



Modernizing digital systems of the
Latvian Public Employment Services

24 May 2024

CONNECTING PEOPLE WITH JOBS: MODERNISING LATVIA'S PUBLIC EMPLOYMENT SERVICE THROUGH DIGITALISATION

Key findings of the OECD report

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the European Union**

DG REFORM and OECD jointly supporting countries in adapting and reforming their PES and ALMP systems



Key topics in joint OECD-DG Reform projects

- Integrating vulnerable groups into the labour market
- Institutional setup of ALMP provision, including the role of private providers
- ALMP impact evaluation
- Digitalisation, data management and AI



OECD - DG Reform project with Latvia: Digitalisation and better data management for better services

IT infrastructure to consider the needs of all users



More effective and efficient **employment services**

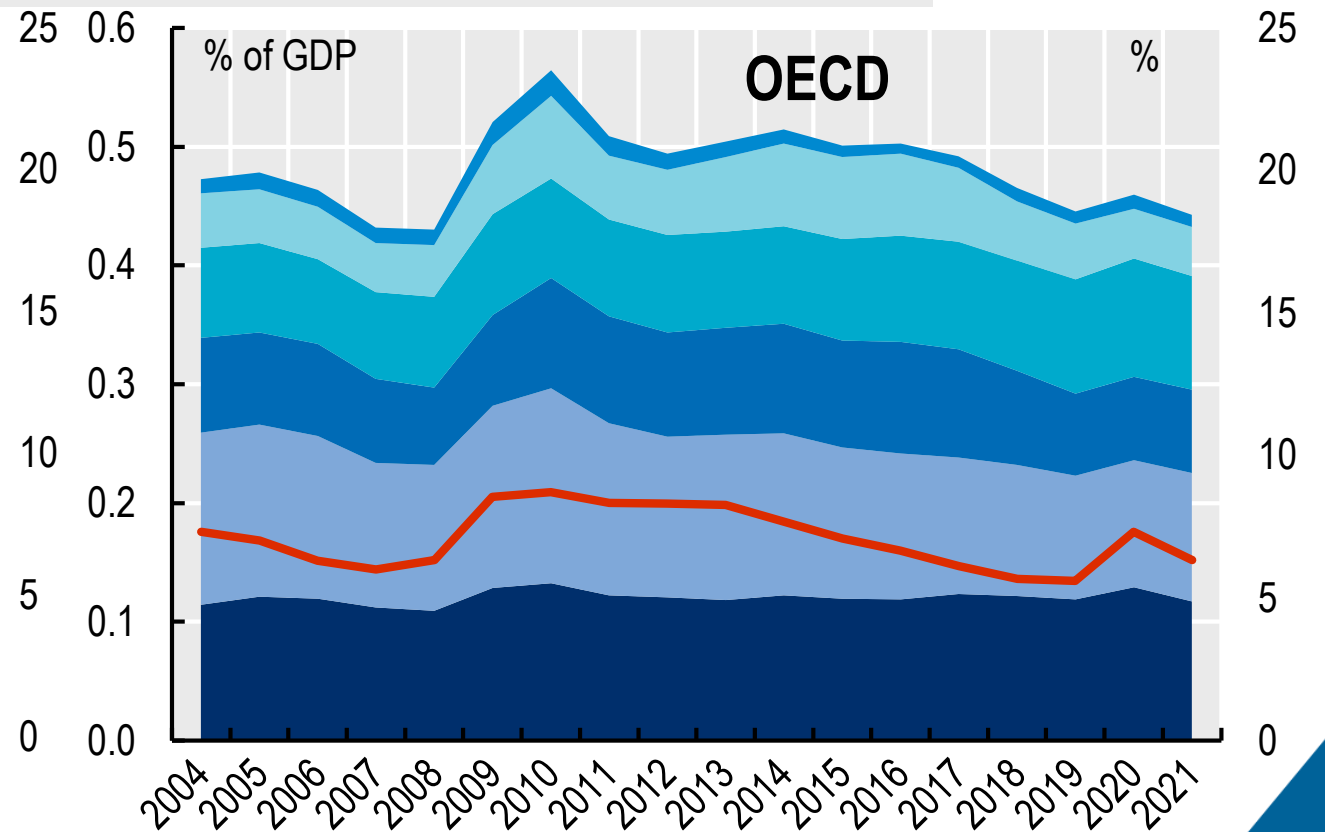
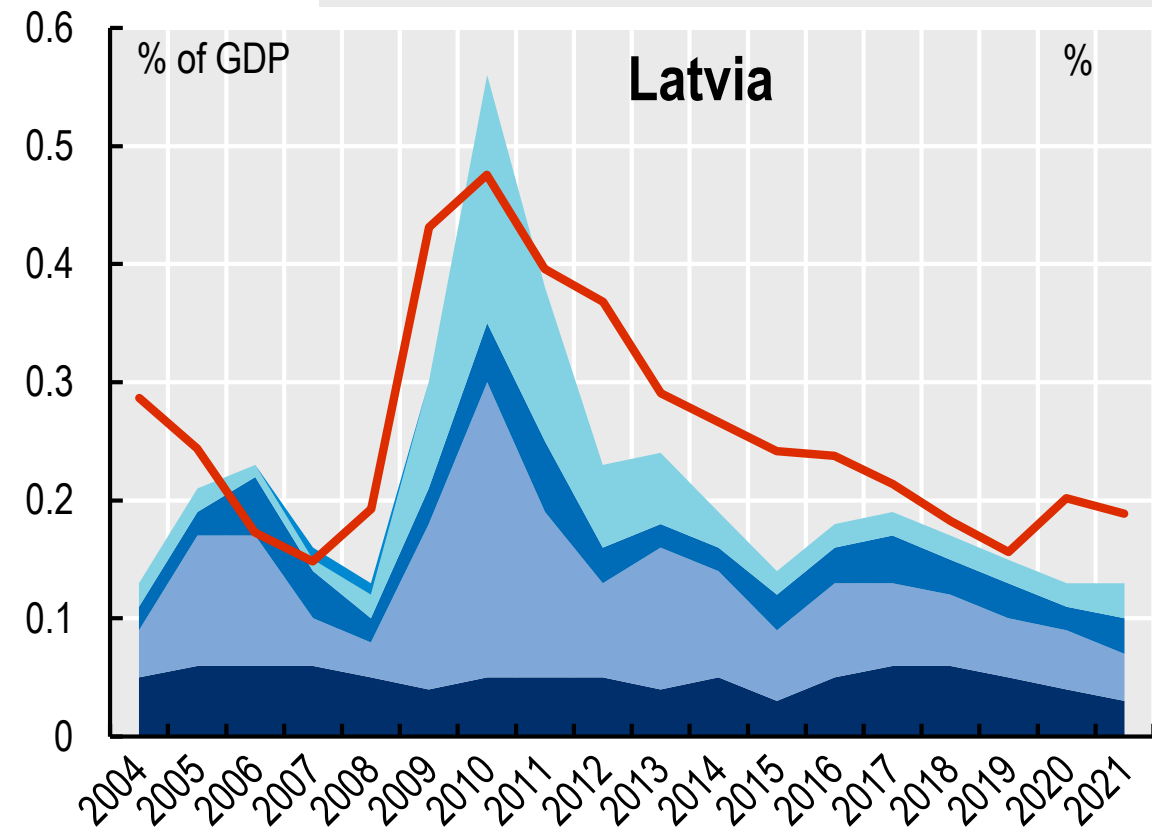


Efficient exchange of high-quality data with other stakeholders, supporting better and **evidence-based public services**



Increase the capacity of the ALMP system: Invest in the SEA's digital tools and staff capacity

■ PES and administration ■ Training ■ Employment incentives ■ Sheltered & supported employment
■ Direct job creation ■ Start-up incentives — Unemployment rate (right axis)



Spending on active labour market policies (ALMPs) by category as % of GDP



How have we worked together and what have we done?

September 2022

Qualitative assessment of the SEA digital infrastructure

Discussion with stakeholders

Quantitative analysis of SEA data

Discussion with stakeholders

Analysis of international practices

Knowledge sharing events

Recommendations for SEA's IT systems

May 24, 2024

OECD report containing assessments and recommendations

Strategy to increase capacity, effectiveness and efficiency

August 2024

Support for pilots

Capacity building activities



Main focus areas of OECD recommendations

The high-level digital infrastructure in SEA

Digitalisation strategy of the SEA

Operational IT system, data management and IT security

Data analytics system

Specific tools for employment services

Job matching tool (supported by skills profiling)

Jobseeker profiling tool



Develop a dedicated digitalisation strategy for the SEA

Assessment



The importance of digitalisation underlined in the **overall SEA strategy**, but no dedicated digitalization strategy exists.

Limitations to IT developments connected to **budget, skills, capacity of the development partner**.

No systematic approaches for **monitoring and evaluation**, and the **involvement of end-users** in the development processes.

Recommendations



Develop a **clear digitalisation strategy** that includes:

- A pathway to sustainable **financial and human resources** for IT developments.
- **Considering user insights**.
- **Risk management** for digital tools.
- **A modern IT development methodology**
- **Adjustments to procurement** to receive competitive proposals for IT projects.



Fine-tune the operational IT system and strengthen data management and IT security

Assessment



The high-level architecture **generally meets operative needs.**

The system is **not completely future-proof.**

Limited **data validity and integrity** checks.

Issues with **data security and system security.**

Recommendations



Move to a **more modular architecture.**

Introduce **network-level segmentation** to improve system security and network performance.

Adopt an official process to **manage data quality issues**, system-wide controls over input data and automate data quality analysis.

Systematically **update technology stack.**

Implement continuous and systematic processes throughout **system security management.**



Adopt a modern data analytics system

Assessment



The **copy of the operational database** to support data analytics – limited data, sub-optimal solutions and data security concerns.

Limited data queries with **low flexibility and scope**.

Data processing **manual, inefficient, error prone**, and entails **data security** concerns.

Recommendations



Adopt a **dedicate data warehouse** to fit data models and content for analytical purposes.

Adopt a Business Intelligence (BI) tool to automate the production and visualisation of statistics.

Support SEA staff with key information in an easily understandable and flexible format, i.e. **dashboards**.



Enhance the performance of the job matching tool

Assessment



The CV and vacancy portal uses simple and straightforward filters to support matching

Recommendations



Move towards **competency-based matching**

Introduce **a skills profiling tool**.

Consider small immediate adaptations to increase the tool performance.

Adopt an AI-based job matching tool that uses competencies, jobseeker interests and labour market information.

Consider supporting the job matching tool with digital solutions for **vacancy and career management**.



Refine the design and implementation of the jobseeker profiling tool

Assessment



The **methodology** of the profiling tool is transparent but **raises concerns of accuracy** and evidence-base.

Data are **not automatically** fed into the tool.

Detailed profiling **information not retained**.

Recommendations



Adopt a **profiling tool based on statistical techniques**.

Automate the use of data from administrative sources.

Retain digitally the detailed information from the questionnaire by automatic data exchange + user interface.

Use the profiling tool to segment jobseekers and save counsellors time for harder to place clients.



Key take-aways

SEA's IT system generally meets SEA's needs but further modernisation would increase the performance and user-friendliness of employment services:

1. Develop a **comprehensive digitalisation strategy**.
2. Fine-tune the IT system to improve **system and data security**, and **data quality management**.
3. Develop a **modern analytics system** consisting of a data warehouse and a Business Intelligence tool.
4. Improve the design and implementation of **the jobseeker profiling tool**.
5. Move towards **competency-based job matching**, supported by skills profiling.



Thank you!

Selected works:

- Harnessing digitalisation in public employment services, oe.cd/digitalPES
- ALMP impact evaluation: [Finland](#), [Lithuania](#), [Canada](#), [Spain](#)
- ALMP reviews: [Nordic countries](#), [Bulgaria](#), [Estonia](#)
- Building inclusive labour markets: [Cross-country policy advice](#), [Lithuania](#)
- More on active labour market policies: oe.cd/ALMPs



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Modernising Latvia's Public Employment Service through Digitalisation

Funded by the European Union

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OECD Social, Employment and Migration Working Papers No. 262

Institutional set-up of active labour market policy provision in OECD and EU countries: Organisational set-up, regulation and capacity

Anne Lauringson, Marius Lüske

OECD Social, Employment and Migration Working Papers No. 262

Paying for results: Contracting out employment services through outcome-based payment schemes in OECD countries

Kristina

Connecting People with Jobs

Impact Evaluation of Training and Wage Subsidies for the Unemployed in Greece

Connecting People with Jobs

Impact Evaluation of Vocational Training and Employment Subsidies for the Unemployed in Lithuania

OECD

TACKLING CORONAVIRUS (COVID-19): CONTRIBUTING TO A GLOBAL EFFORT

Building inclusive labour markets: active labour market policies for the most vulnerable groups

Updated 25 October 2021

The COVID-19 pandemic risks widening further the divide in labour market outcomes for the most vulnerable groups who face numerous employment obstacles, such as limited work experience, care obligations, low skills or health limitations. Not all these groups show up on the radar of public employment services (PES), which is why it is important to identify the groups at risk and their needs, develop effective outreach strategies, and provide integrated, comprehensive and well-targeted support. This in turn requires a good exchange of information and co-operation between the relevant institutions responsible for the provision of employment, health, education and social services, as well as income support. This is a revised version that discusses the role that survey data can play when the availability or content of administrative data is insufficient in generating knowledge on the people in need of active labour market policies and the barriers they face and includes footnote 5.

Building Inclusive Labour Markets: Active Labour Market Policies for the Most Vulnerable Groups | OECD 2021

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Harnessing digitalisation in Public Employment Services to connect people with jobs

April 2022

Spurred on by the unprecedented challenge of the COVID-19 pandemic, Public Employment Services (PES) are accelerating digitalisation across all areas of services and operations. This policy brief provides an overview of how OECD countries are harnessing digitalisation to improve the effectiveness and efficiency of PES in connecting people with good jobs, and monitoring and evaluating the performance of the digital tools.

Key findings

- Digitalisation offers significant opportunities for PES to deliver better services to their clients.
- In response to the COVID-19 pandemic, PES made significant changes to their services and operations. Many of these changes consisted of investments in IT infrastructure to enable PES to deal with the increased client numbers and to enable service continuity in face of restrictions to in-person service provision. Changes to the delivery models of training and job-search support and counselling were particularly common across countries at this time.
- As a result, the pandemic accelerated the digital leap of PES, a trend that is set to continue, with many countries engaging in ongoing digital advancements. These more recent efforts most commonly focus on improving and modernising existing infrastructure (e.g. enhancing jobseeker profiling and job-matching tools). However, countries are also engaging in efforts to digitise other processes/services and adopt Artificial Intelligence (AI) tools or other advanced analytics.
- The adoption of AI in PES activities provides many benefits, including better use of data and in a timely manner. However, limitations exist, including risks posed by poor quality data and the inability for these tools to consider intangible information on a client's situation beyond what exists in the real data.
- All digitalisation efforts within PES should be subject to strict monitoring and evaluation via counterfactual impact evaluations to understand their impact on the provision of services to both jobseekers and employers.

Connecting People with Jobs

Impact Evaluation of Ireland's Active Labour Market Policies

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