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## Business-oriented organisations, employers' or industry/sectoral associations, VET providers and PES have been most effective in providing support to employers during technological transformation

Job transformation is considered the predominant labour market effect, resulting from the adoption of automation technologies, in all regions. In part, this effect is enhanced by labour shortages. Hence, many employers choose to invest in upskilling/reskilling of their employees, rather in recruitment.

The challenges of employers and employees in workplaces are rarely visible and addressed by the policymakers, due to limited abilities to monitor and analyse organisational practices. Based on the case studies, the support to employers during technological transformation is most effectively delivered through business support organisations (e.g., clusters, tech hubs), employers' or industry/sectoral associations, VET and the PES. These organisations serve either as platforms for discussion of challenges of employers, as advisory/expert provider bodies or as mediators/facilitators to access necessary support. In view of interviewees, most requests of employers concern training, intelligence on transformation of business models and value chains, and legal/regulatory aspects. The effectiveness of services, delivered by these support organisations to employers, is typically associated with three factors:

- Capabilities of the support organisations (e.g., relevance, quality and capacity to deliver services);
- Awareness of employers about the existence of support organisations and of their services;
- Culture of collaboration that affects willingness to engage in collaboration between the employers and the support organisations.

It has been noted during interviews that many challenges of employers are shared, therefore employers would benefit from more active involvement of regional/national policymakers in addressing them. The extent to which the public sector will be supporting employers during technological transformation depends on willingness and opportunities/platforms for more direct and frequent discussions between employers and policymakers, or on collaboration between the organisations that current support employers and the policymakers. In some regions/countries the attention of the policymakers was drawn to the issues of employers following their wide dissemination on social and traditional media.

The PES may serve as effective mediators between the employers, employees and policymakers. They are aware of challenges/needs of the stakeholders, of how ALMP are implemented in practice, therefore they are well-positioned to advise the policymakers on the design of relevant programmes. In Malta, the PES has a strong focus on building trustful and



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long-term relationships with employers. The PES allocates a dedicated member of staff to support a list of organisations with various requests, resulting in more personalised/tailored approach. This is considered both effective and efficient by PES staff and employers, employees.

Below is provided an example of a programme, designed by PES, to support employers that face labour shortages.

“Growth through Knowledge” is the programme, implemented in the North Jutland region between 2016 and 2020.<sup>1</sup> The aim of the programme was to incite growth and employment in North Jutland companies by providing a bigger supply of highly skilled labour. This was done by matching graduating students with companies, with the support of PES. A precondition of this matching was that the graduate’s skills must support the company’s growth ambitions.

The graduates followed an eight-week internship and then were employed for at least four months. Their wages were subsidised by the programme’s funds. In total, 98 graduates participated in the programme, most of which received long-term contracts following the programme. In the coming two years, it is expected that the programme will create at least 175 new jobs.

Success factors of the programme included:

- Close relationships between local PES and businesses to ensure the match;
- The costs for business were minimised through subsidised wages.

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<sup>1</sup> <https://kohesio.acceptance.ec.europa.eu/en/projects/Q2100888>