

# **GOOD PRACTICE**

## **MATCHING SUPPLY AND DEMAND IN THE LABOUR MARKET**



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<b>Title</b>
<b>Matching skill supply and demand in the labour market of Krapina, Zagorje County</b>
<b>Location / geographic coverage</b>
Krapina Zagorje County, Croatia
<b>Summary</b>
<p>With the aim of better monitoring of the labour market needs regional offices of the Croatian Employment Service made Recommendations for educational enrollment policy and policy of scholarships in accordance with the Regulation of the Government of the Republic of Croatia on monitoring, analysing and forecasting of the labour market needs for particular occupations and making and taking into account the recommendations for educational enrollment policy since 2010. Analysis and forecast of the labour market needs for particular occupations is conducted on the basis of statistical data and relative indicators on employment of unemployed people by educational programme which they have completed (employment speed, employment rate), data about the lack of workers in certain occupations received in the Employers survey, insights obtained through job mediation and data from the strategies and plans for economic development and plans and announcements of investments at regional and local level. The data about the number of already enrolled pupils and students in certain educational programmes is also taken into account. Analysis, forecasts and recommendations are made at the local labour market as determined by Regional offices of Croatian Employment Service.</p> <p>The recommendations made in this way are used for enrollment policy, policy of scholarships, educational activities of the Employment Service and awarding scholarships for deficient (trades and crafts) occupations by Chamber of Trades and Crafts in Krapina Zagorje County.</p> <p>In order to made more relevant recommendations CES Regional Office Krapina initiated a project that:</p> <ul style="list-style-type: none"> <li>→ Strengthened partnership by establishing and operation of Regional Partnership for monitoring and assessing the needs of the Krapina Zagorje County labour market which brings together representatives of the CES RO Krapina, Krapina Zagorje County, Chamber of Trades and Crafts in Krapina Zagorje County, Croatian Chamber of Economy County Chamber Krapina and Zagorje Development Agency and, if necessary, other partners are included</li> <li>→ The role and tasks of the key actors in the labour market - members of the Regional Partnership are described and set forth in the Regional Partnership Agreement for monitoring and assessing the needs of the Krapina Zagorje County labour market</li> </ul> <p>Methodology for assessing and monitoring the needs of the labour market is made, particularly for deficient occupations (Model for the identification and tracking of deficient occupations) that we use to determine the order of the three-year educational programmes/occupations by deficiency/need for training</p>
<b>Type of the good practice</b>
Model.
<b>Stakeholders and partners</b>
Users of good practice are pupils, students, unemployed, employers. Partners in the activities are Croatian Employment Service Regional Office Krapina, Krapina Zagorje County, Zagorje Development Agency, Croatian Chamber of Economy County Chamber Krapina, Chamber of Trades and Crafts in

Krapina Zagorje County.

The task of the partners gathered in the Regional Partnership for monitoring and assessing the needs of the Krapina Zagorje County labour market is:

- Systematically collect, interpret and evaluate data (surveys, interviews, data bases, etc.) necessary to monitor and assess the needs of the labour market, the need for lifelong learning and career development process
- Monitor and evaluate the results of applying the methodology for monitoring and assessing the needs (results of determine labour market needs and satisfy those needs)
- Contribute to the further development of the model for selection of training programmes and development of a methodology for assessing the need for deficient occupations,
- Enhance cooperation with businesses/companies and educational institutions.

#### **Issue / challenge and goals / assumptions**

Analysis and forecast of labour market needs for particular occupations contributes to the harmonization of education with labour market needs and reduces the structural mismatch between labour supply and labour demand which is one of the major long-term problems of the Croatian labour market. For this reason in the year 2010 Regional Offices of the Croatian Employment Service started with the implementation of the analysis and forecast labour market needs for particular occupations and making recommendations for educational enrollment policy at the local/regional labour market. Before that CES RO Krapina only made a lists of deficient occupations for a three-year educational programmes/occupations using only data that are available to CES (required workers by occupation, unemployed persons in CES by occupation, the results of annual survey of employers - planned layoffs and employment, etc.). There were no clearly defined criteria on how to make these lists and the list was made on the basis of only information available to CES, and not in accordance with all relevant labour market data. It also lacks information about the needs of employers for workers within longer period of time and information if any employer who is starting or about to start a business in the Krapina Zagorje County and will have needs for human resources. In addition, the lack of cohesion and coordination of joint actions between the key actors in the labour market was noticed and there was no synergy in the work, and no formal cooperation that would strengthen partnership. With the establishment of the Regional Partnership for monitoring and assessing the needs of the Krapina-Zagorje County labour market all relevant stakeholders in the labour market jointly cooperate on improving the local labour market by assessing and monitoring needs, particularly for deficient occupations and influence the activities related to lifelong learning and career development.

In order to make forecasts more successful it is necessary to involve all stakeholders in the assessment activity and it is necessary to strengthen the ability to predict the needs of the labour market.

#### **How does it work?**

In accordance with the Regulation of the Government of the Republic of Croatia and Plan and methodology for monitoring, analysing and forecasting the needs of the labour market for particular occupations Regional Offices of the Croatian Employment Service conducted an analysis and forecast of the labour market needs for particular occupations and made recommendations for educational enrollment policy. Recommendations not only apply on enrollment but also on providing scholarships for pupils and students.

In a three-year high school programmes for which is proposed increase in enrollment, programmes are listed in order of the evaluation of the results of the Model for tracking needs, particularly for deficient occupations in the Krapina Zagorje County labour market which was developed within the project "Partnership for Development". Data collection for the model, analysis and consideration of the results of the Model and the adoption of the final recommendation for educational enrollment policy jointly made partners (Krapina Zagorje County, CES RO Krapina, Chamber of Trades and Crafts

in Krapina-Zagorje County, Croatian Chamber of Economy County Chamber Krapina, Zagorje Development Agency Ltd.) pursuant to the Regional Partnership Agreement for monitoring and assessing the needs of the Krapina Zagorje County labour market.

Criteria for the selection of programmes for education/training (through the Model for tracking needs) are based on the settings that should:

1. Identify those educational profiles that school insufficiently "launches" – they are not attractive for young people or there is no programme (it is a deficient occupation/educational profile/ meaningfulness /);
2. The deficit will not fill in with regular education /adicionality/;
3. Make corrections based on ratings of occupations attractiveness (priority for further education for the "attractive occupations" /efficiency/;
4. Assess the perspectives of respective activities (priority for training activities with good long-term prospects /sustainability/);
5. Establish the existence of appropriate "supply" of people with lower employability that is "profitable", economically and socially, retrain /younger people, relatively similar profession / (there is a "supply" of unemployed potential candidates / basic assumption /).

At the meetings (2-3) are determined (according to all available data) needs of the labour market and on the basis of the results of Model deficient occupations are determined (programmes for training/education), and recommendations for educational enrollment policy are also made.

## **Results**

After identifying the occupations that are proposed as deficient and mutual consultations, Chamber of Trades and Crafts in Krapina-Zagorje County based on the tender invitation for scholarships for high school students, deficient craft occupations from the Krapina Zagorje County awarded each year scholarships for deficient craft occupations (18 for the academic year 2013/2014). Krapina Zagorje County based on the Recommendations for educational enrollment policy and policy of scholarships awarded extra points for scholarships for deficient occupations, and CES RO Krapina take the results into account when planning educational activities for unemployed persons. Also, CES RO Krapina monitors the employment of persons upon completion of education funded by CES from which it can be seen that in the six months after completion of education about 60% of participants are employed. From this it is evident that key stakeholders in the labour market are taken into account forecasts of labour market needs and recommendations for enrollment policy and policy of scholarship when making decisions concerning this area of work, but they considered it is still necessary to strengthen the partnership relations and the ability to anticipate the needs.

## **Evaluation**

An official evaluation of the forecasts of the labour market needs and recommendations, as well as the Model for the identification and tracking of needs (particularly deficient occupations) has not yet been made. CES RO Krapina for their own purposes monitors the employment of unemployed persons who have completed some of the educational programmes (retraining, training or specialization), funded by the CES. From these data it can be seen that about 60% of participants are employed within six months after completing their education, but this figure only takes into account the fact that the person is hired (not monitored where – whether the person is employed in the occupation for which he/she completed the education, or how long the employment lasted). It should also enhance cooperation with educational institutions that recommendations that CES gives be taken more into consideration when determining enrollment quotas for certain occupations/professions which currently is not feasible due to the inertia of the education system in Croatia. It is also necessary to continue to work on strengthening partnership relations between relevant stakeholders in the labour market, to strengthen the ability to anticipate the needs of the labour market and on the further development of the Model for the identification and tracking of needs with the purpose of the higher quality analysis of the labour market.

**Lessons learned**

In order to make the activities of monitoring the labour market needs more efficient, the exchange of information between all stakeholders in the labour market while strengthening and development of partnership dialogue is necessary. Also, it is necessary to work on the development of more effective measures to improve compliance of supply and demand in the labour market where is particularly important to strengthen the capacity of key stakeholders to estimate future needs.

**Sustainability and transferability**

In order to ensure that this good practice is established in the long term, good co-operation and connectivity of all key stakeholders in the labour market as well as continuous training and capacity-building in the field of analysing, monitoring and predictions of labour market needs for particular occupations is necessary. To make this example of good practice to be applicable in other countries, it is necessary to provide adequate sources of data that are required for the analysis and adoption of recommendations. Furthermore, it is essential that there is a willingness of all key labour market stakeholders to work together and continuously improve themselves in order to more efficiently anticipate the needs and solve the challenges that labour market puts in front of them.

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