these important employers decide to sign such agreements, other employers may feel obliged to follow them.
- ▶ The label given to employers provides additional competitive pressure for other companies to get involved.
- ▶ Once a bilateral cooperation agreement is signed, it is important to have regular meetings and contact between PES counsellors and employers. This ensures an assessment of the existing cooperation and the establishment of trusting relations. The same should apply to sectorial employer federations. The Luxembourg PES plans to meet more regularly with specific subgroups of the federations to ensure more focused and clear actions.
- ▶ Bilateral cooperation agreements should be implemented with both employers and employer federations, as the latter do not always reflect employers' views. Nevertheless, good relations and engagement from employer federations are also important as they can motivate employers to sign and comply with bilateral cooperation agreements, as well as help sensitise them.
- ▶ Clear Key Performance Indicators and monitoring the implementation of each bilateral agreement is also needed. It is therefore recommended to implement such monitoring and management of individual agreements from the beginning. This also ensures feedback to employers at an earlier stage.



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