Identifying and Anticipating Skills Development Needs

Global approaches and their applicability to the Pacific

Helen Kirsch, Technical Officer, International Labour Organization

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"Demographic shifts, such as rising labour migration and a wave of retirement, are changing the available workforce. Individuals are reconsidering the role of work in their lives, and flexibility, autonomy and freedom are at the top of their lists" World Employment Confederation, 2024.

Three major trends are reshaping the world of work

80%

of business leaders say talent planning has never been more difficult than it is today.

82%

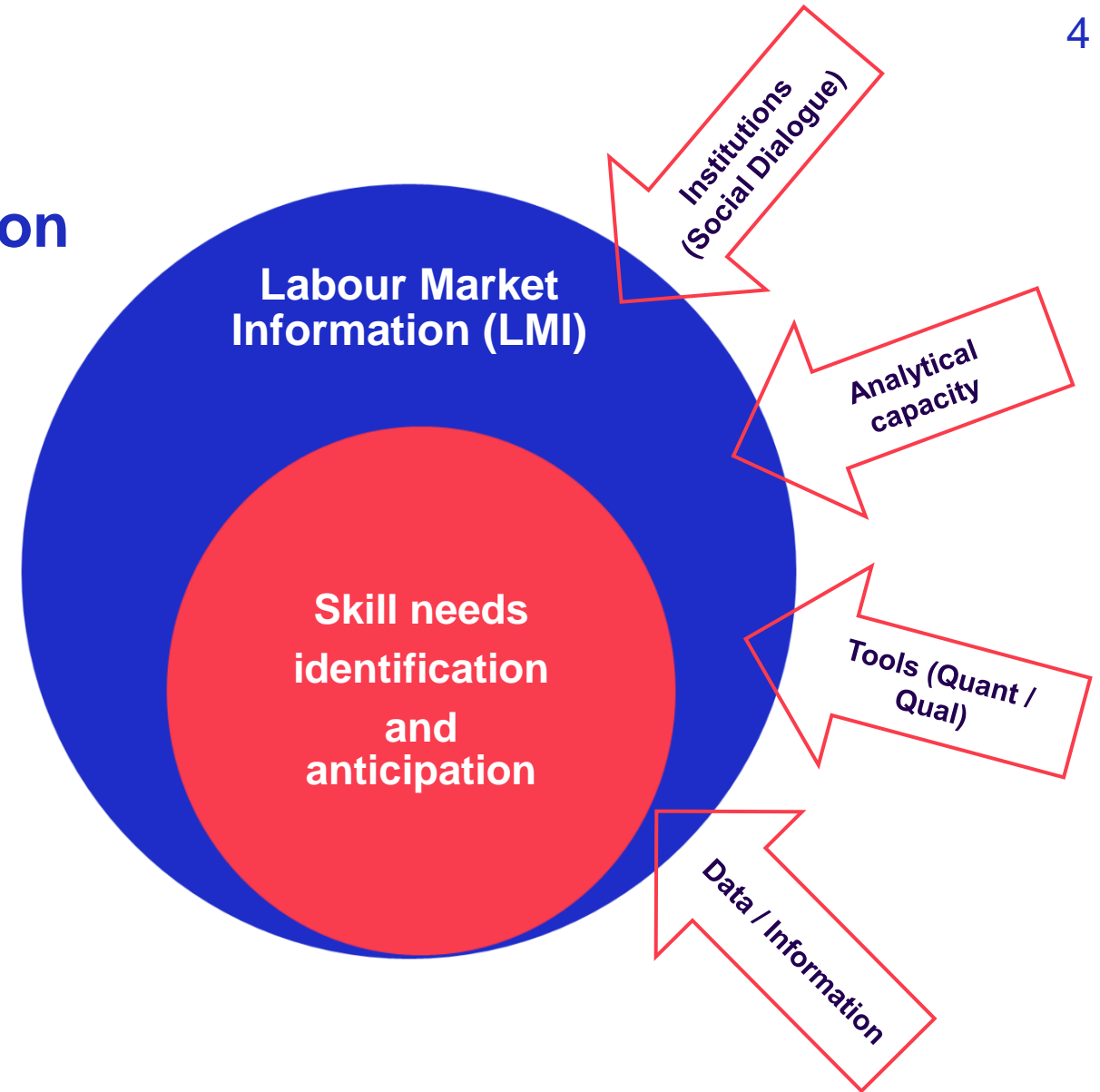say that the approaches used to find and retain talent in the past are no longer fit for purpose

83%

say that employees now value flexibility around where and when they work as much as other factors such as compensation

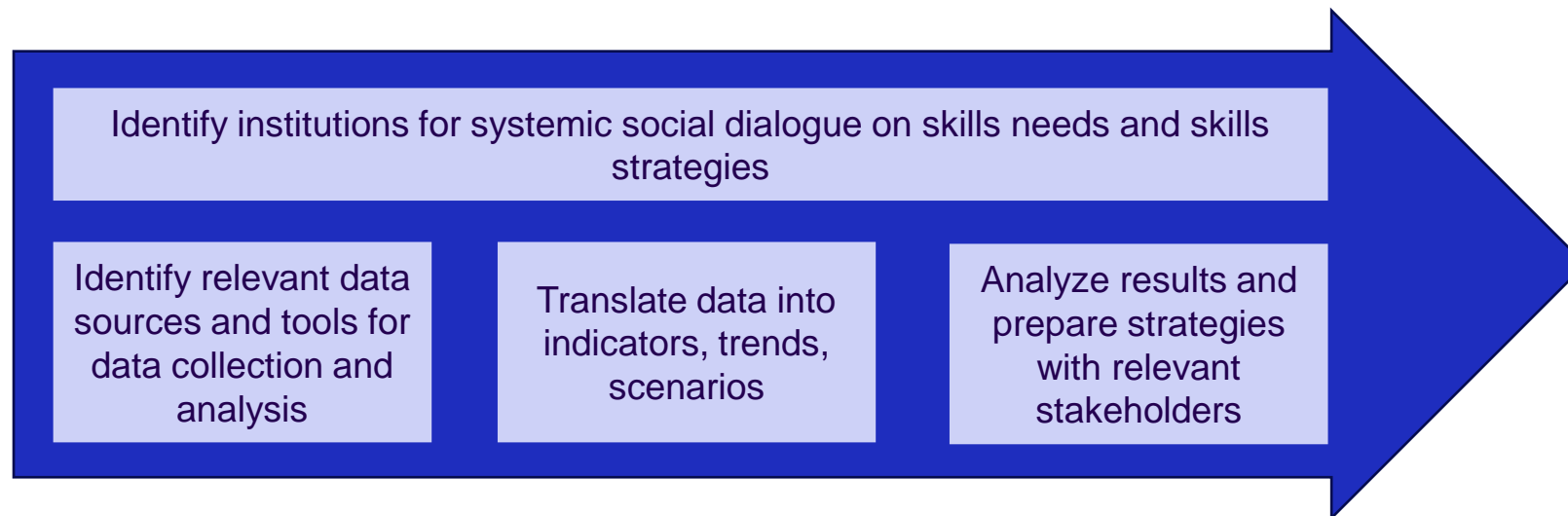**Advancing social justice, promoting decent work**

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Definitions: Labour Market Information

Any information concerning the size and composition of the labour market, the way it functions, its problems, opportunities and employment-related intentions of its actors.
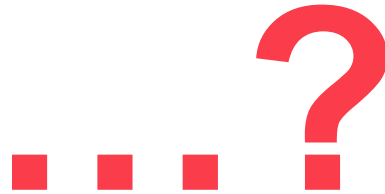
Labour Market Information (LMI)

Skill needs identification and anticipation

Institutions (Social Dialogue)

Analytical capacity

Tools (Quant / Qual)

Data / Information

Definitions: Skills Needs Anticipation

Skills needs anticipation refers to activities to assess future skills needs in the labour market in a strategic way, using consistent and systematic methods

Identify institutions for systemic social dialogue on skills needs and skills strategies

Identify relevant data sources and tools for data collection and analysis

Translate data into indicators, trends, scenarios

Analyze results and prepare strategies with relevant stakeholders

Advancing social justice, promoting decent work

▶ **ilo.org**

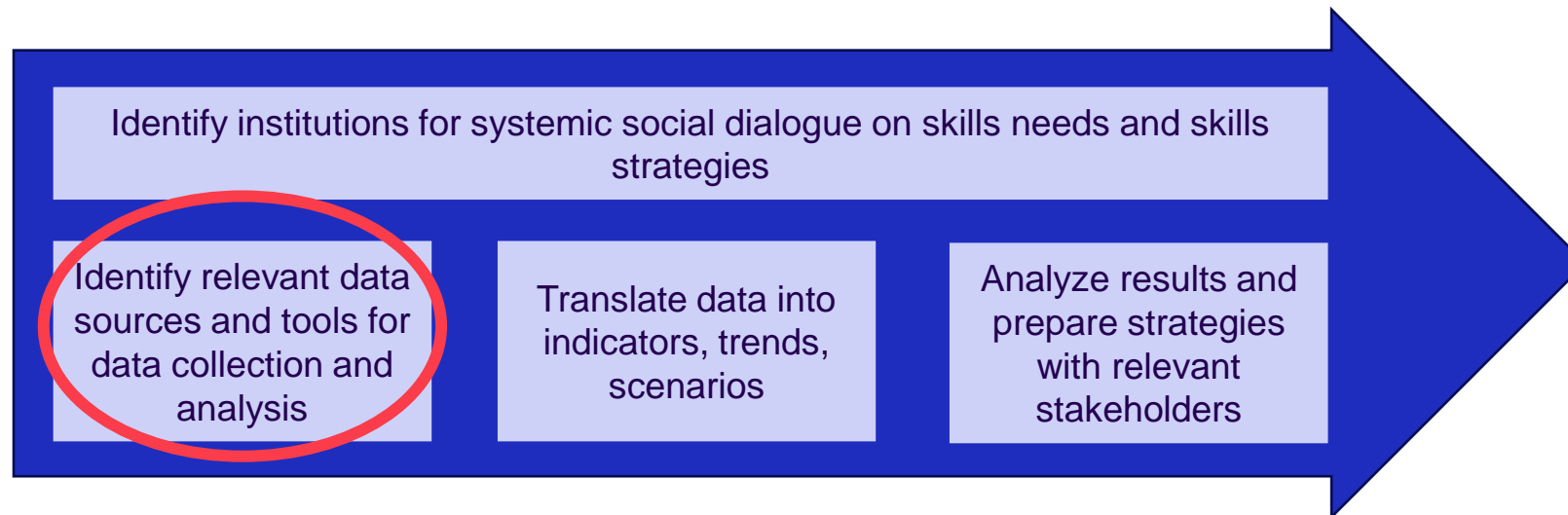**In a context of migration, do countries of origin need to assess skills needs?**

...?

Do sending countries need to assess skills needs?

▶ Yes

▶ <u>Primarily to avoid brain drain and understand TVET investment needs in countries of origin</u>

▶ As part of national LMIS

▶ As a contribution to identifying skill needs in the region and globally

▶ <u>[Take informed decisions by linking LMI to migration policy – e.g. overproduction of nurses in the Philippines in the early 2000s now reversed]</u>

▶ <u>But it depends on the available migration opportunities and to some extent existing skills recognition arrangements!</u>

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Available sources of labour market information in Pacer+ countries

▶ Countries which monitor their labour markets and skills mismatch regularly, usually combine several different data sources.

▶ A data audit should be conducted to decide which sources are the most useful for monitoring and anticipating skills supply and demand

▶ Or which can be most feasibly developed to become such a source

▶ Data availability and quality?

  ▶ Is the data source **regular**?

  ▶ Are there significant breaks between time series?

  ▶ Do data allow for national, regional, or local **disaggregation**?

  ▶ Economy-wide or sector specific?

  ▶ Easily **accessible**?

Available sources of labour market information in PACER+ countries

	Useful Standard Statistics					**Skills-specific sources**			**Secondary/other**
	LFS	HIES	PES job databases	Education e.g., EMIS / MICS	**Censuses (e.g., PHC)**	Establishm. Surveys	Tracer studies	Qualitative data	Labour migration data
Cook Islands	**2019 2023**	2024	Yes	SPC UIS 2021	**2021**	?	?	?	?
Kiribati	**2021**	2023	?	?	**2025**	?	?	?	?
Nauru	**X**	2023	?	SPC UIS 2021	**2021**	?	?	?	?
Niue	**X**	2025?	?	SPC UIS 2021		?	?	?	?
Samoa	**2022**	2023	?	SPC UIS 2021 MICS 2024	**2021**	?	?	?	?
Solomon Islands	**2026**	2024	?	?	**2019**	?	?	?	?
Tonga	**2023**	2022 2024	Under development	? MICS 2024	**2022 2026**	ILO/MTED 2024	?	ILO/MTED 2024	Labour Mobility Supply Management Strategy (Pacer+ MTED, Tonga)
Tuvalu	**X**	2022 2026	?	SPC UIS 2021	**2026**	?	?	?	?
Vanuatu	**2021**	2024	Not fully operational	SPC UIS 2021 EMIS	**2020**	ILO/VCCI 2024	Yes, VQA	ILO/VCCI 2024	Vanuatu Skills needs Industry Report (APTC, VCCI)

▶ ilo.org

Regular, disaggregated, and accessible?
Labour Force Surveys and ISCO 08

▶ The <u>labour force survey is an essential and one of the most appropriate</u>, data sources for quantitative analysis of skills mismatch.

▶ But it is costly and an interval of <u>at least once a year</u> is required to capture trends in the Labour Force properly.

▶ <u>large sample sizes</u> are required to obtain robust data and enable detailed breakdowns especially at occupational level.

▶ See the ISCO 08

<u>Click here for: International Standard Classification of Occupations</u>

Each group in the classification is designated by a title and code number and is associated with a description that specifies the scope of the group.

- *Major Group* is denoted by a 1-digit code; for example **2 Professionals**
- *Sub-Major Group* is denoted by a 2-digit code; for example **22 Health Professionals**
- *Minor Groups* are denoted by 3-digit codes; for example **221 Medical doctors**
- *Unit Groups* are denoted by 4-digit codes; for example **2211 Generalist Medical Practitioners**

Regular, disaggregated, and accessible?
Indicators of primary interest

Horizontal and vertical skills mismatch
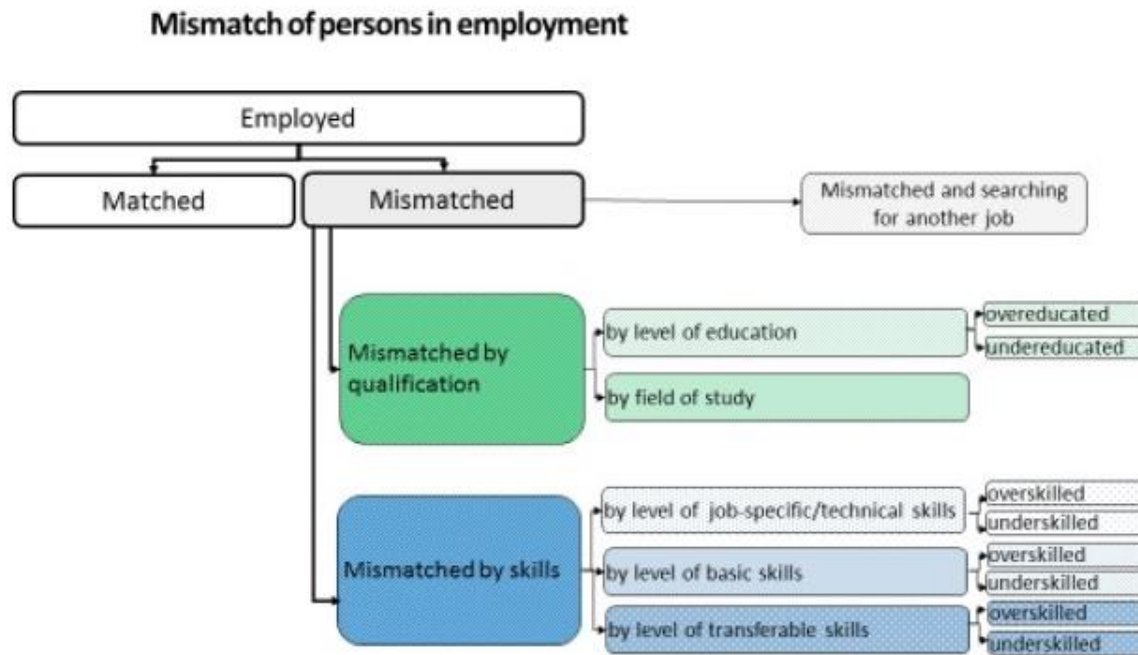
2018. ICLS guidelines concerning the measurement of qualifications and skills mismatches of persons in employment https://www.ilo.org/media/211731/download page 4

Skills shortages, gaps, and obsolence

▶ Skills shortages: hard to fill vacancies→ Skills shortages are measured at the firm-level

▶ Skills gaps: workers do not possess the right type of skills → usually measured by collecting information from the employer

▶ Skills obsolescence: when skills become obsolete over time → generally measured through subjective questioning of workers

ILO. 2019. Skills and job mismatches in low and middle income countries. page 5 - 11

Tools for data collection and analysis: an ideal approach?

Alternative approaches	Advantages	Disadvantages
Formal, national level, quantitative, model-based projections	Comprehensive (typically all sectors), consistent, transparent, quantitative	Data-hungry, costly, require statistical capacity, not everything can be quantified, may give false idea of precision/certainty.
Skills surveys of employers	Direct user/customer involvement, easy to set-up and carry out.	May be very subjective, inconsistent, costly, can too easily focus on the margins rather than skill gaps within the current workforce, limited reliability of information on future
Tracer studies / graduate surveys	Ability to provide useful information for improving planning and programming, relatively low cost, easy execution.	Demand for detailed information about sample groups, confined to workers' early market experience, and findings may be biased.
Big /real time data	Rich, immediately available, cost efficient	Need major cleaning, require statistical capacity, poor coverage of blue-collar jobs, not yet applicable in developing countries.

Tools for data collection and analysis: an ideal approach?

Alternative approaches	Advantages	Disadvantages
Scenarios and foresights	Strong on specifics (e.g. sector), possible with limited data, avoid unpleasant surprises, make better decisions today, engage and enable shared action.	Risk of inconsistency across sectors, areas, can be constructed as the "official future", may suffer from cultural/cognitive myopia, cannot be objectively validated.
Delphi-style methods (surveying a panel of experts)	Holistic, applicable in situation with limited data availability, handles multiple questions, brings together large number of experts and different opinions.	Time-consuming process, labour intensive, requires high regional expertise.
Focus groups /round tables	Useful to improve and develop ideas, strong tool to validate preliminary results/ideas/tools/strategies.	Importance of moderator is often underestimated, opinions can be biased (group effect), participants may be reluctant to share some opinions in a group.
Sectoral approaches	Sector-level helps understand the key drivers of change and wider market systems dynamics, easier to facilitate coordination among stakeholders and social dialogue, greater detail of knowledge/results.	Partial, SMEs in rural and remote areas and coverage of informal and unorganised sector is a challenge.

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Some institutional arrangements

▶ **Councils / commissions** (Employment and Skills/ HRD/ TVET) / employment and training authorities: ideally tripartite, **multistakeholder**, with a secretariat (e.g. National Skill Development Corporation in India – a public-private partnership)

▶ **Inter-ministerial committees** task forces, working groups, coordination bodies etc. (e.g. South African IMC on the implementation of the immigration regulations discussed that the scarce skills list should be taken into consideration in adopting immigration measures)

▶ **Expert groups** (e.g. Ireland's EG on Future Skill Needs)

▶ **Observatories** (national, sectoral, regional) (e.g. diaspora and migration observatories in Latin American countries)

▶ **Industry or sector skill councils** (e.g. Australia, Bangladesh, India; Trade Committees in Denmark; SETAs in South Africa)

▶ **Alliances of Sector Councils** to support cross-sectoral discussions (e.g. TASC in Canada deals with skills demand, standards and skill recognition of migrant workers)

Thank You! Group Work…

1. Reflecting on your own countries, which data sources can be most feasibly developed to become a regular, sufficiently disaggregated, and accessible source of skills mismatch, especially skills needs?

2. Where would this information come from? Which institutions would responsible for the data production and analysis?

3. How would you suggest your country uses it to inform LM policy?

Sources: ILO Skills anticipation and matching tools: Inter-agency compendium

▶ ilo.org
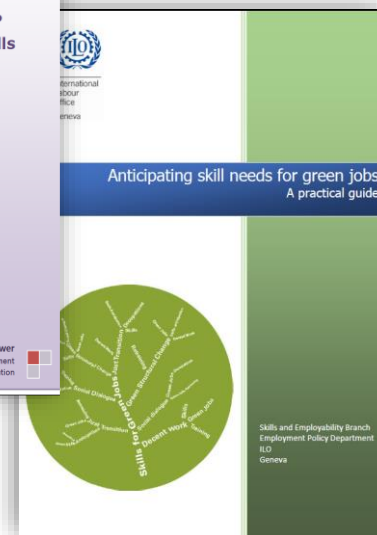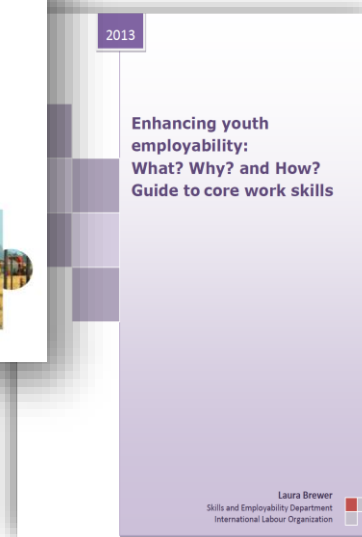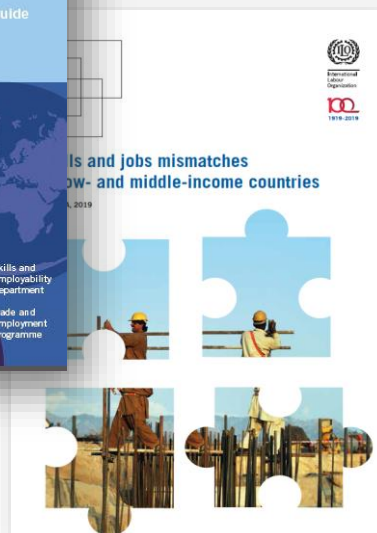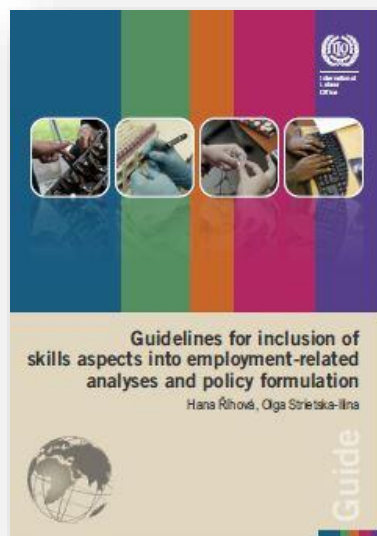
Sources

▶ ILO, ETF, CEDEFOP. 2016. Guide to Anticipating and Matching Skills and Jobs

- Volume 1: Using labour market information

- Volume 2: Developing skills foresights, scenarios, and forecasts

- Volume 3: Working at sectoral level

- Volume 4: The role of employment service providers

- Volume 5: Developing and running establishment surveys

- Volume 6: Carrying out tracer studies

▶ ILO. 2015. Anticipating and Matching Skills and Jobs – Guidance Note

▶ ILO. 2017. Skills for Trade and Economic Diversification

▶ ILO. 2018. Skills for Migration and Employment Policy Brief

▶ ILO. 2019. Skills and Jobs Mismatches in Low- and Middle-Income Countries