



Competence-Based Matching: The Holy Grail?

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by Fons Leroy

This contribution puts forward a skills/competence-based matching system in preference to the usual diploma- and profession-centered matching system. The complexity, volatility, and speed of change in the labor market force PES to put the focus on skills and competences. We will describe the evolution VDAB underwent from selecting to matching, from a one-dimensional to a multi-dimensional competences-oriented approach. Finally, we will take a peek at the challenges for the future, where acquiring 21st-century skills will play a prominent part.

What follows is a true story.

“Hello! My name is Rachid. I’m unemployed and have no diploma.”

Searching for a job did not go smoothly for Rachid. When employers made selections for jobseekers, he was never found. That’s because he had no experience and no degree, two criteria that employers select frequently. Search through selection is a matter of “all or nothing”: as soon as a search criterion was not met, Rachid was no longer included in the results.

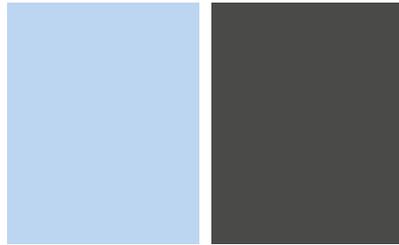


Bridging the gap

In the quest of bringing jobseekers and employers together, techniques, algorithms and technology have changed drastically. In the beginning, ‘selection’ (search) was the only possibility. Employers could search for candidates with specific attributes in their profiles such as diploma, profession, language, region, and driver’s license and vice versa.

Selections only take into account what the user wants (in this example, the employer). The selected criteria are also exclusion criteria: when making a selection, the user usually chooses several criteria such as qualification, profession, and region, but only the profiles or jobs that meet all selected criteria are included in the results.

SELECTION:

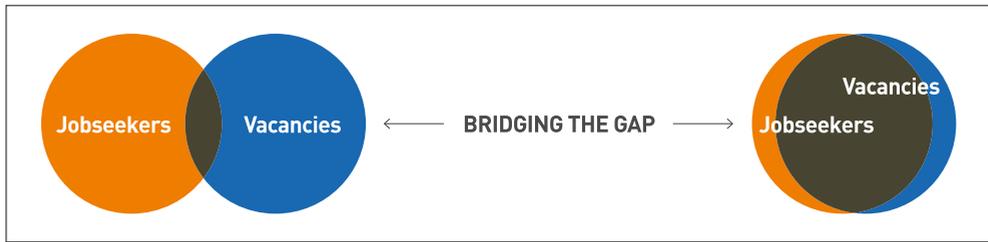


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These criteria – structured data – were implemented in the first ‘search tools’ that automated the process and improved public employment service delivery significantly. This method has its limitations because the qualitative and quantitative skills gap between supply and demand is growing.

In the next step, technology evolved towards automated matching. In matching, weights are added to the different criteria, achieving more tailored results. But despite the technological advancement, matching based on profession and/or diploma cannot bridge the gap between supply and demand on the current labor market anymore either, even in times of high unemployment.

The limitations of this type of job matching increase even further because we are still mainly focused on degree-based recruitment (at all levels). We usually match – even if only mentally – a vacancy for a job with a diploma in that profession. This approach is strengthened because more and more occupations are defined – often under European pressure – by a (matching related) diploma.



Rachid is a regular at the canteen of the local football club. Every Thursday after training, he hangs out there with his friends. Occasionally the bartender asks them to lend him a hand loading and unloading the drinks delivery. And the guys don't mind at all.

The bottles are delivered in crates and boxes. Rachid and his mates unload them and stack everything in the cellar. The empty crates usually end up getting thrown back into the truck or remain in the hall of the canteen.

Youth workers dropped by the football club regularly to chat with the young guests and help where possible. During one of these visits, a youth worker noticed something interesting: Rachid was neatly stacking the left-over crates. As it turned out, he was also the one who had organized the stock in the cellar. With subsequent deliveries, Rachid made sure his friends brought him the empty crates so that he could organize everything. He clearly enjoyed this type of work.

The youth worker recognized his valuable skills and asked Rachid if he was interested in a job where precision, teamwork, and stacking and arranging goods were important. Rachid accepted the offer and started training to work in a warehouse.

The next step is matching and mediation based on competences, whether they are *expected, acquired, or to be acquired* competences. In Flanders, VDAB and the social partners have chosen 'Competent' as the standard for labor market activities. This translation of the ROME 3 standard from Pôle Emploi was adapted to the Belgian labor market situation. For example, items like legislation that was only valid in France were adapted to the Flemish legislation, and more detailed information was added to the skills descriptions.

"Competent" is validated by the social partners of the different sector branches. All decisions that were taken to set up "Competent" were agreed upon in a working group with social partners' representatives. They were also responsible for supplying contacts who evaluated and validated changes and additions that were made to the profiles in "Competent. VDAB made the standard operational and integrated it into its information systems through the Comeet database.

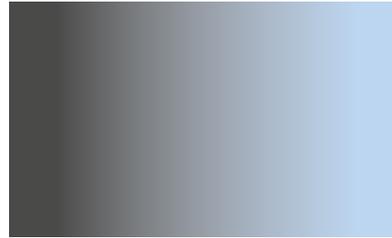
The Comeet database is openly accessible through an API (application programming interface) which allows all players on the labor market to use the most up-to-date version of "Competent". For example, partners who already send their vacancies to VDAB automatically (with HR-XML) now use the Comeet service to enrich all their vacancies with competences. Given the fact that more than 70% of all vacancies at VDAB are provided by these partners, it is easy to see that using a strong existing partner network and being recognized as the conductor of the labor market proved crucial for broadly implementing competence-thinking in Flanders.

Competence-based matching enables finding affinities between professions, since many of the same competences are required in different professions. This means that jobseekers without a certain diploma or experience in a particular function, still have the potential to be or become the perfect fit an employer is looking for. A 70%, 80%, or 90% match, combined with the right motivation, can be enough to be a suitable candidate for the job. Indeed, employers can shape the candidate further for the job and the job context through targeted vocational training and training on-the-job.

Matching takes into account respectively what the jobseeker and employer are looking for (demand) and what they are offering (offer). The different criteria, including competences, are given a certain weight. This means the results are not black or white as in the selection approach but a weighted mix of these criteria.

This matching approach is a tool for achieving a better and more transparent match between jobseeker and employer.

MATCHING:



TWO WAYS | MULTIPLE CRITERIA

Standardized competences for fine-grained matching

What do these competences look like? Taking into account that the majority of the Flemish enterprises are SMEs (< 50 employees) without full-fledged HR departments, the matching services provided must allow these SMEs to manage the competences within their company or organization themselves, in line with the changes in their business activities. Therefore, a conceptual approach and language that is close to their day-to-day business is essential. This is why we use 'labor market activities' and the know-how and knowledge (the competences) necessary to perform these activities in the correct way within the context of the specific job.

This type of fine-grained matching based on competences has benefits for both jobseekers and employers. Employers will fish for candidates in a bigger pond because not having a certain diploma or particular experience no longer excludes a candidate from a job. Combined with the right type of targeted vocational training, the skills gap can be addressed.

Competence-based matching provides an interesting answer to the significant increase in bottleneck vacancies. As a PES, we also want to offer opportunities to unqualified young jobseekers (NEETs: not in employment, education, or training), to young people

whose diploma does not offer a good connection to the labor market, to refugees without a recognized diploma, and to people aged 55+, whose acquired competences are more important than their outdated diplomas. As such, there is pressure from both the demand and the supply side to substitute diploma- and profession-centered matching with a broader, more modern matching system.

Competence-based matching is the best alternative. On the one side the system doesn't exclude diplomas, because they are an attestation of acquired competences. But on the other, the system also allows for including prior/elsewhere/otherwise acquired competences in the matching process. In addition, because competence-based matching allows for fine-grained mapping of possible *competence gaps*, it is a better guide for (re) orienting jobseekers and allows for a more effective specification of training needs.

This application makes VDAB the frontrunner for matching amongst its European peers. We are often praised at various international fora on our efforts in competence-based matching and regularly receive foreign delegations who want to know more about our innovations in this regard. VDAB – as well as its peer PES – need to continue investing in the renewal of our labor market instruments as it brings jobseekers and job providers closer together.

On one of the last days of his training, Rachid received a vacancy through VDAB. One of the most important requested competencies was “the correct stacking of crates”.

Rachid followed the advice of VDAB and his friends, and applied. After an interview and some practical tests, Rachid was hired.

Today, Rachid is a warehouse manager.





Thresholds for implementation

Despite the obvious advantages and the deep interest in competence-based matching, there is still a lot of hesitation to fully implement the concept. In our experience, it often comes down to the following thresholds.

Budgetary constraints

Adjusting information systems to integrate competences requires a significant investment. But if PES want to play a leading role in tomorrow's VUCA (volatility, uncertainty, complexity, and ambiguity) labor market, they will have to invest in adapted, flexible matching systems.

Organizational and culture change

Competences need to become a part of the habits and practices of customer-facing departments and the customers (jobseekers and employers) themselves. Jobseekers need to reflect more deeply on their skills. Employers need to clearly describe the expected (basic) competences. Counsellors in Public Employment Services need to use more coaching skills to guide jobseekers in the new landscape. This approach abandons the old PES paradigm that customers should always physically pass by the PES office first. We are keen to make our customers as self-sufficient as possible. Only the (initially) non-self-sufficient customers should receive face-to-face support from the PES.

Taking the risk

Both thresholds described above make adopting competence-based matching a complicated decision for PES management. The uncertain outcome of competences in a specific labor market requires a certain leap of faith, which creates a situation where all interested parties avoid being early adopters, instead waiting for proof. This results in an overall standstill. Especially in the VUCA world, PES will have to display another DNA, based on agility, ability, and accountability.

Beyond competence-based matching

So far we have shown how competence-based matching helps to solve the skills gap. This is just the first step. Applications and advantages of working with competences go much further.

Jobseekers gain a much broader perspective on their career possibilities. Jobs that appeared to be new and unreachable before can now turn out to require many skills that were already acquired in previous jobs or education. This, of course, widens the range of potential jobs enormously. This information allows jobseekers to take charge of their own careers in a whole new way.

To help jobseekers manage their careers, it will be possible to track where they acquired certain competences and have those competences certified by, e.g., a former employer. As the acquired competences are validated and secured by “employer branding”, their validity to other employers increases.

At the same time this type of information helps jobseekers understand the tasks that need to be performed within a specific job. When recognizing their own ability to perform certain tasks, their confidence will be reinforced, motivating them to take further initiative.

Competence profiles are not a fixed given. They evolve with time, along with job profiles and vacancies. Employers can group competences that are required in their specific company environment and create matching tailor-made job profiles. These job profiles can be used, among other things, to create vacancies with great flexibility. Moreover, through continuous monitoring, information about these job profiles and their evolution is captured and competence profiles are adjusted accordingly, ensuring that the competence standard is always on par with the latest evolutions in the labor market. As such, HR approaches such as ‘job crafting’ and ‘job carving’ are also facilitated, and competence-based matching contributes to a policy of sustainable jobs.

Next steps

Competence-based matching is a big step forward in solving the skills gap on the labor market. It may not be the Holy Grail, but it does shorten the path towards it, especially if we can enhance the matching results based on profile data, with recommendations based on data mining of surfing habits and broader career data of the individual and their peers.

We can be sure in any case that 21st-century skills – the competences of the future – will gain importance in the VUCA labor market. These are not so much technical or professional skills, but generic skills that the worker of tomorrow will require in the transitional labor market; e.g., connecting skills, a critical attitude, flexibility, great learning and teaching enthusiasm, creativity, entrepreneurship, and computational thinking. How can we make these competences transparent in a more intuitive matching design? This is tomorrow's challenge!

Fons Leroy is the CEO of the Flemish public employment service VDAB. He holds a Master in Law and Criminology and a special Master in Public Administration and Management. In 1990 he became Deputy Chief of Cabinet of the then Community Minister for Employment. For 15 years, he worked as a Deputy Chief of Cabinet and later as a Chief of Cabinet at the Flemish Employment Cabinets. In 2005, he became the CEO of the VDAB. He was elected Public Service Manager of the year in 2009, HR Ambassador of 2010 and Leader in Recognition in 2016. Fons is the president of the European Network of Public Employment Services.

The new world of work is characterized by globalized employment, a mobile yet vulnerable workforce, and the challenges of demography and rising income inequality. Technological changes in both the demand for and supply of skills have a cross-cutting influence on how labor markets develop. In this book, different stakeholders from international organizations in the private and public sector discuss which role Public Employment Services and Workforce Development Agencies ought to play in the labor market today and in the future, why cooperation is crucial, and what kind of support digital services and software can provide for a more effective and efficient delivery.

Managing Workforce Potential – A 20/20 Vision on the Future of Employment Services seeks to inspire decision-makers in and around the labor market to reflect on governance, services, and partnerships to better cater to the new world of work.

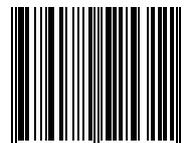
Why this book?

As a world leader in Public Employment software solutions, WCC believes in sharing knowledge. It is our vision that combining what we know and sharing this with the world leads to maximum value across the board. This is why we take initiatives to both exchange and expand expertise. For example, we started the PEPTalk webinar series, which provides a platform for Public Employment Services to share their knowledge about best practices and their vision on the labor market. This book is another example; with its publication, we aim to contribute to an all-round clearer vision on the developments in public employment.

*The term **20/20 vision** is used to express normal sharpness of vision. It means you can see clearly at 20 feet what should normally be seen at that distance.*



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