



Performance Audit

ETC's job matching service:

Meeting the requirements of employers and registered job seekers

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List of Abbreviations

CEO	Chief Executive Officer
DSS	Department of Social Security
EA	Employment Advisor
ECDL	European Computer Driving License
ERDF	European Regional and Development Fund
ESD	Employment Services Division
ESF	European Social Fund
ETC	Employment and Training Corporation
EURES	European Employment Service
FAS	The Irish public employment and training authority
MCAST	Malta College of Arts, Science and Technology
MEYE	Ministry for Education, Youth and Employment
MFSS	Ministry for the Family and Social Solidarity
NAO	National Audit Office of Malta
NAPemp	National Action Plan for Employment
NEA	National Employment Agency
NIFTE	Night Institute for Further Technical Education
NRP	National Reform Programme
OPM	Office of the Prime Minister
PAP	Personal Action Plan
SEPU	Supported Employment Unit
TSD	Training Services Division
VPU	Vacancy Profiling Unit

Executive Summary

1 Job matching is one of the core services provided by the Employment and Training Corporation (ETC) to job seekers and employers. The Corporation's Vacancy Profiling Unit (VPU) regularly receives details of job vacancies from the private and public sector. These details are matched, through a computerised system, against data on registered job seekers which is collected by ETC staff through preliminary interviews and profiling. Apart from job matching, additional service channels are in place to promote notified job vacancies to potential job seekers and non-registrants, including the Corporation's web site and four regional job centres.

2 During the period of registration, job seekers are also referred to programmes and schemes organised by the Corporation (Figure 1.7). These measures are aimed to increase the employability of registrants and strengthen their job search skills and motivation.

3 ETC has a dual role in the labour market as the Corporation has to provide employment-related services to job seekers and employers, while at the same time enforce the law by ensuring that job seekers do not work while registering or fail to take up suitable work, and that employers are not employing persons illegally.

4 A number of initiatives designed to facilitate job matching and provide an improved and faster service to clients have been launched over the past years (Para 1.3.4). Some of these changes were connected to the Corporation's drive to implement the commitments under its responsibility as outlined in National Action Plan for Employment (NAPemp). ETC bound itself to deliver a number of active and preventive measures within set timeframes.

5 Against this background, the National Audit Office (NAO) decided to conduct a performance audit on ETC's role in the labour market, in particular on the effectiveness

of its job matching process. A survey with 358 private and public sector employers who used ETC's job matching service between September 2004 and August 2005 was also carried out in October 2005.

6 The objectives on which this report focuses are:

- a. Whether ETC's job matching service is addressing employers' requirements (discussed in Chapter 2).
- b. The extent to which the Corporation is systematically evaluating and assisting registered job seekers through interviews and profiling (studied in Chapter 3).
- c. The training offered by ETC to registrants to enhance their employment prospects (examined in Chapter 4).

7 Most of the information presented in this report was compiled between August 2004 and March 2006. New information exchanged during the exit meeting and from the detailed formal response presented by ETC and the Ministry for Education Youth and Employment (MEYE) in June 2006 was also taken into consideration. Some of the initiatives and intentions included in the formal response from ETC are not at a stage that could enable the NAO to draw any conclusion as to their effectiveness and so are not featured in this report.

Main findings and conclusions

Matching employers' requirements

8 Since 2003, vacancy requests notified to ETC by employers have been processed by the VPU and a new Vacancy Profile Form was introduced to incorporate additional information on vacancy details. In 2004, the

Corporation established a policy that limited the maximum number of registrants that can be submitted to an employer, thus addressing one of the concerns expressed by employers over the years. A new information system was launched in November 2005 to automate and improve aspects of the job matching process. ETC has also enhanced its submission process by offering more options of how employers can be informed of job matching results. Further changes are being considered by the Corporation to streamline and simplify the processes.

9 Overall, the majority (70 per cent) of interviewed employers stated that the job matching service has improved (Para 2.6.7). This positive trend is also reflected in the significantly high number of interviewed employers (94 per cent) who responded that they would use the service again for their recruitment (Para 2.6.8).

10 The NAO survey indicates that the main reasons why private sector employers approach ETC's job matching service are that the Corporation offers a good service, the Corporation has an extensive database for the type of vacancy being filled, and that the service is free of charge (Para 2.4.1). 64 per cent of the interviewed clients always refer their vacancies to ETC. Others do not always use the service as they prefer, among others, to use their own means to recruit a suitable candidate, would only use ETC for particular vacancies; or because of a past negative experience (Para 2.4.2).

11 The new information system has facilitated the creation of an initial shortlist of potential candidates for each vacancy and has led to more information being available during the selection process. The information is also being automatically matched with the comparable information contained in profiles of registered job seekers (Para 2.5.2). ETC is then expected to further filter the suggested list of potential applicants by consulting other information kept on the Corporation's database.

12 The success of this new technology depends on the accuracy and detail of the information inputted in the new system on each vacancy and on each registered job seeker. The Corporation's Employment Advisors have limited contact with employers and in many cases do not have sufficient details on the business of the clients and on the job content of the positions that need to be filled (Para 2.2.7- 2.2.8). Much also depends on the extent of selective screening carried out by advisors and on the quality time allocated for thorough job matching and

careful identification of candidates. Information kept on the profiles of jobseekers is not always updated, and assessments on registrants' willingness to work are in some cases inaccurate.¹ These limitations are increasing the risk of sending the wrong persons for job interviews (Para 2.5.6). However, since the completion of the audit fieldwork, ETC has informed NAO that the Corporation will be operating a Personal Action Plan for each job seeker that would entail individualised follow-up meetings with job seekers.

13 Feedback received from employers through the NAO survey suggests that more attention needs to be paid to all of these factors in order to ensure that there is effective screening and only the most suitable job seekers are submitted to employers. The NAO survey found that 72 per cent of interviewed clients could not always choose at least one of the persons submitted by ETC for a notified vacancy. Of these, the majority complained that the submitted candidates were not interested to work. 60 per cent of all interviewed employers also stated that one of the key components that they expected most from ETC's job matching service is to ensure better matching and better screening of job seekers (Table 2.1).

14 ETC has indicated that it is faced with a considerable and persistent number of registrants who are unwilling to work and intentionally demonstrate unfavourable behaviour during job interviews with prospective employers in order to avoid recruitment. Moreover, ETC is concerned with the significant level of absenteeism covered by sickness certificates from submitted individuals. Different attempts have been made by ETC to elicit feedback from employers and submitted individuals in order to keep track on the outcome of submissions and curb potential abuse by registrants. However, NAO observed gaps in the way in which such monitoring measures are being applied, in particular with respect to the consistency and completeness of the information collected (Para 2.7.6 – 2.7.7).

15 NAO noted that the performance-related data kept by the Corporation on the number of vacancies submitted and direct placements made needs to be assessed with caution as it includes input errors, replacements for the same vacancies and indirect placements (e.g. through vacancies advertised on the web site and in job centres). As a result, NAO could not use these figures to measure the proportion of notified vacancies that were actually filled through job matching. ETC has indicated that changes are being done to the system. These include the consideration of new effectiveness indications and in the way vacancies and placements are being recorded to better reflect number of direct vacancies and filled posts (Para 2.3.2 and 2.9.1 - 2.9.3).

¹ In the course of the audit, ETC indicated that it plans to discontinue using this tool to assess willingness and resistance to work.

Interviewing and profiling job seekers

16 EAs are allocated a caseload of registered job seekers which they are expected to interview, guide, refer to training or employment schemes, as well as submit to job opportunities. Advisors are expected to give foremost priority to timeframes set for profiling interviews and job matching. Additionally, each advisor is expected to carry out general interviews and Personal Action Plan (PAP) meetings with job seekers in order to keep monitoring their progress and update information on the interviewee (Para 3.2.1 - 3.2.5).

17 Since 2005, profiling has been ETC's principal tool for collecting comprehensive information on job seekers in a structured and consistent manner for job matching and referral purposes. According to the NAPemp timeframes, all new registrants have to be profiled after one month in the case of adults (25 years or older) and after three months in the case of youths (less than 25 years of age). NAO's analysis indicates that although profiling is being given due importance by the Corporation, there is still more to be done to ensure that all registrants are immediately profiled soon after the timelines set out in the NAPemp come into effect (Para 3.4.2). ETC derives the greater part of its information on registered job seekers from profiling and delays in the conduct of these interviews has a direct impact on the quality of job matching process and submissions to employers. It is also pertinent to note that due to the ratio of job seekers to employment advisors, at present it is not possible for all EAs to maintain regular contact with all registrants, especially those who remain on their caseload for longer periods (Para 3.2.6).

18 Overall, without a well-managed tracking system that allows each advisor to sufficiently monitor registrants on his or her caseload and call those most in need for a general or a PAP interview, there is the risk that registrants who are caught in long-term unemployment or have problems in their job search efforts may not be getting sufficient support or frequent guidance that would help them improve their chances of finding employment or learning new skills. Furthermore, limited or irregular contact makes it difficult for an advisor to get to know well his or her caseload, refer suitable candidates to employers and detect any underlying abuse or resistance to finding gainful employment (Para 3.6.3).

19 The Corporation is currently looking at how it can improve these key processes, including better scheduling and greater consistency in the way registrants are interviewed and provided guidance in the long term (Para 3.2.8, 3.2.15, 3.2.17, 3.3.8 and 3.5.5).

Referring registered job seekers to training

20 Analysis by the NAO on training delivered to registered job seekers between October 2004 and September 2005 shows that most persons attended only one course during the twelve month period (Para 4.3.1). Most of the training delivered (Table 4.1) was linked to basic skills courses such as the (job motivation course and the return to employment programmes) or basic IT courses (namely the Equal Skills Training programme and the European Computer Driving Licence courses). Other courses with a relatively higher number of participants were those leading to an occupational licence such as Food Handlers A and B and the Private Guards courses. Most of the remaining courses attracted small numbers of registrants. In total, 2,612 different registrants participated in 57 courses organised by the Corporation during the reviewed twelve months.

21 NAO analysis suggests that the majority of registrants are only attending courses that they are obliged to attend and are not applying out of their own initiative for other courses (Para 4.4.1 – 4.4.2). ETC faces difficulties when referring registrants to courses, with many failing to understand the need and importance of undergoing further training and feeling forced to attend in order to avoid being struck-off the employment register (which would incur a loss of benefits).

22 ETC has undertaken a number of exercises with the aim of providing specific training to categories of registrants that are most at risk of remaining unemployed. A recent internal assessment by ETC, however, suggests that more work needs to be done to increase collaboration between training coordinators, tutors and advisors in order to work out an effective career path and training needs assessment for each registrant, as well as offer guidance and customised training (Para 4.5.3). The early recognition of training requirements is necessary for an efficient use of resources and to avoid treating registrants who have sufficient qualifications, skills or experience in the same way as those who are less advantaged. NAO observed that much also depends on each advisor's ability to match personal factors with the training offered, the frequency and quality of guidance and counselling offered and whether advisors follow-up on clients submitted to training to discuss their participation and what steps are needed to take after completing training (Para 4.5.4).

23 Furthermore, the Corporation needs to address the high average waiting time for registrants to start a course after they have been identified as requiring training. It was

observed that registrants are being left waiting for several months, even over a year, to attend the course they have been referred to. Courses with a considerable backlog on 30 September 2005 included the Equal Skills Computer Training programme, the European Computer Driving Licence courses, literacy courses, and the Care Workers for the Elderly course. ETC is aware of this backlog and has since embarked on measures to address this problem (Para 4.7.2 – 4.7.5).

24 To measure training effectiveness, a system of evaluating courses using questionnaires and reports completed by participants and tutors has been in place since 2004 (Para 4.8.1 – 4.8.2). Training coordinators use this feedback to monitor the services being delivered as well as to address concerns that are raised by participants and tutors. However, NAO observed that limitations remain in the way this information is collated and processed. Moreover, it was also noted that more work needs to be done by the Corporation in order to assess the cost-effectiveness of its courses and develop accurate analyses that would allow management to identify the optimal mix of training products to offer (Para 4.8.3 – 4.8.4).

Recommendations

25 The following recommendations have been developed with the aim of encouraging further improvements to the management and delivery of ETC's processes and services. They are based on the analysis presented in this report and the feedback received from the Corporation. The recommendations focus on building on the current strengths and achievements, and implementing beneficial changes that address observed weaknesses in the reviewed processes.

- a *Improve the business planning process:* The Corporation's planning process needs to be improved through the adoption of a comprehensive and clearly defined strategic plan and detailed supporting operational plans that are endorsed by MEYE and the Board of Directors and communicated to management and staff. Management should also review the current scorecard system and develop new measures that reflect other objectives that are essential in order to have a broader perspective of outcomes, performance and innovation. The system that periodically monitors the achievement of these plans and how different operations interrelate with each other must also be reinforced in order to ensure overall effectiveness. ETC has
- b *Carry out further evaluations and assessments of ETC's key measures:* There is scope for further evaluation of the Corporation's main active or preventive measures in order to identify ways of how to deliver levels of assistance which are appropriate to the client. The Evaluation and Monitoring Unit should continue with the work that is in hand to ensure that progress is quantified and monitored more systematically. Immediate attention should also be given, with the key support of ETC's finance section, for the setting up of an internal system that sufficiently assesses and monitors the cost-effectiveness of its programmes and measures. Initiatives being undertaken by the Corporation (such as, focus groups, internal discussions and research on practices in other countries) should be continued in order to better capture lessons learned and identify factors affecting successful outcomes in terms of cost, time and operational effectiveness. Additional performance measures should also be designed to monitor the value-added of the various initiatives, such as the extent of improvements in employability, the number of registrants placed following related training by ETC or the extent to which harder-to-help registrants have benefited and found stable employment.
- c *Review the current system of collecting data on vacancies and placements:* ETC is already taking steps to address the concerns expressed in this report on the reliability and completeness of data concerning the number of vacancies submitted by employers and the actual placements made. In light of these findings, NAO recommends that a complete review is undertaken by the Corporation on how data on vacancies and placements is being collected and what controls are in place to sufficiently ensure reliability.
- d *Provide a more consistent and structured frontline service to employers and job seekers:* Clients currently can experience different levels of service. Although these can be partly explained by the inherent risks involved, there

indicated that a three-year Business Plan is currently being drawn up to run from 2007 and 2009 and operational plans will subsequently be developed.

are also improvements which ETC can make to strengthen the overall delivery of the service. These include collecting more management information which would assist the ETC to ensure that staff provides a consistent level of service appropriate for the client being served. ETC should also continue to review the approaches being applied in the case of profiling, general interviews, PAP meetings and referrals to potential employers and training courses. Procedures should also be changed to offer more targeted forms of help to those registrants who remain unemployed. The survey showed that better screening of job seekers is required and NAO recommends that ETC re-considers the way in which vacancies are being recorded and registrants are screened by advisors prior to submission. Better mechanisms should also be in place to identify, investigate and monitor persons who, for example, lapse before receiving required support and persons who are referred to various measures and job interviews but remain unemployed.

- e *Consolidate internal processes:* There is scope for further integration and uniformity of internal processes, especially those being managed by different internal sections within the organisation. Consolidation is also essential for better targeting of existing resources to meet the needs of clients. The introduction of new information technology, which is already having a positive impact on ETC's processes, should be expedited in order to enable the Corporation to allocate its resources where they are most needed and enhance the overall quality of the service being offered.
- f *Professional training of staff:* The ETC has made progress to enhance the professionalism of its staff but still needs to use training and mentoring to further improve the quality of the service. Other tools, such as performance appraisals, should also be deployed as an incentive to staff to further develop and excel.

Chapter 1

Introduction



Chapter 1 - Introduction

1.1 The Employment and Training Corporation

1.1.1 The Employment and Training Corporation (ETC) was established in 1990 as a body corporate with a distinct legal personality and governed by a Board of Directors through the Employment and Training Services Act (Act XXVIII).² The Corporation is Malta's public employment service³ and since April 2003 has formed part of the portfolio of the Ministry responsible for education, youth and employment (MEYE).

1.1.2 The ETC provides a range of services and programmes to job seekers, employers, as well as persons wishing to upgrade or learn new skills. The Corporation is also entrusted with:

- a. the maintenance of a national database of work histories of persons in employment, and a register of persons seeking employment;
- b. the compilation of labour market data and research; and
- c. law enforcement activities concerning compliance with the Employment and Training Services Act.⁴

² In addition, the National Employment Authority is by law empowered to investigate and adjudicate complaints that any interested party may bring before it regarding ETC's services and decisions.

³ The main duty of a public employment service, as defined by Convention 88 of the International Labour Organisation, is to ensure, in cooperation where necessary with other public and private bodies concerned, the best possible organisation of the employment market as an integral part of the national programme for the achievement and maintenance of full employment and the development and use of productive resources. The Convention also stipulates that the public employment service should be free and should consist of a national system of employment offices under the direction of a national authority.

⁴ ETC has to a dual role in that the Corporation has to provide employment-related services to job seekers and employers, while at the same time enforce the law by ensuring that job seekers do not work while registering or fail to take up suitable work, and that employers are not employing persons illegally.

1.1.3 In recent years, ETC has also taken a more active role in the development and promotion of the Government's labour market strategies and policies, including the drafting and launch of the National Action Plan for Employment (NAPemp) in 2004.

1.1.4 The Corporation employs around 180 staff and is led by the Chief Executive Officer (CEO) with the support of the General Manager Operations and other senior managers. Figure 1.1 depicts the organisational structure as at March 2006.

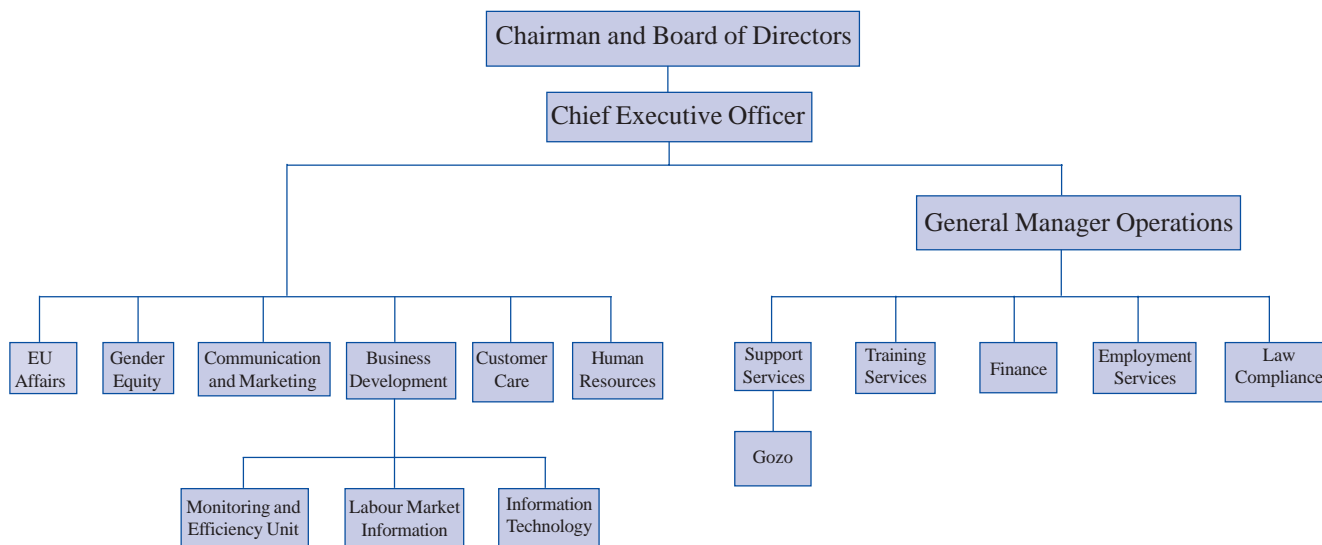
1.1.5 In 2000, an in-depth review of ETC's operations by the consultancy arm of FAS⁵ led to the development of a Business Plan for 2000-2003, the introduction of a labour market research programme, as well as the design and implementation of changes aimed at making the organisation more client-oriented. Since 2002-2003, annual operational targets also started to be established through a Balanced Scorecard system.

1.1.6 ETC's top management structure was changed in 2004 and a new CEO was appointed in May 2005. More recently, a Monitoring and Efficiency Unit was set up with the aim of carrying out systematic in-depth reviews of the Corporation's labour market measures. The information technology function has also been strengthened in order to meet new demands on the organisation's infrastructure and opportunities of automation.

1.1.7 In 2004, the Corporation did not formally renew its three-year Business Plan although it had completed an internal planning process to develop one and a draft document was presented to the Board of Directors in the same year. Currently, objectives and performance targets are being set through directives issued by the Board and senior management, as well as through the operational scorecards.

⁵The Irish public employment and training authority.

Figure 1.1 - ETC's Organigram



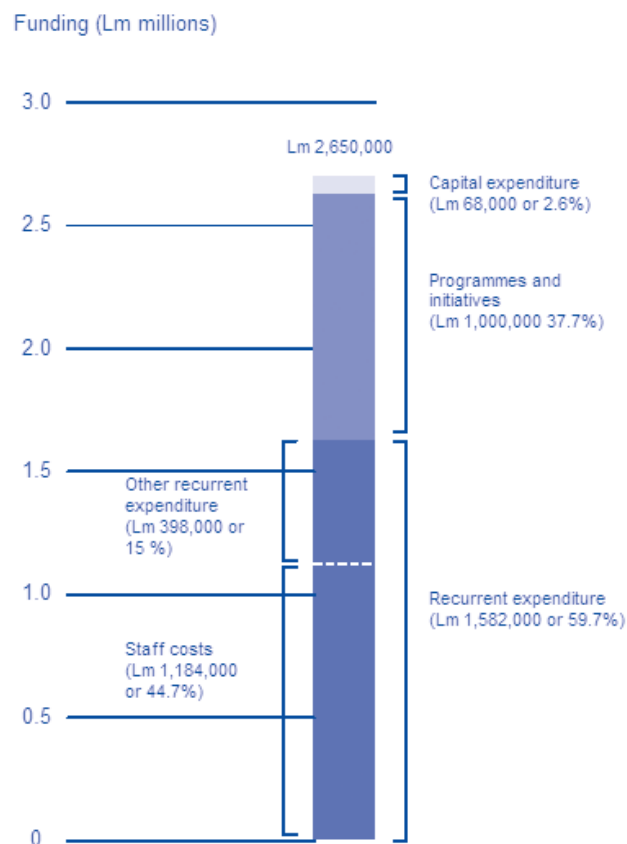
Source: ETC, March 2006

The Corporation's annual report and the NAPemp also provide a general indication to staff and stakeholders of the strategic direction that the organisation intends to follow.

1.1.8 ETC's corporate goals, as set out in its annual reports for the period 2003-4 to 2004-5 include:

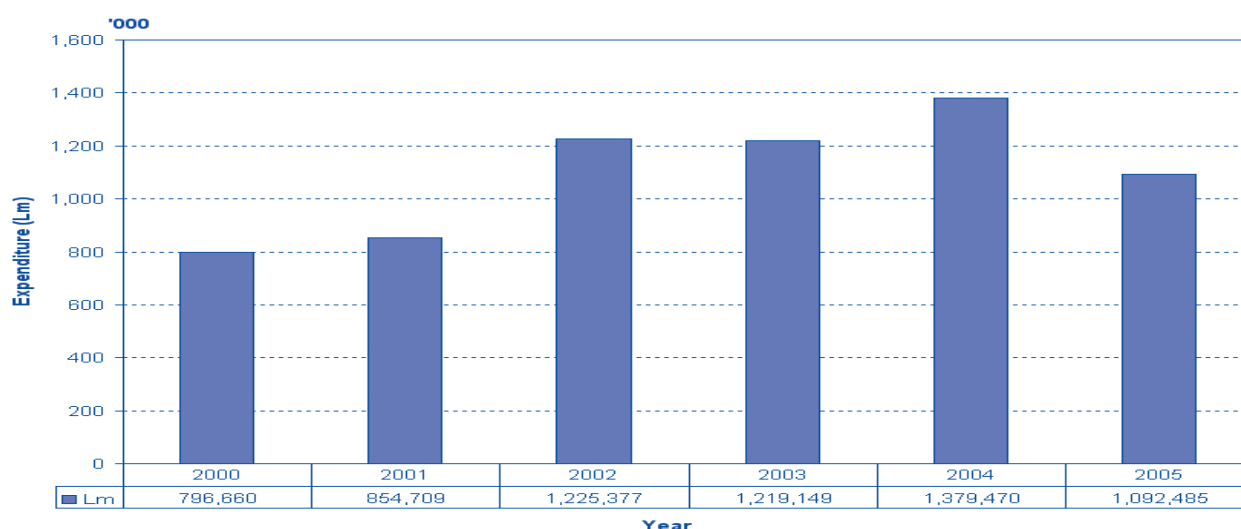
- a. Improve and extend the range of active measures to reduce inactivity and prevent inflow into long-term unemployment.
- b. Engage systematically with registered job seekers at pre-determined stages through a series of measures.
- c. Respond to employers' labour and training needs and attract more vacancies.
- d. Monitor the efficiency and effectiveness of its services and labour market measures.
- e. Research the labour market.
- f. Offer literacy and other basic and remedial training to job seekers, including those from disadvantaged groups.
- g. Strengthen the law compliance function.

Figure 1.2 - ETC's estimated budget for the period October 2005 to September 2006



Source: ETC's estimates tabled in Parliament in October 2005

Figure 1.3 - Annual expenditure on unemployment benefits



Source: Department of Social Security Annual Reports 2000 - 2005

1.1.9 A yearly subvention from the Government is given to ETC to fund expenses set out in its annual financial plan. The Corporation's budget for the period October 2005 to September 2006 includes an estimated expenditure of Lm2,650,000. A breakdown of the main items in the budget is presented in Figure 1.2.

1.1.10 The Corporation also benefits from additional funds from the European Union for specific initiatives and projects. Approximately *6 million will be spent during the years 2005 and 2006 for projects approved by the European Commission under the European Social Fund (ESF) and the European Regional and Development Fund (ERDF) frameworks.⁶

1.1.11 In addition, Lm1,092,485 were paid by the Department for Social Security (DSS) during 2005 as unemployment benefits to persons registering for employment under the Part 1 register kept by the ETC (Figure 1.3). These funds are administered by the Ministry for the Family and Social Solidarity (MFSS).

⁶ The ESF projects amount to a total of Lm2.9 million and include the following:

- Training and Employment Exposure Scheme (total value *4,880,000)
- Childcare Scheme (*1,000,000)
- Literacy Training Project (*197,941)
- Supported Employment Scheme for Disabled Persons (*793,653)
- Human Resources Development in Gozo (*260,071)

ETC also plans to build an extension to its Skills Centre with assistance from the ERDF.

1.2 Trends in registered unemployment

1.2.1 Unemployed persons are classified by the Employment and Training Services Act as being either:

- a. Part One – unemployed persons who are registering;⁷ or
- b. Part Two – unemployed persons who are registering and had terminated employment without a good and sufficient cause or rejected an opportunity of employment or training, or who otherwise refused or failed to participate in any employment or training measure or scheme of the Corporation.

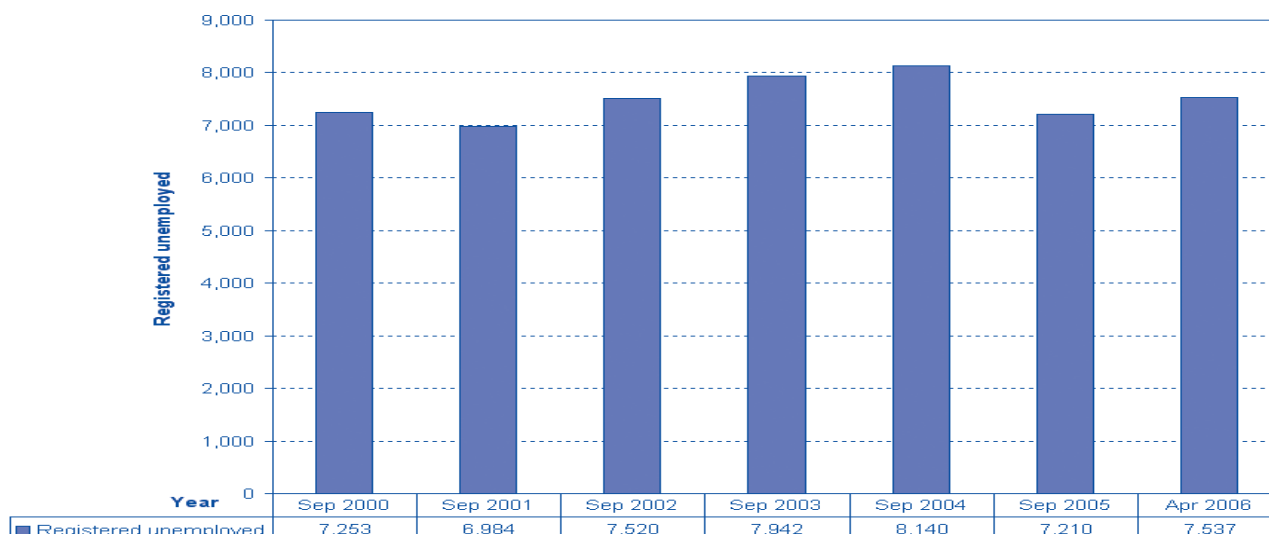
1.2.2 Between 2000 and 2005 the number of persons registering for employment under the Part 1 and Part 2 register fluctuated considerably, dropping to 6,984 registrants in September 2001 and peaking at 8,140 registrants in September 2004 (Figure 1.4).⁸

1.2.3 By the end of September 2005, the number of Part I and 2 registrants was 7,210 persons, most of whom were men (77.2 per cent). The share of youth unemployment (aged between 16 and 24) in this month was 29.0 per cent of the total number of Part 1 and Part 2 registrants. In the case of registrants aged forty and over, the share stood at 37.7 per cent (2,723 persons) of the total number registrants (Figure 1.5).

⁷ Part 1 registrants are given priority by ETC when registering for work.

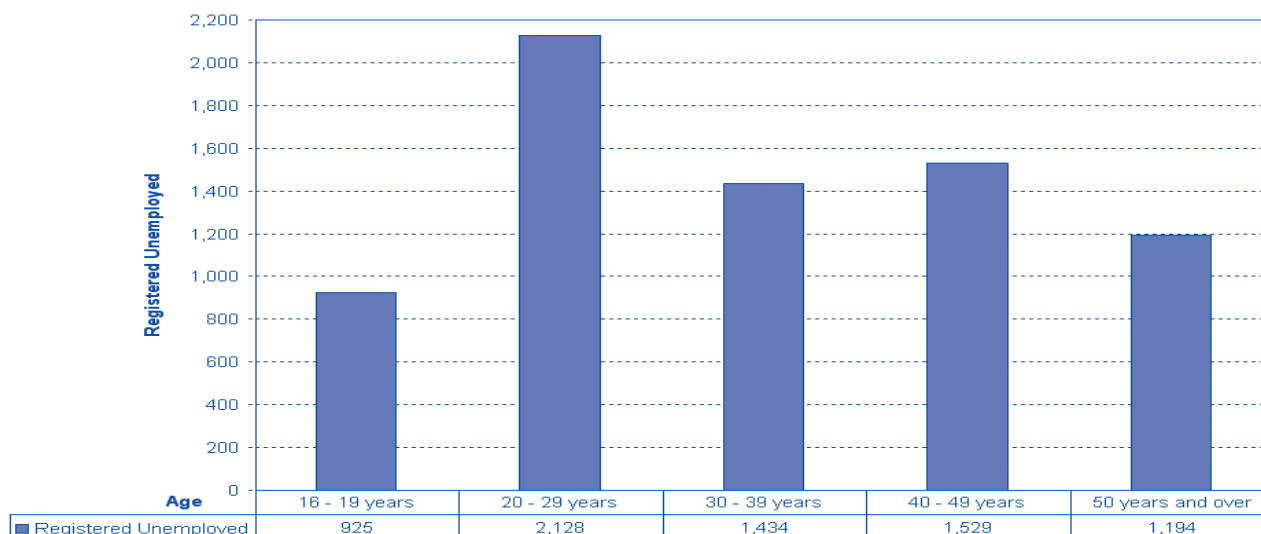
⁸ These figures exclude job seekers who are unemployed but for some reason have not registered their intentions with ETC.

Figure 1.4 - Trends in registered unemployment (Part 1 and Part 2) 2000-2005



Source: ETC's Annual Reports 2003 - 4 and 2004 - 5; National Statistics Office (2006)

Figure 1.5 - Age groups of the registered unemployed (Part 1 and Part 2) September 2005



Source: ETC's Annual Report 2004 - 2005

1.2.4 Of significance is the substantial proportion of registered job seekers with low levels of education and limited skills:

- a. A study of the 5,580 profiles compiled by ETC's Employment Advisors (EAs) of persons registering on Part 1 at the end of September 2005 shows that 23.9 per cent had started but not completed a secondary school level of education, 11.8 per cent left school after primary education and 2.1 per cent claimed that they had received no formal education. A further 44.9 per cent left school after completing secondary education. Only 8.2 per cent of profiled job seekers had post-secondary education or tertiary education.
- b. This trend is also reflected in the occupational preferences opted by registered job seekers. ETC data shows that 63.3 per cent of persons registered on Part 1 and Part 2 at the end of September 2005 (7,210 individuals) chose manual occupations as their first preference.

1.3 The job matching process

1.3.1 Job matching is one of the core services provided by ETC to job seekers and employers. The Corporation's Vacancy Profiling Unit (VPU) within the Employment Services Division (ESD) regularly receives details of job vacancies from the private and public sector. These details are matched, through a computerised system, against data on registered job seekers which is collected by ETC staff through preliminary interviews and profiling (Figure 1.6).

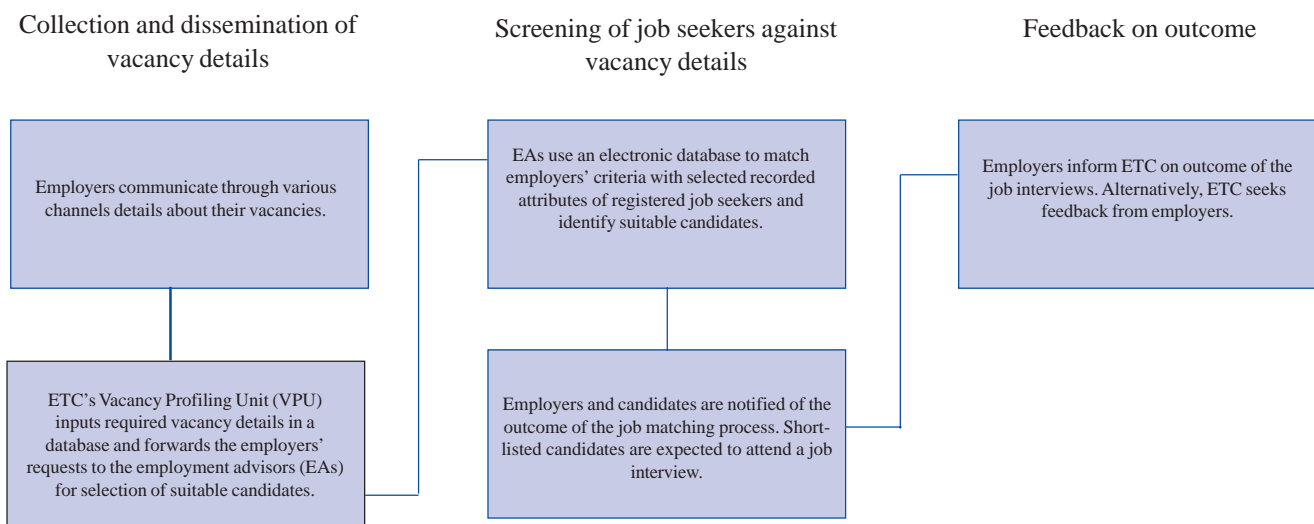
1.3.2 During the period of registration, apart from job matching, registrants are also interviewed by EAs, and they can be referred to programmes, schemes, seminars and courses organised by the Corporation. These measures are aimed to increase the employability of job seekers and strengthen their job search skills and motivation. The different ways through which ETC engages with registered job seekers are depicted in Figure 1.7.⁹

1.3.3 EAs play a key focal role in the job matching process as they are responsible for supporting job seekers in their search for work through profiling, guidance, job search assistance, screening, referral to ETC training programmes, and the provision of general information on services and labour market trends. They are also expected to regularly monitor the registrants assigned to their caseload and identify suitable candidates for vacancies notified by employers.¹⁰

1.3.4 A number of initiatives designed to facilitate job matching and provide a faster job matching service to clients have been launched over the past years. These have included:

- a. the creation of documented procedures and manuals for ETC staff;
- b. profiling of all registered job seekers and on-line access to these profiles during job matching;
- c. the re-design of the vacancy profile form;
- d. the introduction of limits to the number of job seekers referred to employers;
- e. new courses and active measures for job seekers;
- f. investment in IT systems, leading to the automation of a number of manual operations, the launching of an interactive website and the in-house development of enhanced software for the purposes of job matching; and
- g. clients are requested to send their individual curriculum vitae to employers prior to calling the employer to arrange for an interview.

Figure 1.6 - The job matching process



Source: NAO working papers, 2005

⁹ In the case of job seekers referred to the Supported Employment Unit (SEPU), registrants are referred to the medical officer and occupational therapists to establish level of disability and types of work that clients are able to perform.

¹⁰ In March 2006, there were seventeen EAs located at ETC's Head Office and in job centres in Valletta, Cospicua, Mosta and Gozo. The Corporation was in the process to recruit an additional two EAs and a further two employees were on long sick leave. Five of the EAs worked on reduced hours.

Figure 1.7 - Different ways through which ETC engages with registered job seekers



Source: NAO working papers

1.3.5 Some of these changes were connected to the Corporation's drive to implement the commitments under its responsibility as outlined in NAPemp and the National Reform Programme (NRP).¹¹ The NAPemp has required, among others, the adjustment of ETC's interventions in the field of employment and training services in order to conform to the targets of Guideline 1 of the European Employment Strategy.¹² Through the NAPemp, the Corporation bound itself to deliver a series of mandatory active and preventive measures within set timeframes, including requiring job seekers to attend a job search seminar, undergo profiling, participate in job motivation sessions, as well as being referred to further training or employment schemes.

1.4 Decision to undertake the audit

1.4.1 Against this background, the National Audit Office (NAO) decided to conduct a performance audit on ETC's role in the labour market, in particular on the effectiveness of its job matching process.

1.4.2 The audit was carried out between September 2004 and March 2006 and consisted of two stages:

- a. Initially the Corporation's overall strategic direction, objectives, internal structures, functions and processes were studied in order to gain a comprehensive understanding of the organisation and its environment. This was conducted between September 2004 and March 2005, and included in-depth interviews with key officials and stakeholders, as well as observations and a review of documentation.
- b. The second stage, which was undertaken between October 2005 and March 2006, examined the effectiveness of ETC's job matching procedures and related employment and training processes. Supporting data used by the Corporation to evaluate its performance in these areas were also evaluated for its reliability.

¹¹ These plans, in particular the NAPemp, have outlined the Government's national policies on employment and established the broad framework within which the Corporation has been expected to operate.

1.5 Audit Objectives

1.5.1 The initial objectives of the audit covered a number of areas, including ETC's services vis-à-vis job seekers and employers, the Corporation's interaction with stakeholders, research carried out on the labour market mismatch, and the efforts made in addressing these issues. Following the preliminary assessment, it was decided that the audit scope would be focused on the following issues due to their criticality:

- a. Whether ETC's job matching service is addressing employers' requirements (discussed in Chapter 2).
- b. The extent to which the Corporation is systematically evaluating and assisting registered job seekers through interviews and profiling (studied in Chapter 3).
- c. The training offered by ETC to registrants to enhance their employment prospects (examined in Chapter 4).

1.6 Methodology

1.6.1 To achieve these objectives, the following methodology was used (details of which are shown in Appendix A):

- a. interviews with key personnel at ETC;
- b. consultations with stakeholders;
- c. a telephone survey among 358 employers who used ETC's job matching service between September 2004 and August 2005;
- d. a review of reports and documentation related to ETC's operations; and
- e. an in-depth examination of ETC operational data related to employment and training services.

¹² Guideline 1 states that "every unemployed person is offered a new start before reaching six months of unemployment in the case of young people and twelve months of unemployment in the case of adults in the form of training, retraining, work practices, job or other employability measure, combined where appropriate with on-going job search assistance".

Chapter 2

Matching employers' requirements



Chapter 2 – Matching employers' requirements

2.1 Background

2.1.1 Since its establishment in 1990, an essential part of ETC's employment services has been receiving information on vacancies from private and public sector employers, matching suitable registered job seekers with the requirements of the posts, and informing both employers and short-listed individuals of the outcome of the job matching.

2.1.2 Vacancies notified to ETC are also subsequently advertised on its web site and in job centres. The Corporation's role throughout the job matching process is to help employers find the right individuals to fill their vacancies and to assist job seekers to find suitable employment.

2.1.3 This part of the report evaluates the recent measures introduced by ETC to improve its job matching service. It also discusses the results of an NAO survey carried out in October 2005 with a random sample of 358 private and public sector employers who used the job matching service between September 2004 and August 2005. The data used by the Corporation to measure and report on its performance in this area was also assessed.

2.2 Understanding employers' vacancy requirements

2.2.1 The Corporation receives daily enquiries from employers for suitable job applicants through the Corporation's web site, by post, telephone, email or fax.¹³ Vacancies from the public sector are notified directly by the Office of the Prime Minister (OPM) or by the entity concerned.

2.2.2 In 2003, the ETC set up the Vacancy Profiling Unit (VPU) in order to be able to handle employers' requests in a

more structured and centralised manner.¹⁴ Currently four clerks are attached to the VPU – two primarily responsible for private sector vacancies and two for public sector requests.¹⁵ Requests coming from European employers are handled by two employees in the European Employment Service (EURES) Office, amongst other work related to EU mobility.

2.2.3 Details of the vacancies notified to ETC are transposed onto a Vacancy Profile Form and forwarded electronically to the different sections in the ESD, the Supported Employment Unit (SEPU)¹⁶ and job centres. The form was recently re-designed to incorporate additional information on vacancy details. It includes contact details of the employer, the job description, qualifications, experience and skills required for the job and work conditions. Changes are being considered by the Corporation in order to further streamline the process and simplify the form.

2.2.4 EAs can only match notified vacancies with those registrants that fall within their section and there are at present five sections responsible for different types of client categories. These are: youth (responsible for all registered job seekers under the age of twenty-five); adults (registrants who are twenty-five years or older); very long-term unemployed (five years or more of registered unemployment); persons with a registered disability; and special cases (such as ex-drug abusers and ex-convicts).

2.2.5 Advisors in the adult section are allocated vacancies depending on the locality where the employer is based, while those in the youth section take it in turn to match

¹³ It may also be the case that employers directly notify EAs of vacancies and these are forwarded to the Vacancy Profiling Unit (VPU) for processing.

¹⁴ Vacancies in Gozo have continued to be processed directly from the ETC office located on the island.

¹⁵ VPU staff also work on other tasks related to the Employment Service Division (ESD), such as the organisation of the job search seminars and employment and training services to refugees.

¹⁶ This Section handles disadvantaged job seekers, such as persons with disabilities, addiction problems, ex-convicts and the registrants who have been unemployed for more than five years.

vacancies received from the VPU. In the other sections, as there is only one EA for each type of client category, all advisors are informed of each vacancy.

2.2.6 For effective job matching, VPU staff and EAs must gain a good understanding of employers' requirements in order to be able to define accurately the selection criteria to be used, as well as search and select the most suitable candidates available from a longer list of registrants. If none of the available registrants fit within the criteria submitted by the employers, the EA should also be in a position to identify possible suitable alternative solutions to the employers.

2.2.7 ETC, however, still faces challenges when collecting sufficient information on the vacancies notified by employers. In some cases, the details provided on the vacancy profile form are very limited or incomplete and further information has to be sought from employers in order to obtain sufficient information for matching.

2.2.8 NAO observed that at times the information available to EAs for job matching is limited and includes insufficient details on the business of the clients and on the job content of the positions that need to be filled. There is therefore scope for further improvements to the process of collecting information from employers and maintaining two-way contact with employers during job matching in order to ensure that the persons referred meet the requirements of employers.

2.3 *Data on notified job vacancies*

2.3.1 Between September 2004 and August 2005, 1,940 different employers used ETC's job matching service. Most of these were private sector employers (93.4 per cent), with the rest including public sector entities (4.6 per cent) and employers referred through EURES (2.1 per cent).

2.3.2 The extensive data compiled by ETC for this period shows that there were 7,735 vacant posts that were notified to ETC through 4,221 individual requests from employers. However, NAO could not endorse this figure, as testing carried by the Office revealed that eventual increases in the number of vacant posts following original requests are not being always updated in the system. Furthermore, there were some cases of data input errors related to the number of posts required by employers.

2.4 *Employers' reasons for using ETC's job matching service*

2.4.1 NAO asked a random sample of 337 private sector employers who used ETC's job matching services between

September 2004 and August 2005 on the reasons why they approached the Corporation for the recruitment of new staff.¹⁷ A wide range of reasons were given by employers, the most prevalent motives being that:

- a. ETC offers a good service (35.3 per cent);
- b. the Corporation has an extensive database of job seekers (20.4 per cent);
- c. the nature of the vacancy (15.7 per cent); and
- d. the job matching service offered by ETC is free of charge (13.9 per cent).

2.4.2 Interestingly, 63.8 per cent of surveyed private sector employers who made use of ETC's services during that period (n=337) indicated that they always refer their vacancies to the Corporation. On the other hand, 36.2 per cent of those that indicated that they do not always use the Corporation (n=122) stated, among others, that:

- a. they prefer using instead their own means to recruit a suitable candidate (62.3 per cent);
- b. would only use ETC for particular vacancies (22.9 per cent); or
- c. they do not use the service for some of their vacant posts because of a negative past experience (18.0 per cent).

2.5 *Matching job specifications with profiled job seekers*

2.5.1 Over the past years, ETC has developed its job matching process by automating key stages through the launch of a new information system (called the *Matching and Vacancy System*). Standard curriculum vitae have also been created for each registered job seeker to facilitate selection by prospective employers. Furthermore, some members of staff have also obtained a qualification in occupational guidance.

2.5.2 The new information management system is more user-friendly and has facilitated the creation of an initial shortlist of potential candidates for each vacancy. It has also led to the strengthening of the selection process. The additional information being captured in the new vacancy profile form is being matched automatically with the

¹⁷ Public sector entities are not considered in the response to this question as these are obliged by law to refer their vacancies to ETC.

comparable information contained in the profiles of registered job seekers. The EA is then expected to further filter the suggested list of potential applicants by consulting other information kept on the Corporation's database, including individuals' profiles. This is a marked improvement over the previously limited information that was immediately available to the EA.

2.5.3 Most of these changes have been in place since November 2005 and the Corporation is now in the process of developing more sophisticated tools that will be designed to offer online services to job seekers and to allow employers to conduct the screening process themselves.

2.5.4 The qualitative outcome of the new system depends not only on the launch of new technology but also on the accuracy and detail of the information inputted in the new system on each vacancy (discussed in section 2.2 above) and on each registered job seeker. Much depends as well on the extent of selective screening carried out by the EAs and on the quality time allocated for thorough job matching and careful identification of potential candidates.

2.5.5 Feedback received by NAO through a survey with public and private sector employers who used the service between September 2004 and August 2005, indicates that more attention needs to be paid to all of these factors in order to ensure that only the most suitable candidates are submitted to employers (Table 2.1).

2.5.6 NAO also observed that EAs encounter a number of difficulties and uncertainties when carrying out screening of potential job seekers for notified vacancies. These include:

- a. Time constraints do not allow advisors to call potential candidates for further interviewing and screening related to the specific requirements of the job before submitting a final list to employers.
- b. The profiling information kept on registrants may not always be updated due to irregular contact, following profiling, with registrants on the caseload.¹⁸ In some cases, the data on job seekers may also not be of much assistance to the EA, as in the case of the scores being allocated to registrants with respect to their willingness to work - this issue is discussed in more detail in Chapter 3.

¹⁸ This is further discussed in Part 3 of the report.

Table 2.1- Concerns expressed by employers on ETC's job matching service

- a. The survey showed that 71.8 per cent of interviewed employers (n=358) reported that it was not always possible to choose at least one of the persons submitted by ETC for a notified vacancy.
- b. Of these (n=257), 55.6 per cent complained that the submitted candidates were not interested to work, 31.5 per cent indicated that candidates lacked required qualifications, 25.3 per cent complained that the referred job seekers lacked experience, and 17.5 per cent indicated that submitted individuals did not meet other expectations.
- c. The gap between employers' requirements and the type of job seekers submitted can also be noted from the considerably high number of employers (59.5 per cent) who commented that one of the key elements that they expect most from ETC job matching services was to ensure better matching and better screening of job seekers (n=358).

Source: NAO working papers, 2006

2.6 The number of registered job seekers referred to employers

2.6.1 Over the past years, ETC has addressed one of the major concerns expressed by employers regarding the excessive number of job seekers that used to be submitted in connection with each vacancy. In 2004, the Corporation established a policy that limited the maximum number of individuals to be submitted to twenty adults, twenty youths and twenty submissions from the Supported Employment Section. The capping policy, however, does not apply in the case of public sector vacancies, where ETC has to submit all persons that match the requirements set by the recruiting entity.

2.6.2 A review carried out by NAO of requests submitted to ETC by employers between September 2004 and August 2005 indicates that, in the main, the policy of submitting up to twenty registrants is being adhered to in the majority of the cases, although there were some cases where for diverse reasons the number of registrants submitted was higher than stipulated by the policy. The Corporation contends that one of these reasons is that the number of referrals increases once a post is advertised in other channels (such as the web

site, touch screen systems and job centres) and job seekers apply out of their own initiative. This is being considered as submissions in the Corporation's database.

2.6.3 The capping of the number of job seekers submitted to employers has had an impact on the overall number of submissions made to vacant posts notified by employers, resulting in a decrease of approximately 35 per cent between the total number submitted during the financial year 2000-2001 and in 2004-2005, two years in which the number of reported vacancies was approximately the same.

2.6.4 The capping procedure is likely to better serve employers since fewer candidates would have to be interviewed and evaluated by them. On the other hand, the procedure has an impact on the opportunity that registrants have of being submitted to job interviews. The ETC considers such capping to adequately balance the demands of job seekers with expectations of employers in terms of number of applicants that can be submitted.

2.6.5 Between October 2004 and September 2005, 16,000 different registrants were referred to job vacancies and this highlights the importance of ETC's job matching for registered job seekers. Of these:

- a. three out of every four registrants (75.0 per cent) were referred to one to five job vacancies;¹⁹
- b. 13.8 per cent were referred to six to ten job opportunities;
- c. 7.8 per cent were referred to eleven to twenty vacancies; and
- d. the rest (539 registrants) were referred to more than twenty vacancies, of which seven were referred to over one hundred vacancies over a twelve month period.²⁰

2.6.6 In recent years, ETC has also enhanced its submission process by offering more options of how employers can be informed of job matching results. Once registrants have been identified for a vacancy, employers can receive from ETC details of short-listed candidates and

a copy of their abridged curriculum vitae. Moreover, employers can also ask ETC to inform registrants to:

- a. forward to the employer a letter of application and a full curriculum vitae for further screening by the employer; or
- b. contact the employer to make arrangements for an interview; or
- c. attend an interview that has been pre-determined by the employer.

2.6.7 Overall, the majority (69.6 per cent) of interviewed employers who used ETC services between September 2004 and August 2005 (n=358) reported that the job matching service has improved over the last three years. Only 1.1 per cent stated that the service has deteriorated, with the rest indicating that there has been no change or else had no opinion.

2.6.8 This positive trend is also reflected in the significantly high number of interviewed employers (93.9 per cent) who indicated that they would use the service again for their recruitment.

2.7 *Monitoring outcome of job matching*

2.7.1 Various reports and statements made by the Corporation indicate that there is a persistent and underlying concern about the considerable number of registrants who are unwilling to work and intend to maintain their unemployment status in order to continue to receive unemployment benefits. Candidates can intentionally demonstrate unfavourable behaviour during job interviews with prospective employers in order to avoid recruitment. This has an effect on the employers' perceptions of job seekers submitted by ETC. Comments made by employers in the survey carried out by NAO in October 2005 confirmed this overall perception. ETC also claims a significant level of absenteeism covered by sickness certificates from submitted individuals.

2.7.2 Different attempts have been made by ETC to elicit feedback from employers and submitted individuals in order to keep track on the outcome of submissions and curb potential abuse by job seekers. However, NAO observed gaps in the manner in which such monitoring measures are being applied, in particular with respect to consistency and completeness of the information collected on each vacancy.

¹⁹ 36.4 per cent were submitted to one vacancy, 16.1 per cent to two vacancies, 10.5 per cent to three vacancies, 6.9 per cent to four vacancies and 5.1 per cent to five vacancies.

²⁰ NAO opines that ETC should assess why in some exceptional cases some registrants are being submitted unsuccessfully to a very high number of job vacancies which are related to their occupational preference. It may be the case that these registrants require further guidance or training in order to improve their employability prior to submission.

2.7.3 During the year 2004-5, an automatic system was set up through which each employer is requested to indicate:

- a. whether submitted job seekers have been in contact;
- b. whether the vacancy has been filled, and if not whether he/she wants to renew the vacancy or close the vacancy; and
- c. to submit remarks on each submitted applicant.

2.7.4 VPU staff is also expected to contact employers directly, in particular when no feedback is received from employers.

2.7.5 EAs, on the other hand, contact employers only when sending submissions by fax. Following this, most EAs do not carry out any follow-ups on the vacancies they handle, although ETC has indicated that advisors at SEPU - who handle more sensitive cases - are phoning employers to confirm whether they were satisfied with the submissions and whether they require further lists of clients suitable for the vacancy.

2.7.6 The limited contact between ETC and employers at the post-submission stage is also reflected from the results of the survey carried out by NAO. A considerable share of interviewed employers (41.6 per cent) who used the service between September 2004 and August 2005 (n=358) claimed that ETC rarely or never contacted them, or contacted them occasionally after submission of matching results. On their part, many employers are still failing to submit such critical feedback and communication is in general limited.

2.7.7 ETC also asks referred registrants to forward a receipt indicating the outcome of their submission. NAO, however, noted that this system is not working, with many registrants not sending the required receipt. The control is inherently weak since the EAs are not in a position to concretely verify the registrants' claims and employers are being required to fill in the details for non-selection and forward them through the registrants. Moreover, it was observed that advisors are not following-up on registrants who are not sending the receipts and the clerks at the VPU are primarily focusing on checking whether the vacancy has been filled.

2.7.8 NAO opines that a stronger monitoring system on failed submissions would provide ETC with information that can be used to further help job seekers (such as, better identification of training need and future referrals to job opportunities) and to follow-up on potential abusers.

2.8 *Vacancies are also advertised to a wider audience*

2.8.1 Apart from job matching, a number of additional service channels are in place to promote notified job vacancies to potential job seekers, including registrants and non-registrants. ETC uses its web site, free phone service for job hunters, touch screen kiosks, electronic mail and four regional job centres to advertise unfilled vacancies for fifteen days, following the initial submission of registered job seekers. In this way, employers are not restricted to the registered unemployed to fill their vacant post.

2.8.2 This approach is also intended to encourage registrants, in particular those qualified and skilled enough to find employment without ETC's support, to be more proactive in their job search rather than waiting for the EA to refer them to job vacancies.

2.8.3 Although it is very difficult to gauge accurately the outcomes of these indirect measures, it is clear that this service is a valuable extension to the current job matching system and serves as a medium for both prospective employers and interested job seekers to identify suitable opportunities within the employment market.

2.9 *Statistics on placements made and vacancies filled*

2.9.1 Data kept by the Corporation shows that 3,829 placements were made through ETC during the period reviewed by NAO, that is between September 2004 and August 2005.²¹ 79.8 per cent of these were recruited within the private sector, 19.8 per cent with the public sector and 0.4 per cent through the EURES network.²² However, NAO observed that this figure needs to be assessed with caution as it includes:

- a. A number of replacements for the same vacancies – this occurs in particular in the case of jobs with a high turnover, such as summer or part-time jobs or those with poor working conditions.
- b. All engagements that ETC deemed as having occurred through its intervention, whether direct (namely, through submitted registrants) or indirect (e.g. through vacancies advertised on the web site and in job centres). This was in fact

²¹ A placement occurs when the submitted registered job seeker is recruited by an employer, the individual's registration status is terminated and an engagement form is forwarded to the ETC by the employer.

²² This figure also includes the placement of job seekers in employment schemes managed by ETC.

declared in ETC's last Annual Report. The Corporation has informed NAO that the practice has now been stopped by taking into account only direct placements in its performance statistics.

- c. Employers may end up recruiting additional persons, and this is being recorded by ETC as additional placements. However, these increases are not being reflected in the total number of vacancies requested by employers, hence creating problems when one tries to measure how many vacant posts have actually been filled.

2.9.2 As a result, NAO could not use the data for the period under review to accurately measure the number of notified vacant posts that were actually filled through direct submissions. Moreover, without a total number of placements, no further comparison could be made with the total number of vacancies in order to come up with an accurate vacancy-to-placement ratio.

2.9.3 The Corporation has, in the meantime indicated that with the introduction of the *Matching and Vacancy System* changes are being done in the way vacancies and placements are being recorded to better reflect actual number of vacancies and filled posts.

2.9.4 Nonetheless, it was possible to get an indication of the share of requests from employers that were registered and remained unfilled between September 2004 and August 2005. An NAO analysis of these requests indicates that 2,998 out of the 4,221 individual requests received from employers (each including one or more vacancies) remained unfilled during this period. These unmet requests encompassed 1,523 different employers out of the 1,940 employers who used the service during this period.

2.9.5 Of relevance to this study is the notably high number of less skilled posts that were not filled through ETC's job matching service despite the considerable share of registrants with low skills or poor educational levels.²³ Among these were

- a. 531 unmet requests related to elementary occupations;
- b. 226 unmet requests covering plant and machine operators and assemblers;

- c. 541 relating to craft and related workers;
- d. 15 concerning skilled and agricultural workers;
- e. 671 unmet requests relating to service workers and shop and market sales workers; and
- f. 362 covering clerical posts.

2.9.6 These results suggest a high share of mismatches between the requests made by employers and the registrants submitted to employers. Although it is difficult to identify from the data available the reasons for these mismatches, there could be various factors why the vacancies remained unfilled including:

- a. The matching carried out by the EAs did not reflect employers' expectations.
- b. Wages and work conditions offered by prospective employers were lower than expected by the job seekers or not much higher than unemployment benefits;
- c. Health, family and personal problems or caring responsibilities constrained the job seeker's the ability to take up work.
- d. The offered jobs were "unsuitable" in terms of skills, personal attributes or experience required by employers.
- e. The jobs were in the wrong "places", with weak or expensive transport connections between the locations of the jobs and the locations of the unemployed.
- f. Employers' attitudes and recruitment practice discriminated against types of workers.
- g. Unemployed persons lacked motivation to work.

2.10 Main conclusions

2.10.1 A number of changes and improvements have been implemented by ETC over the past years. These initiatives have helped ETC develop initiatives that are in line with the commitment of the NAPemp and deliver an enhanced and faster service to employers and job seekers.

²³ ETC points out that a number of what seems to be 'unmet requests' may actually have been filled, however the employer may not have submitted feedback to this effect. This again highlights the need for enhanced efforts on ETC's part to improve its follow-up procedures as highlighted in para. 2.7.2

2.10.2 There is, however, scope for the overall performance of the job matching process in meeting employers' and job seekers' requirements to improve within the context of the resources available to the Corporation. This includes:

- a. Obtaining, through more contact with employers, more detailed information on the positions to be filled in order to enable EAs to have a good insight of the employers' expectations prior to carrying out job matching.
- b. Further customising the service and encouraging advisors to establish and maintain contact with registrants during the whole process. Management is already undertaking efforts to re-examine the business processes with the aim of improving contact ratios.
- c. Investigating and taking action on the high share of low skilled vacancies that remain unfilled despite the high number of registered job seekers submitted to these vacancies.
- d. Developing more effective guidelines and checklists for job matching and training advisors to understand the employment needs of specific industries and key employers.
- e. Addressing employers' concerns related to weak screening of registrants, including submitting individuals that lacked required qualifications or experience, or registrants who were not willing to work.
- f. Monitoring the extent of screening being carried out by advisors, including the quality time allocated for thorough job matching and careful identification of potential candidates. This may also require further screening of job seekers prior to submitting them to employers, in particular registrants who have not yet been profiled or had not been interviewed for a long stretch of time.
- g. Recording accurate data related to vacant posts notified to ETC as well as placements made.
- h. Strengthening the monitoring of each job matching exercise by ensuring consistent follow-ups with employers on the quality of submissions and whether further support is required.

- i. Developing a process that regularly tracks and monitors the progress of registrants who are submitted for job vacancies with the aim of further helping those job seekers who require additional guidance on job preferences and further training, as well as identify potential abusers who intentionally demonstrate negative behaviour in order to retain their unemployment status.

2.10.3 The Corporation, through its Monitoring and Evaluation Unit, has been for the past months undertaking a comprehensive assessment of the placement function and a number of internal reports have been drafted and discussed with management and staff. ETC has informed NAO that the findings of this comprehensive exercise will be used to identify areas for improvement and to establish a series of performance targets for line management to follow.

Chapter 3

Interviewing and profiling job seekers



Chapter 3 – Interviewing and profiling job seekers

3.1 Background

3.1.1 Interviews carried out by ETC have traditionally focused on getting information about registrants that is accurate and detailed enough to serve as a basis for the referral of the job seeker to specific vacancies, employment schemes or training opportunities.²⁴ This part of the report examines the Corporation's system of interviewing and profiling job seekers.

3.2 Case management system

3.2.1 The case management system was first introduced during the financial year 2000-1. Since then EAs have each been allocated a caseload of registered job seekers whom they are expected to interview, guide, refer to training or employment schemes, as well as submit to job opportunities.²⁵ Advisors can also draw up personal action plans (PAPs) for those registrants who they consider as requiring more focused attention. Moreover, the EAs are responsible for matching vacancies notified to the VPU by employers in their assigned localities.

3.2.2 The caseload of each EA varies depending on the number of registrants on ETC's Part 1 register. Typically most EAs can expect to have a caseload of approximately 300 to 400 registered job seekers at any point in time; although in practice the number of different job seekers allotted to a caseload can be considerably more due to a high turnover of registrants. The size of the caseload also depends on the type of registrants being handled.

3.2.3 The principle behind the caseload system is that the EA is in a position to offer a personalised service to job

²⁴ Such as personal details, qualifications, skills, competences, individual circumstances and work preferences.

²⁵ There are different categories of clients which an EA can be responsible for, namely adults, youths, Gozo registrants, social cases, very long-term unemployed and registered disabled persons.

seekers by regularly meeting them and guiding them in their search for employment and career development.

3.2.4 Advisors are expected to give foremost priority to timeframes set for profiling interviews²⁶ and job matching activities. Additionally, each advisor is expected to carry out general interviews and PAP interviews with job seekers in order to keep monitoring their progress and update information on the interviewees.

3.2.5 EAs are using the caseload report sent once a month by the IT section to identify registrants to be called for a general interview or a PAP meeting.

3.2.6 NAO also observed that due to resource constraints, at present it is not possible for the EAs to carry out regular and frequent general interviews and PAP meetings with all registrants on their caseload, and in some cases advisors, such as those working on reduced hours, are not carrying out any additional interviews.

3.2.7 This problem was also identified in a recent internal report by the Monitoring and Evaluation Unit on the placement function, based on observations and discussions with ETC's management and staff between June and September 2005. The report suggests that:

- a. Not all advisors had the time for general interviews due to the profiling and job matching activities that need to be done first.
- b. Those advisors who called registrants for a general interview were adopting diverse selection criteria. Moreover, the time intervals between each general interview varied between two and nine months, depended on the advisor and his/her workload at the time.

²⁶ After one month in the case of adults and three months in the case of youths.

- c. There was no consistent approach of how registered job seekers were interviewed by EAs with some asking probing questions.
- d. There was also no uniformity in the way advisors kept notes on registrants forming part of their caseload. Some advisors maintained files with details of actions taken with registered job seekers on their caseload (such as appointments held with registrants, each individual's status regarding schemes, personal action plans and training). Others also added remarks on clients or kept notes of registrants who they considered motivated, experienced and qualified. These personal files are separate from those held by the Corporation in the registration section.

3.2.8 To address the reported lack of uniformity when calling registered job seekers for general interviews, line management has indicated that a new procedure is being gradually introduced during 2006 for advisors in ESD. This procedure sets the criteria to be used by EAs when prioritising the registrants that should be called first for a general interview. Registrants have been prioritised in the following order:

- a. Registrants that were never submitted for a vacancy for more than a year;
- b. Those who had completed an ETC course (to update their profile and job preferences);
- c. Registrants with the minimum number of work preferences;
- d. Registrants with the longest registration period; and
- e. Those who were not called for a general interview in the previous three months.

3.2.9 As the introduction of this procedure was still in its early stages during fieldwork, it was not possible for NAO to assess whether all advisors were managing to follow the suggested workflow and whether the new system was adequately addressing the shortcomings outlined above.

3.2.10 NAO, however, noted that the new procedure still lacks any indication on how frequently different types of registrants (such those most at threat of remaining unemployed) should meet their EA for a general interview and what approach and questions should be asked by

advisors during these interviews. Such guidelines and procedures are important to ensure that the same quality of service is delivered throughout the Corporation whilst leaving sufficient leeway to each advisor to identify the most effective and optimal way to handle each registrant on his or her caseload. ETC acknowledges that there is the need for further guidance for its staff in this regard.

3.2.11 PAP interviews are also held by EAs with a selected number of registrants. These are one-to-one meetings and primarily consist of discussions on possible actions that the registrant must take to search for employment and increase his or her employability (e.g. through training).

3.2.12 ETC has indicated that registrants are identified for a PAP interview following referrals by trainers of the job motivation course or job clubs. Other registrants are selected for a PAP by their EA because they have never been submitted for a job during their registration period, require further guidance, or would have shown unwillingness to work during previous interviewing.

3.2.13 A standard PAP form is used during these interviews and registrants are expected to list the actions that they agreed to undertake during the previous PAP meeting. As in the case of general interviews, different approaches are being used by advisors during PAP meetings. Management has, however, indicated that it intends to ensure greater consistency through the recent introduction of a manual for advisors with information on how to carry out interviews related to personal action plans.

3.2.14 A number of key findings were reported in an internal assessment carried out by ETC's Monitoring and Evaluation Unit on the PAP system between June and September 2005.²⁷ The assessment found that:

- a. A number of EAs formulated a list of actions for registrants (such as, visits to job centres or to referrals employers). In subsequent meetings advisors could then check action taken by the registrant and provide further guidance and advice.
- b. Different methods were used by advisors to encourage registrants to be pro-active. For example, some advisors emphasised work experience and the need to acquire more qualifications while others insisted with

²⁷ The assessment was based on observations and discussions held with ETC's management and staff

registrants on the fact that they would be struck off the register if they did not implement the agreed actions.

- c. The length of the PAP meetings varied between ten minutes and half-an-hour.
- d. The frequency of the PAP meetings was also different with some advisors calling registrants on PAPs three times over a three consecutive months while others opted for less meetings.

3.2.15 ETC has indicated that changes are planned to the PAP system which will be gradually extended to all job seekers.

3.2.16 Overall, NAO's analysis indicates that:

- a. Without a well-managed tracking system that allows each advisor to sufficiently monitor registrants on his or her caseload and call those most in need for a general or a PAP interview, there is the risk that registrants who are caught in long term unemployment or have problems in their job search efforts may not be getting sufficient or frequent guidance and support that would help them improve their chances of finding employment or learn new skills. Furthermore, limited or irregular contact with registrants makes it difficult for an advisor to get to know well his or her caseload and detect any underlying abuse or resistance to finding gainful employment.
- b. In the absence of regular general interviews, the profiles of a number of job seekers are not being regularly updated and this has a detrimental effect on the job matching process.
- c. The personalised contact which advisors were supposed to develop with all the registrants on their caseload system is not always being maintained.
- d. There is scope for better scheduling and greater consistency in the way registrants are interviewed and provided with guidance in the longer term.

3.2.17 In order to improve the process and optimise the use of EAs, ETC has also indicated that the solution may not be to increase the number of advisors but to be more selective

when calling registrants for general or PAP interviews. The trend among European public employment services is that advisors' attention and resources should be more focused on registrants at risk of long term unemployment and less on persons who are perfectly able to find jobs on their own within a reasonable timeframe. This will ensure more efficient use of resources.

3.3 *The profiling of job seekers*

3.3.1 The development of a profiling model for assessing the employability of registrants was an important step for ETC. The Corporation had been seeking for a number of years to review its interviewing practices and standardise the procedure used to systematically profile registrants. A questionnaire was designed in conjunction with an occupational psychologist and piloted with the stock of registrants who were seeking employment at the end of June 2003.

3.3.2 By 2005, profiling became ETC's principal tool for collecting comprehensive information on job seekers in a structured and consistent manner for job matching and referral purposes.²⁸

3.3.3 The current electronic client profiling document is made up of an extensive list of closed and open-ended questions, as well as attitudinal questions with numerical scales. The fields covered in the profiling interview are shown in Table 3.1.

3.3.4 Profiling offers an opportunity for advisors to get to know the respective individuals on their caseloads and helps to identify as quickly as possible those who are at risk of long-term unemployment. Profiling interviews also serve as an opportunity to engage each registrant and to probe into various areas, including competencies, qualifications, skills, experience, job prospects and training requirements.²⁹

3.3.5 One of the main challenges faced by ETC is how to ensure that the performance of its EAs is consistent throughout and that the service offered by each advisor is of a high professional standard. Research carried out by ETC's Monitoring and Evaluation Unit between June and August 2005 on the execution of profiling interviews, however, suggests that not all advisors were carrying out profiling interviews in the expected way with some interviews being undertaken more thoroughly than others.

²⁸ Chapter 2 shows how the collected data on each registrant is being used to match with employers' requirements.

²⁹ Chapter 4 focuses on referrals to training programmes.

Table 3.1 - Fields covered in the profiling questionnaire

- a. Interview details
- b. Personal details (such as identity card number, name, address, contact details, date of birth, status and a photographic image of the registrant)
- c. Competences (including driving licence and whether registrant has transport)
- d. Work preference (including personal qualities, personal skills, preferred type of job, unlikely jobs, willingness to become self-employed, hobbies or voluntary work, and other countries willing to work in)
- e. Qualifications (including subjects, level, grades, academic institution, warrants and licences, as well as whether the registrant is studying or is interested in further training)
- f. Skills (including results of tests on different levels of linguistic, numeric and computer skills)
- g. Work obstacles (such as problems met in finding a job, health or disability problems, social problems, private circumstances, or age discrimination)
- h. Work conditions (such as whether the registrants has ever worked, changed jobs, reasons for changing jobs, willing to work, or preferred type of working hours)
- i. How the registrant is searching for work (including ability to fill in an application form, write and maintain a CV, or use ETC's web site)
- j. Interviewer's evaluation of the job seeker (such as resistance and credibility levels, enthusiasm, interpersonal capabilities, presentation and confidence)
- k. A copy of the job seeker's registration document and automatically generated curriculum vitae

Source: NAO working papers, 2006

3.3.6 For example, it was observed by ETC's researchers during this study that:

- a. Some EAs were not asking all questions contained in the profiling tool with some questions being skipped or hurried through. In other cases, advisors asked the questions in a mechanical way without giving enough opportunity to the registrants to discuss his or her work situation and work experience.
- b. On the other hand, other advisors took the profiling interview very seriously, allocating sufficient time to the questioning, listening and asking further questions, as well as using the opportunity to discuss issues with registrants and in the process gain more qualitative information about the individual being profiled. Some EAs were also observed using the profiling interview to motivate and suggest ways to individuals on how to search and find work opportunities.
- c. Some profiling interviews were completed within twenty minutes, while others lasted an hour or more.

3.3.7 The ETC is taking action on the findings of this internal assessment and in November 2005 also held a focus group with employment advisors with the aim of discussing issues arising from the findings of the observation report and to identify possible ways forward.

3.3.8 It is also important to note that some registrants may prove to be less cooperative than others during their interview and this creates a number of challenges to the EAs.

3.4 Meeting the timelines set by the NAPemp for new registrants

3.4.1 According to the NAPemp workflow, since 2005 all new registered job seekers have to be profiled after one month in the case of adults (25 years or older) and after three months in the case of youths (less than 25 years of age).³⁰

3.4.2 In order to evaluate the level of compliance with these timeframes, a review exercise was carried out by NAO on the profiling of job seekers that registered for the first time with ETC between October 2004 and September 2005 (2,990 new registrants). The review found that 15.9 per cent

³⁰ By and large, a considerable number of job seekers stop registering after a few weeks and therefore these timeframes are considered practical and realistic.

of these registrants had been profiled reasonably within such time frames.³¹ However, a considerable share of registrants were due for profiling and had not been called (12.7 per cent) or had been profiled at a relatively late stage (3.7 per cent). The remaining 67.7 per cent had been registering for a relatively short time on 30 September 2005 and were not yet due for profiling as stipulated by the NAPemp timelines.

3.4.3 A more detailed breakdown of the results of the NAO analysis is shown in Table 3.2.

3.4.4 Overall, NAO observed that although profiling is being given foremost priority by the Corporation, there is still more to be done to ensure that all registrants are immediately profiled soon after the timelines set out in the NAPemp come into effect. ETC derives the bulk of its information on registered job seekers from profiling and delays in the conduct of these interviews has a direct impact on the quality of the job matching process and submissions made to employers.

3.5 *Measuring job seekers' credibility and willingness to work*

3.5.1 During the profiling interview, each EA is also expected to assess, on a scale of one to ten, the credibility as well as the resistance level of each registrant with the aim of identifying job seekers who are unwilling to work. Such findings can be used to provide additional guidance to the registrant and, if necessary, to enforce the law.

3.5.2 The EAs' assessments are not scientific but are based on the subjective conclusions made by each the interviewer, who relies on his or her experience and intuition to rate each registrant after the profiling interview.

3.5.3 In order to get an overall indication of how EAs are rating the individuals on their caseload, NAO carried out an evaluation of 2,916 profiles created between October 2004 and September 2005. Interestingly, the results showed that:

- a. In the case of credibility, 91.8 per cent of examined profiles (or 2,674 profiles) had a score on this factor. Of these, 68.92 per cent were found to have the highest level of credibility (that is, a score of nine or ten), 25.28 per cent were considered by EAs to have a relatively high score of between six and eight, 3.48 per cent had a

Table 3.2 - Profiling of new registrants – results of NAO review of timelines

- a During the period under review, there were 2,990 new registrants of which 1,885 were youths and 1,105 were adults.
- b 216 of these youths had been profiled, of which 87.9 per cent were interviewed within one month from the set timeframe. Of the remaining 1,669 youths that were not profiled, 7.6 per cent (128 registrants) were due for profiling on 30 September 2005.
- c 368 of the adults had also been profiled, of which 76.0 per cent were profiled within one month from the set timeframe. Of the remaining 737 adults that were not profiled, a considerable share - 34.1 per cent or 252 registrants - were due for profiling on 30 September 2005.

Source: NAO working papers (January 2006)

score of between three and five, and 2.32 had a very low score of between one and two. These results indicate that the considerable majority of the registrants profiled by ETC during this period were considered by advisors to be highly credible.

- b. Similarly, 91.6 percent of reviewed profiles (or 2,669 profiles) were found to have a score on the resistance level. Of these, 84.0 per cent were found to demonstrate no or insignificant resistance (that is, a score of one or two), 12.48 per cent were considered by EAs to offer some resistance (a score of between three and five), 2.32 per cent showed considerable resistance (a score of six to eight), and 1.2 per cent demonstrated a high level of resistance (a score of nine or ten). These results show that most of the registrants profiled during this period were also considered by advisors to be highly willing to work.

3.5.4 These scores, however, contrast with the feedback obtained from many employers interviewed by NAO on their impressions and experience with submitted registrants. In the survey, the majority of employers had complained that ETC was submitting candidates who were not interested to work. The Corporation is also aware of this situation.

3.5.5 NAO's analysis suggests that ETC is facing difficulties when attempting to identify and evaluate

³¹ For the purposes of this exercise, a cut-off point of one month from the timeframe set in the NAPemp was established by NAO as being a reasonable time period.

registrants' willingness or unwillingness to work through its profiling tool. These results also indicate that the current evaluation system is not managing to detect all persons who are abusing of the system and an in-depth review of the current scoring may be required in order to identify ways of how to improve advisors' detection skills. In the course of the audit, ETC indicated that it plans to discontinue using this tool to assess willingness and resistance to work. Instead, the Corporation intends to use the PAP system, at an early stage, to further interview registrants and assess in more detail a person's willingness to work by reviewing the job search and personal development actions taken and facilitate monitoring.

3.6 Main conclusions

3.6.1 Over recent years, ETC has introduced a number of new measures and improved on others with the aim of offering a more efficient and effective service to job seekers during interviewing and the registration period.

3.6.2 Among these were:

- a. The introduction of the case management system.
- b. The development of the profiling tool as a means of obtaining comprehensive information about job seekers in a structured way.
- c. The launch of the NAPemp timeframes and flowchart.
- d. The use of PAP meetings to provide further guidance to job seekers.

3.6.3 The above analysis, however, highlights the importance of introducing further improvements and beneficial change to some of these processes. It was concluded that:

- a. The caseload system needs to be better programmed and managed by line management and advisors. At present, due to resource constraints, it is not possible for the EAs to regularly meet registrants for general interviews or PAP meetings. Therefore, a more structured and effective schedule of meetings and contact with registrants on each caseload needs to be designed, taking into consideration the different requirements of registrants in each caseload.
- b. There is an overall lack of consistency in the

interviewing and guidance offered to registrants during profiling, general interviews or PAP meetings. Moreover, there is the need for a more robust management system in place that regularly monitors the quality of the services being delivered and identifies gaps in the system in a timely manner. The research carried out by ETC's Monitoring and Evaluation Unit provided a key insight in the problems and challenges faced by frontliners and there is clearly the need for management to follow-up on the identified shortcomings in order to ensure a high standard of service.

- c. The tracking system that allows each advisor to sufficiently monitor registrants on his or her caseload needs to be improved in order to ensure that those most in need of guidance and supervision are handled in a timely and effective manner.
- d. Although profiling is being given foremost priority by the Corporation, there is still more to be done to ensure that all registrants are immediately profiled soon after the timelines set out in the NAPemp come into effect.
- e. The ETC is still facing difficulties when attempting to identify and evaluate registrants' willingness or unwillingness to work through its profiling tool. The evaluation sheet used in the profiling questionnaire is not managing to detect persons who are abusing of the system, and an in-depth review of the current scoring system may be required.

Chapter 4

Referring registered job seekers to training



Chapter 4 – Referring registered job seekers to training

4.1 Background

4.1.1 This part of the report focuses on the training courses offered by the ETC to registered job seekers. It looks at what was delivered between October 2004 and September 2005 in order to enhance the employment prospects of participants and at how the Corporation is handling the flow of registrants being referred for training courses. Moreover, it discusses some of the issues that affect the outcome of these training initiatives.

4.1.2 The NAO study had to be limited to measuring only these indicators as the Corporation does not have in place a systematic mechanism to routinely gauge and validate how successful its courses have been, in terms of the number of trained registrants who have been placed into jobs related to the training received and the duration of those employment spells.

4.2 The nature of ETC's training programmes

4.2.1 ETC organises a range of short training courses aimed at increasing the knowledge and improving the skills required by the registered unemployed to compete more effectively in the job market. In addition, the Corporation offers courses that can lead to the award of licences required by law for employment in specific occupational categories.³² These courses are ongoing and are provided by a combination of engaged part-time trainers and sub-contracted private training institutions.³³

4.2.2 Apart from registrants, ETC-organised courses are aimed at assisting the inactive and those in employment and wishing to gain new skills and re-integrate or secure their position within the labour market.

³² Such as local wardens, private guards, food handlers and electrician's licence A.

³³ The Corporation, together with the Education Division, Federation of Industry and the Malta Enterprise also runs the Night Institute for Further Technical Education (NIFTE). The Institute aims to provide training to participants according to the needs of industry.

4.2.3 The Corporation's mandate to provide training programmes is set out in sections 16 and 17 of the Employment and Training Services Act (1990). In March 2005 NAO confirmed with the MEYE that the government's policy is to continue to deliver training and learning opportunities to registrants through ETC in parallel with the development of other educational institutions, such as the Malta College of Arts, Science and Technology (MCAST).

4.2.4 It was also confirmed with management that ETC plans to develop its training programmes by broadening the type of courses offered and enhance the quality of existing programmes. Many of the job seekers on ETC's register have low levels of education and limited skills, and the Corporation has placed initial and ongoing vocational training as one of its main objectives.

4.2.5 In line with the NAPemp process, the Corporation offers mandatory training courses to all new registrants as a means of activating and motivating them to find work during their first months of registration. Failure by a registrant to attend these courses can result in the loss of unemployment benefits.

4.2.6 Long-term registrants are also referred by employment advisors and tutors to training courses and these are also mandatory. Moreover, registered job seekers can directly apply to attend ETC courses and they are exempt from paying fees, except for those attending security and special licenses courses who are required to pay for log books. Since 2005, a considerable number of registrants have also been referred to basic training³⁴ by ETC staff conducting the preliminary interview on registration. Training referrals are made on the basis of clients' occupational preferences and qualifications held, as well as eligibility criteria set for the course.

³⁴ Most of the training to which registrants are being referred to at this early stage is basic IT training, literacy courses, back to work training and courses on food handling.

4.2.7 The Corporation classifies its training courses for registrants into five different categories, namely:

- a. basic skills and remedial training³⁵
- b. basic and advanced trade training
- c. non-trade training
- d. programmes in care
- e. basic and advanced IT courses

4.2.8 Many of ETC's courses are being offered at two levels, basic and advanced, with the former providing broad or introductory concepts, and the advanced going into detail and providing specialised training.

4.2.9 Apart from training courses, the Corporation also seeks to break down the barriers to employment by offering other labour market initiatives including job search seminars, job clubs, as well as work experience or on-the-job training opportunities for categories of registrants (such as new registrants or job seekers over forty and youths).

4.3 *Training offered to registrants*

4.3.1 Analysis by the NAO on training delivered to registered job seekers shows that most participants attended one course during a twelve month period. Between October 2004 and September 2005, 2,612 individuals participated in 57 different courses organised by the Corporation. 82.5 per cent of the registrants attended a single course, with most of the remaining participating in either two (14.9 per cent) or three (2.3 per cent) courses during the year. Eight registrants attended more than three courses.

4.3.2 In total, during the reviewed period, there were 3,148 participants who were registered job seekers attending ETC courses. Further analysis is shown in Table 4.1.

4.4 *Participation of registrants*

4.4.1 Overall, the above results show that despite the wide selection of courses available to registrants in various categories and skill levels, the degree and frequency of participation in these programmes is highly limited. It was also noted that the majority of registrants are not applying out of their own initiative to other training courses to improve their chances of employment and are only

³⁵ The main aim of these courses is to assist job seekers to avoid being excluded from the market by providing them with training on basic skills.

attending courses that they are obliged to attend. In fact, the most attended courses are those that are mandatory.

4.4.2 Management has indicated that this is one of the main problems that ETC faces when providing training to registrants. This negative attitude is further demonstrated through passive behaviour during training, such as sitting back throughout the training event. Some participants find it very difficult for them to understand the need and importance of undergoing further training and feel forced to attend in order to avoid being stuck-off the employment register and as a consequence incur a loss of benefits. Very often, ETC finds resistance from registrants who reason that unless there is a direct and immediate benefit to be acquired (such as a job) training is a waste of time.

4.4.3 It was difficult to determine from the data and analysis available the extent of this problem. However, it is clearly a major obstacle for ETC's trainers and there is scope for more evaluation of methods currently being used (including content, delivery and pace) in order to identify ways of how to make training more flexible, effective and relevant to registrants.

4.5 *Providing more guidance and information to registrants*

4.5.1 The effectiveness of ETC's intervention in training depends critically upon its ability to correctly identify registrants who require assistance and then to provide them with appropriate assistance during their unemployment spell.

4.5.2 Some of the efforts being done by ETC include:

- a. Offering courses to registrants, such as gardening and basic electrical and plumbing skills, in order to engage and activate the registered long-term unemployed with no educational and vocational qualifications, and to offer them basic skills that can be used to find elementary occupations and that can lead to more advanced training.
- b. Attracting more motivated registrants to learn a new skill that may help them find employment, such as Refrigeration and Air-conditioning, carers' courses, Private Guards and Electrical Licence 'A'.
- c. Targeting specific categories of registrants and provide them with remedial training.³⁶

³⁶ For example, those who are seeking jobs such as machine or factory operators, are seeking employment as assistants, or have only one registration preference.

Table 4.1 - Participation of registered job seekers in ETC training programmes (October 2004 – September 2005)

Between October 2004 and September 2005 there were 3,148 participants who were registered job seekers and attending ETC courses.

- a. Nearly half of these (47.7 per cent or 1,503 attendees) participated in training programmes in the basic skills category. The main courses attended in this category included the:
 - i. Job Motivation course – a forty-hour course attended by 1,226 participants during which registrants were provided with training on job seeking skills (including attending interviews and presenting oneself to employers), and are given information about the labour market, ETC services, how to draft a covering letter and a curriculum vitae, health and safety issues and on employment laws. The course is done in two levels: those without any skills or qualifications and those with an “O” level standard or higher;
 - ii. Return to employment training programme – a forty-hour course attended by 111 participants; and
 - iii. Maltese and English literacy courses with 81 and 50 attendees respectively. NAO noted that participation in these courses by registrants was particularly low in view of the large share of registrants who have been assessed by ETC as being illiterate and the particular importance given to this skill as a pre-requisite for labour market entry and retention.
- b. A quarter (26.5 per cent or 833 attendees) participated in IT related courses. Most of the registrants attended the:
 - i. Equal Skills Training Programme - a fifteen-hour basic IT course attended by 539 participants;
 - ii. European Computer Driving Licence (ECDL) courses attended by 171 participants and ranging from 15 hours of training to 105 hours for the whole set of modules); and
 - iii. The one-day computer course attended by 120 participants which has since been replaced by the Equal Skills Training programme.
- c. Other courses with a relatively higher number of attendees were Food Handlers A and B courses (283 attendees) and Private Guards courses (134 attendees).
- d. The remaining courses were attended by relatively small numbers of registrants.

Source: NAO working papers, 2006

4.5.3 There is also scope for increased collaboration between training coordinators, tutors and employment advisors in order to work out an effective career path and training needs assessments, as well as define a customised training route for each registrant. The recognition of training requirements at an early stage is necessary for an efficient use of resources and to avoid treating registrants who have sufficient qualifications and skills or are perfectly able to find jobs on their own in the same way as those as who are less advantaged.

4.5.4 NAO’s analysis suggests that more attention needs to be given by advisors to:

- a. Use the profiling and general interviews more effectively for the early identification and monitoring of such needs.
- b. Provide adequate guidance and counselling, including explaining the reasons to the registrant as to why he or she is being referred to a course and the benefits to be derived in order to motivate them to attend a course. The proposed extension to

the PAP, discussed in Chapter 2, could be one way of how to develop this collaboration further.

- c. Review feedback from tutors on participants and take the required action with the registrant concerned.
- d. Follow-up registrants submitted to training. The observation visits by the Monitoring and Evaluation Unit found that many advisors were not following-up on clients submitted to training, although some did phone registrants to discuss their participation in training courses and what steps they needed to take to take after completing training.

4.6 Establishing targets for training

4.6.1 ETC establishes detailed annual targets, through the internal Balanced Scorecard System, that determine the number of registrants that should be trained in each course category and for each age group (that is, 16-24, 25-39 and over 40). Each year, targets are increased, maintained or decreased. In addition, targets are assessed on a monthly basis by senior management and variances are discussed to identify causes and action required.

4.6.2 The key strength of the scorecards is that line management knows exactly what output has to be achieved within a year. However, NAO has noted that the system lacks other equally important factors related to effectiveness such as customer satisfaction indices, unit costs, attendance rates, pass rates and so on.

4.6.3 In order to establish training targets that reflect labour market needs, the Corporation relies on the forecasts generated from the feedback received from employers through its bi-annual Employment Barometer,³⁷ as well as communicated government policies³⁸ and board decisions, *ad hoc* requests from employers and stakeholders³⁹ and other indicators, such as analysis of vacancies notified to the Corporation in the past.⁴⁰ These are mostly indicative tools

³⁷ The Employment Barometer, launched in 2002, assists ETC to further understand trends in the labour market and to gauge employers' perceptions on its services. The survey seeks to forecast vacancy requirements, skills gaps and shortages for the next six to twelve months, as well as question employers on other related topics. The survey targets approximately 1,700 employers with five or more employees and has a response rate of approximately 60 per cent.

³⁸ Such as policies to promote IT literacy among the population or to attract women returners.

³⁹ As in the case of the operator training programme for the pharmaceutical sector organised in collaboration with Malta Enterprise and the University.

⁴⁰ For example the growing demand for persons trained in the caring services.

with an element of uncertainty and limited forecasting capabilities, although some trends are more predictable than others.

4.6.4 It was also noted that, unlike other countries, there is no national platform that represents different stakeholders and that provides ETC with advice on future skills required in the labour market.⁴¹

4.7 Waiting lists

4.7.1 NAO's analysis confirms that there is a high share of registrants who have been referred to training and were still on a waiting list. An assessment of data kept by ETC on registrants on the waiting list as at 30 September 2005 showed that there were 3,892 registrants waiting to be called for 144 different courses during this period.

4.7.2 These lists include courses that are considered by ETC to be of high priority, such as:

- a. Equal Skills Computer Training Programme - 523 registrants and an average waiting time of 163 days.
- b. ECDL Modules 1 to 7 - 266 registrants and an average waiting time of 129 days.
- c. Basic Maltese literacy course - 256 registrants and an average waiting time of 214 days.
- d. Basic English literacy course - 196 registrants waiting for training and an average waiting time 178 days.
- e. ECDL Modules 2,3,4,7 - 125 registrants with an average waiting time of 179 days.
- f. Care workers for the elderly - 110 registrants and an average waiting time of 235 days.
- g. Literacy and Numeracy Course - 106 registrants and an average waiting time of 97 days.

4.7.3 Since then, ETC has indicated that it has improved its training capacity for IT and literacy courses.

4.7.4 NAO noted that the current referral system allows EAs to book registrants (e.g. during registration, profiling,

⁴¹ In Ireland, for example, FAS relies on the advice of a national forum made up of representatives of key stakeholders (namely, business, employees, education and Government entities) which determines skills and labour supply issues, projected requirements and priorities required to address identified skills needs of business.

general interviews or PAP meetings) without ensuring that there is enough capacity, and this is leading to the build-up of waiting lists. An electronic application form is filled and a copy is signed by the job seeker. Registrants are then kept on waiting lists and notified once allocated to a course. The implications of this practice is that registrants are left waiting for several months, even over a year, to attend the course they had been referred to.

4.7.5 There is scope for key changes in the way participants are being booked in order to improve the timeliness and effectiveness of the training provided. The Corporation is currently considering the option of providing advisors with the facility to book a place in a training event. This will provide advisors and registrants with an immediate confirmation as to whether places are available and help ensure that training actually takes place within a reasonable agreed timeframe once a registrant has been identified as requiring tuition.

4.8 *Evaluating training programmes*

4.8.1 Since 2004-5, the Training Services Division has been using an internal evaluation system to monitor the quality of its training events and to use the collected feedback for further improvement of the course content, including changes to particular modules. Substantial feedback has been collected through questionnaires and reports completed by participants and tutors on its training courses.

4.8.2 Training coordinators use this information to monitor on a daily basis the services being delivered as well as to address any concerns that are raised by participants and tutors through the questionnaires and reports. Monthly reports are also created identifying particular issues and concerns.

4.8.3 However, NAO observed that gaps remain in the way this information is collated. It was noted that feedback is not being gathered for all courses. Furthermore, the data being compiled is not being validated and processed electronically. As a result it could not be used by NAO for statistical analysis in order to obtain a complete picture of the status and progress being made, including indicators showing levels of client satisfaction, effectiveness and outcomes.

4.8.4 It was also noted that more work needs to be done by the Corporation in order to assess the cost-effectiveness of

its courses and identify the optimal mix of training products on offer. Operations management has indicated that it has carried out some preliminary analysis of costing of its courses using a full cost recovery approach. An internal working group has also been set up within the Training Services Division (TSD) to review the effective use of available resources. These assessments are still in progress and there was no sufficient analysis that could be used for the purposes of this study.

4.9 *Certification and accreditation of courses*

4.9.1 A new Certification Policy was introduced in 2005 with the aim of establishing the criteria for the award of ETC's certificates. NAO noted, however, that most of the courses offered by ETC lead only to a certificate of attendance (issued to those who attend at least 80 per cent of the course) and participants are not required to sit for tests that would assess their acquired level of competence or skill.

4.9.2 The Corporation has pointed out that:

- a. The number of courses that lead to a competency-based assessment at the end of the training event have been increased in recent years and the objective is to continue to develop more of these courses. In these cases the tutors or the service-providers delivering the courses also set the test papers and grade participants. The marking scheme ranges from fail, to pass, to merit, and to distinction.
- b. For the ECDL course, the participant gets a certificate of attendance but can then sit for an external assessment.
- c. Some courses have been approved by the relevant national regulatory authorities (as in the case of courses organised in collaboration with the Malta Transport Authority).
- d. The option of trade testing is also offered to a minimal number of registrants on completion of a trade course or a traineeship.

4.9.3 Another challenge that has faced ETC for many years is the lack of external accreditation of its courses that would provide sufficient assurance to participants and employers that the training being provided is of high quality and meets professional criteria. Over the years, the

Corporation has considered the option of using an external body or foreign institution to accredit its courses, including the possibility of having courses certified through the Malta Professional and Vocational Awards Council.⁴² However, none of these initiatives have materialised

4.9.4 NAO opines that the introduction of recognised qualifications, increased certification and accreditation are essential for the enhancement of ETC's training programmes and for strengthening the marketability and greater acceptance of its courses by employers.

4.10 Main Conclusions

4.10.1 NAO's analysis concluded that most registrants attended one course between October 2004 and September 2005. Participation was spread over 57 different courses, although most registrants participated in basic courses such as the job motivation course, return to employment training programme, equal skills training programme and ECDL courses. Other courses with a relatively high number of participants were those that lead to the attainment of a special occupational licence, such as Food Handlers A and B courses and private guards.

4.10.2 These results suggest that despite the wide selection of courses, participation by registrants was low. ETC indicated that one of the main problems faced is the overall lack of willingness by registrants to attend training and in most cases attendance is high due to the compulsory nature of the course.

4.10.3 Overall, NAO found that:

- a. There is the need for more evaluation of ETC's training programmes. This includes assessing the effectiveness of the training being delivered, such as the extent to which identified training needs have been achieved, the cost of training, the content and method of delivery, results and the success of registrants in finding related employment after the training.
- b. The process of correctly identifying registrants who need training and providing sufficient support, through focused guidance and counselling, needs to be strengthened and integrated in the overall service offered to job seekers.

- c. There is scope for further collaboration between training coordinators, tutors and employment advisors when addressing registrants' training requirements.
- d. There are a considerable number of registrants who are on the training waiting list and there is the need for ETC to improve the way registrants are being booked for courses in order to ensure that timely and effective training is provided to the registrant.

⁴² This Council was established a number of years ago to develop a national framework that defines and accredits national standards of occupational competence. However, the system never took off due to a lack of resources and an appropriate set-up.

Appendix A

A.1 Study methodology

A.1.1 NAO used a range of information sources and analytical techniques to meet the audit's objective of examining how effectively ETC's job matching service is addressing employers' requirements, as well as the extent to which the Corporation is systematically evaluating and assisting registered jobseekers through interviews and providing training to improve their employability. The audit was split into two phases and a survey.

A.2 First phase

A.2.1 During the first phase of the audit, several structured interviews and general discussions were held with management, staff and other involved parties. Internal documents concerning ETC's mandate, strategy, functions and structure were also examined. Moreover, reports and papers related to the labour market and the management of the organisation's processes and services were reviewed. These included operational files, staff manuals and guidelines, communications and memoranda to MEYE and the Board of Directors, minutes of the Board and management meetings, publications, research studies, internal management reports and performance data used in the Corporation's functional scorecards.

A.2.2 Visits were also made to offices and branches of the Corporation in order to develop a better understanding of systems in places and observe at first hand the factors that affect each unit or locality. These included carrying out a series of observations and tests to record the different practices and controls being adopted.

A.3 Second phase

A.3.1 In the second phase of the audit an analyses of data kept by the Corporation on its processes and services was

carried out. NAO also examined the data's reliability and the way it has been collected and made use of.

A.3.2 In addition, this phase included studying in more detail documents related to the job matching and interviewing processes. Of particular benefit were the internal assessment reports that had been prepared by the newly formed Monitoring and Evaluation Unit. A number of structured meetings and discussions were also held with management to discuss issues, overall conclusions and possible recommendations. Further examination and observations of newly launched systems and practices was also carried out.

A.4 Survey

A.4.1 Another key component of the fieldwork was a survey held in October 2005 with 358 employers who used ETC's job matching services between 1 September 2004 and 31 August 2005.

A.4.2 The objectives of the survey were to provide quantitative and qualitative data in support of the findings and provide additional insights by focusing on the clients' preferences, expectations and perceptions.

A.4.3 The interviews were of the structured type based on a pre-set questionnaire. Clients were invited through the survey to answer a set of standard questions and comment on a range of issues concerning the job matching service and the effectiveness of the services, including:

- a. Whether employers made use of ETC's job matching services for all external vacancies and the reasons why or why not;
- b. Desirable attributes of ETC's service and rating;
- c. Post-submission follow-up;

- d. Perceived degree of service improvement;
- e. Whether employers would continue making use of ETC's job matching service; and
- f. Suggestions on how the service can be improved.

A.4.4 Due to resource limitations, the targeted sample was limited to employers having actually resorted to ETC for job placements, rather than the entire business community. Targeting the latter would have required a much wider and more time-consuming exercise. As such, a limitation of the results is the fact that these do not include the perceptions of employers who, for one reason or another, did not avail themselves of ETC's placement services during the twelve-month period in question. On the other hand, a nation-wide survey would have included non-homogenous responses – a mixture of respondents giving perceptions formed through experiences of previous years (at a time when many of the measures ETC had been implementing were not yet in place).

A.4.5 In order to ensure a high response rate and simultaneously contain cost, telephone interviews were utilised. In a few cases, questionnaires were sent by electronic mail on the instructions of the respondent.

A.4.6 Relevant data to extract the sample was extracted through ETC's corporate database. A simple random sample was selected. Employers with multiple vacancy requests stood a better chance of being selected. This was deemed beneficial as such employers would have more extensive contact with ETC. Prior to carrying out the main survey, a pilot test was conducted.

A.4.7 In all, 358 complete interviews were conducted and these represented 18.5 per cent of the total population of employers (1,940 employers) and 24.5 per cent of vacancy requests made (4,221) during the reviewed period. The target population was considered to be all vacancies requests recorded by ETC during the chosen period.

A.4.8 The resulting sample had a confidence interval of 4.45, at a confidence level of 95 per cent. This is calculated on the response to question 1 which asked whether employers always forwarded external vacancies to ETC.