



Retaining talent: PES opportunities to turn awareness of skills shortages into action

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Who is a talent?



- A. A person who learns and has good skills.
- B. A person who has the ability to be good at something, especially without being taught.
- C. A person who works hard.
- D. A person who is considered to be successful in (working) life.
- E. It is impossible to define with one statement who is a talent.

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Who is a talent for the Estonian PES?

In a situation where we have a labour shortage in the longer term, all people are talents if they have the skills and knowledge to do the work they do. Together with the companies they create value by adapting to changes in the environment (legal, digital, greening).

„Each pair of hands becomes more and more valuable“
Raul Puusepp, Estonian Traders' Association
(Employers' Manifesto 2022)



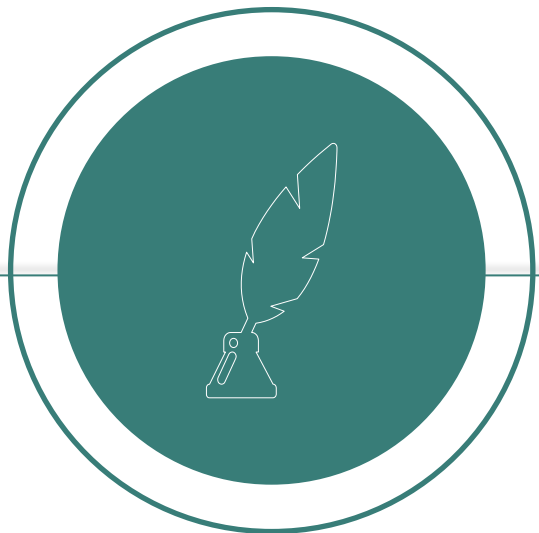
Estonian PES tackling the skills shortage

A diverse package of services for skills development

Labour Market
Training for
unemployed and
employed people



Degree study
allowance for
unemployed and
employed people



Obtaining a
qualification certificate
for unemployed and
employed people



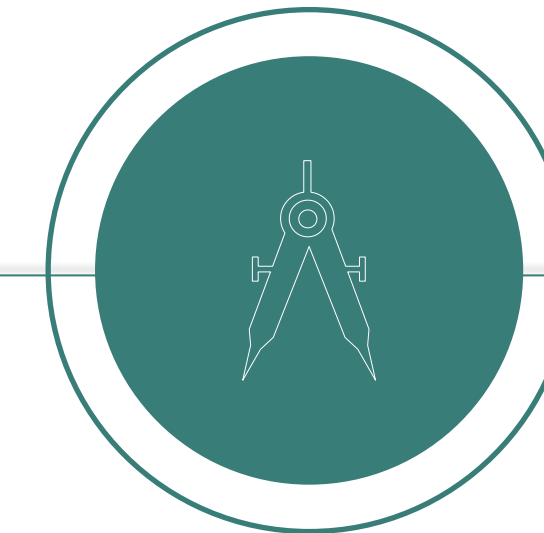
Coaching for
unemployed



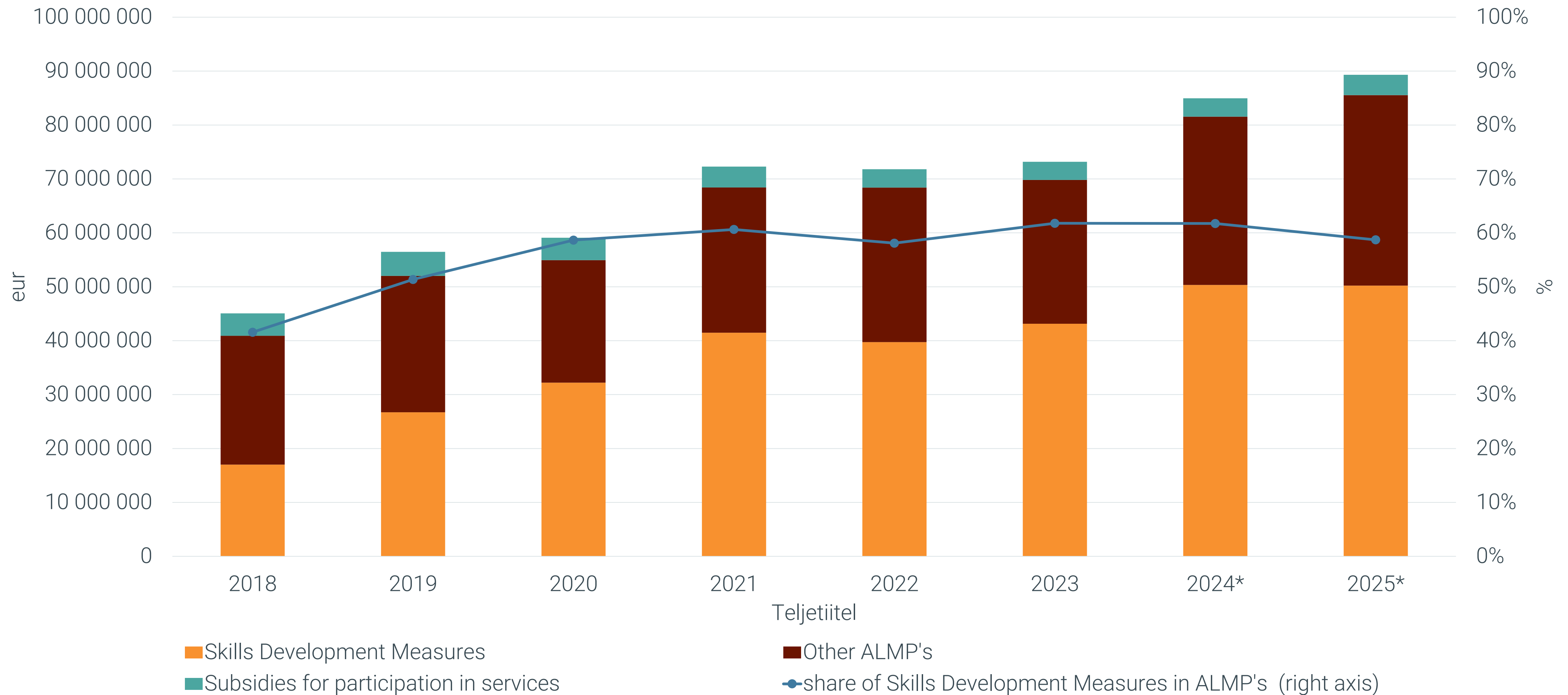
Employers' training
grant



Skills development
seminars for all from
2025



More than a half of the ALMP budget goes to skills development



Source: EUIF

* 2024 and 2025 = forecast

Prevention of unemployment

Aims of unemployment prevention measures

- To support structural changes in the economy and minimise labour shortages in professions of growing importance.
- To reduce skills mismatch through updating the skills of the employees.
- To prevent unemployment of those at risk of losing their jobs due to the lack of skills.



WORK & STUDY!

an umbrella brand for skills development measures for employees and employers



EMPLOYEES

- Labour market training with training card
- Degree study allowance for obtaining vocational professional higher education or Bachelor's studies
- Reimbursement of expenses when obtaining qualifications



EMPLOYERS' Training Grant for ...

- recruiting new employees
- up- and reskilling employees in case of changes
- developing employees' general skills in limited fields



An awareness campaign:

Stay in the wind of change!

(Keep up with the changes)

Employers' Training Grant

the main conditions for ensuring a sustainable and high-quality investment of public money



- The training grant can be applied by legal persons governed by private law, self-employed who operate as employers, and local government authorities.
- the employer's contribution to unemployment insurance is mandatory: at least 24 months within 36 months
- the employment contract must be open-ended or at least for 6 months
- the duration of training must be at least 50 academic hours, and the training must take place within one year
 - the employer selects the best training programme and provider based on their needs
 - the training programme must comply with the *Continuing Education Standard* (curriculum with learning outcomes)
 - the participants must receive a certificate or attestation at the end of the programme
- up to 80% of the total costs is compensated, but not more than 2500 € per employee in a three-year period and it may include:
 - training costs
 - wage costs in the rate of the minimum hourly wage for the time the employee participates in the training
 - travel costs related to participation in the training abroad



Employers' Training Grant is not paid if ..

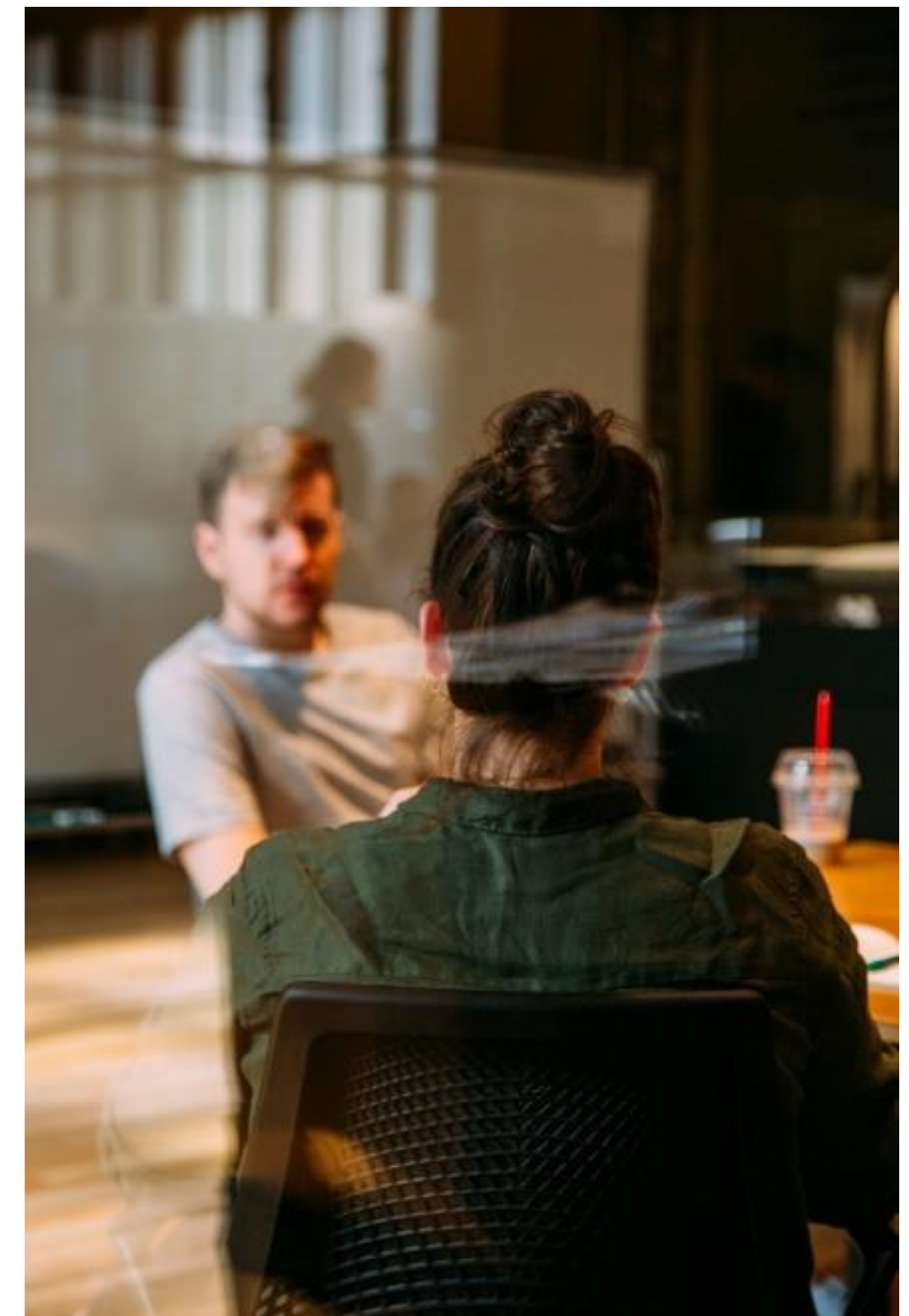
Preventing misuse of support

- the liquidation or bankruptcy proceedings have been initiated against the employer or service provider
- the employer or service provider has significantly violated the administrative or procurement contract or the cooperation principles of the training card established by the PES
- the employer has not submitted a financial year report to the business register on time
- the employer has a tax debt that is 100 euros or more in total and is overdue
- if the employer is the provider of the training specified in the application



Employers' Training Grant for recruiting new employees

- Train employees for **specified profession** where there is a growing labour demand.
 - The list of supported profession is approved by PES based on national [*OSKA forecasts the need for Estonian labour force and skills*](#) (examples – forestry and timber industry: harvester operators, CNC bench operators; energy and mining: electrical and energy engineers; ICT: cyber security managers, testers).
- The **prerequisite** is the search for employees through PES.
 - If this is not successful, it is also possible to recruit in other ways.
- **Application** must be submitted **within 4 months** from the start of employment or the change of job position within the company.
- ! An exception to the general conditions:
 - **new companies can also apply** (there is no obligation to pay at least 24 months of unemployment insurance premiums)
 - **if hiring registered unemployed people, the reimbursement is 100%** (but not more than 2500 euros)



Employers' Training Grant in case of changes



For training employees due to the:

- **restructuring of the company**
 - the company's production or service process changes significantly; the company enters a new target market, etc.
- **implementation of new technology**
 - new equipment or machines that require new skills from employees will be introduced and the change has not occurred earlier than in the two years prior to the application
- **update in qualification requirements**
 - due to a change in legislation or a professional standard, the employee must renew his knowledge / skills, and the change has not occurred earlier than in the two years prior to the application
- A **motivated application** must be submitted (the change must be described and the impact of the training on the change must be clearly stated).

Employers' Training Grant for General Skills

- Estonian Language Skills

- The training provider must have a license for conducting Estonian language training. All levels (0-C2) of training are allowed.

- ICT Skills

- Examples: building information modeling (BIM); data analysis and visualization; design software training, e.g. Tekla Structures, AUTOCAD; economic software (ERP) training, e.g. Monitor, Odoo, Eziil; training in various programming languages (Java, Python, etc.); cyber security training; further training in Excel skills; social media specialist master class (digital marketing), etc.

- from 2025 Green Skills

- Green skills training will be pre-defined by the Ministry of Education and Research.



Training allowance for the employer

Overview

The choices made here on the desktop also affect the desktop as filters 8. Training allowance for the employer (profile).

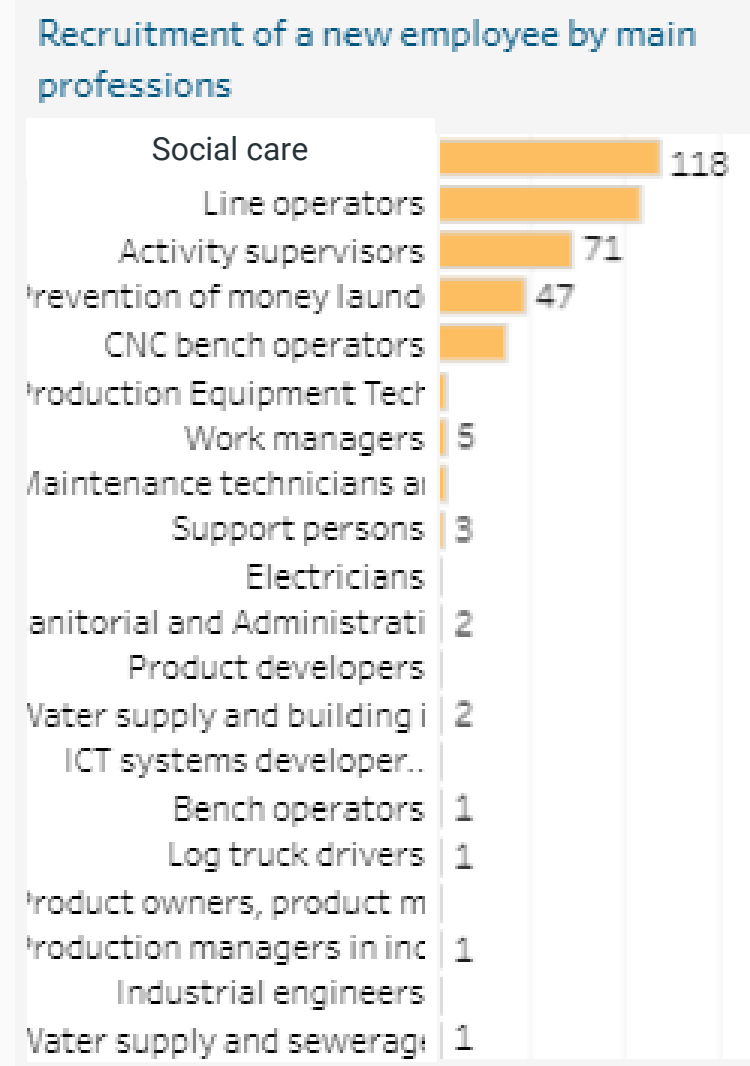
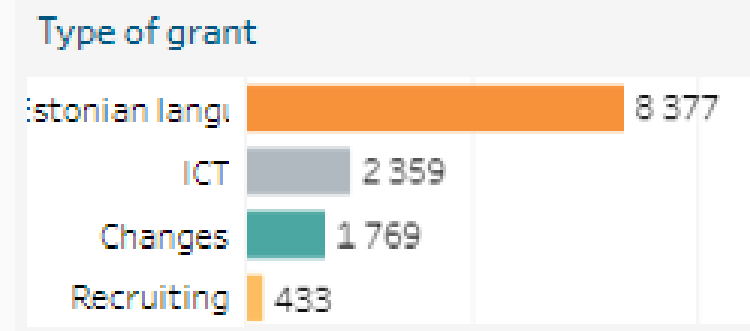


Choose a period (use the first day of the month) May 2017 august 2024

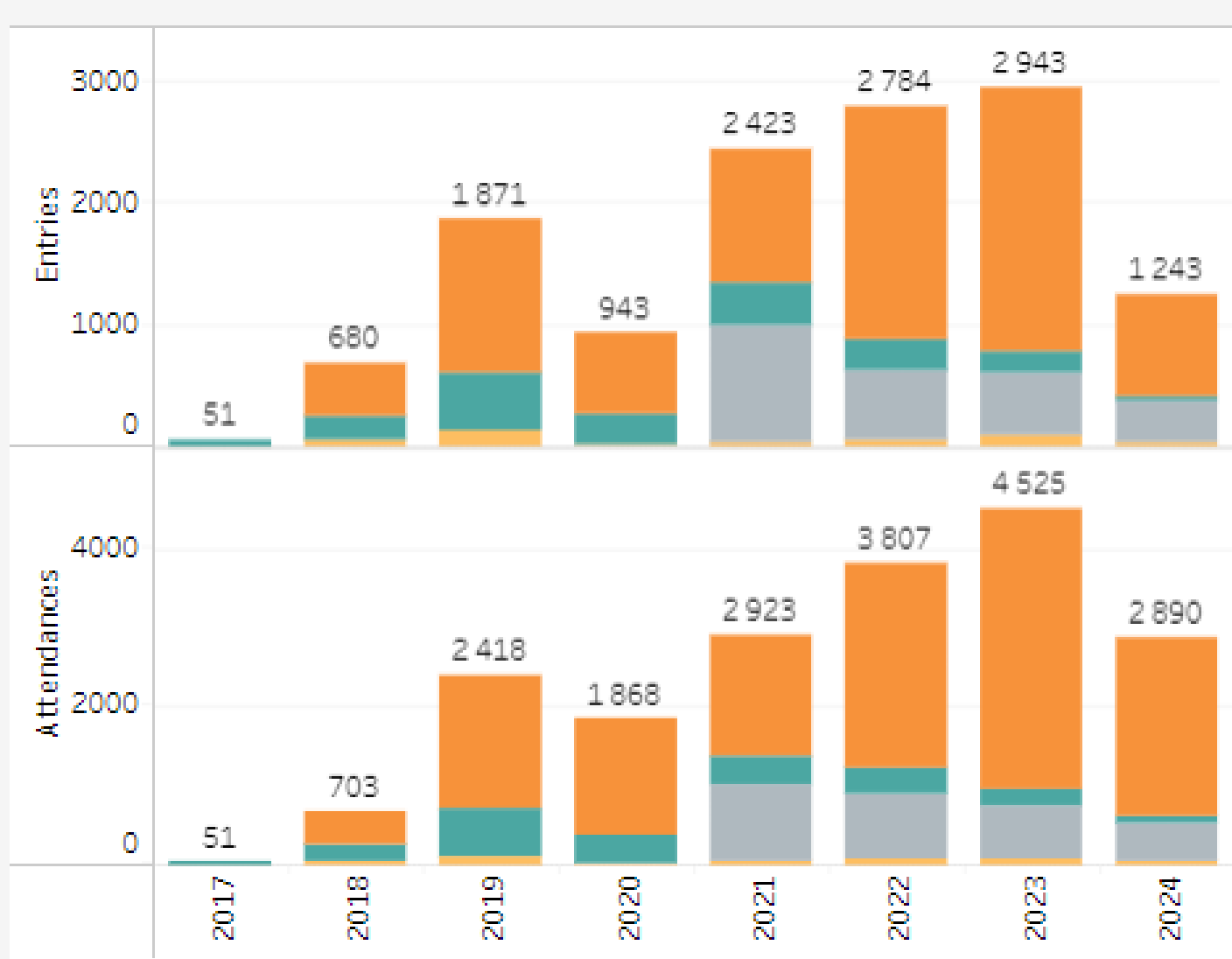
Type of grant: (All) | County of employer's locati...: (All) | Field of study: (All) | Curriculum group: (All) | Training major: (All) | The institution's field of act...: (All)

Number of entries (according to options)

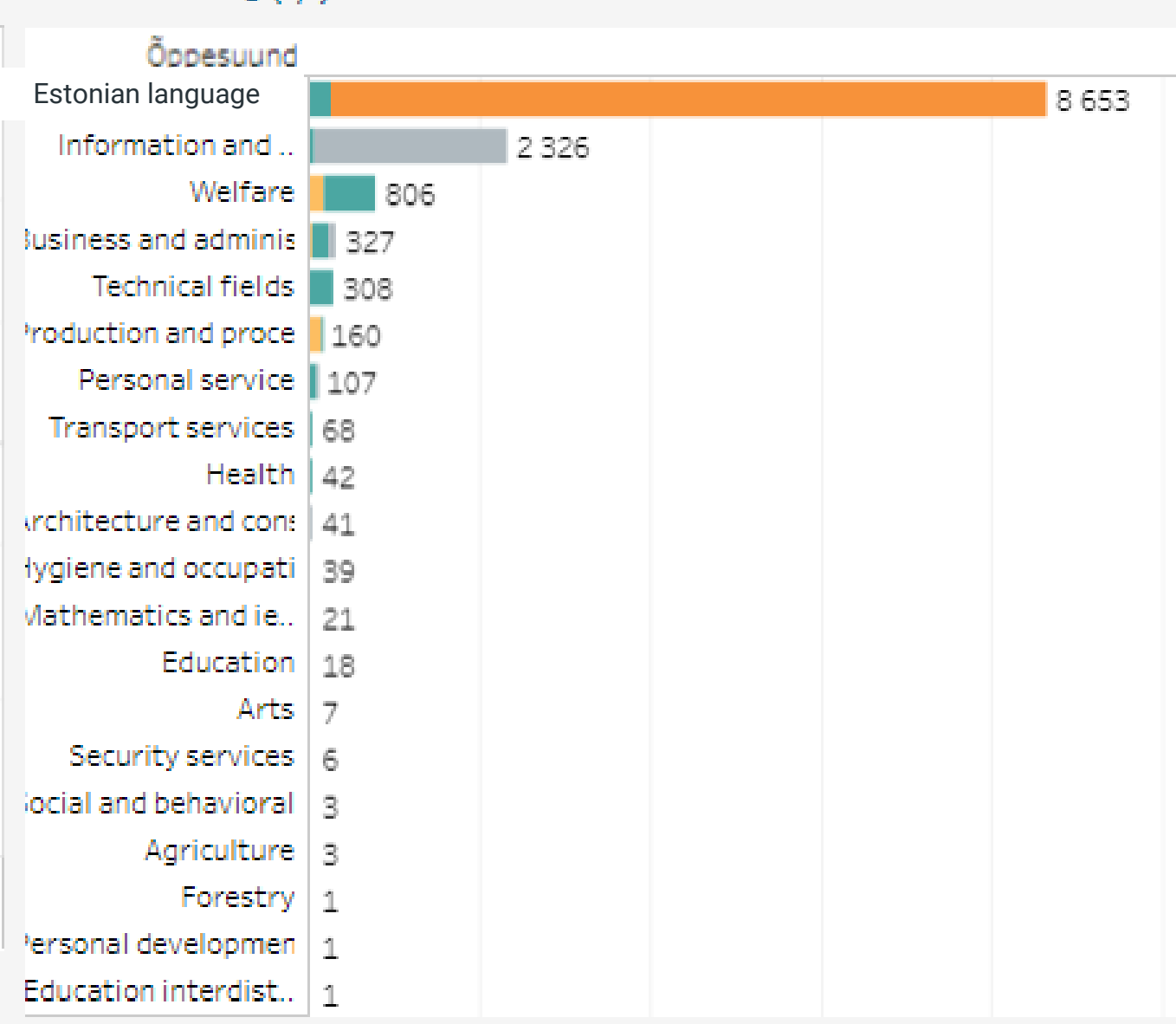
12 938
including unique people: 11 261



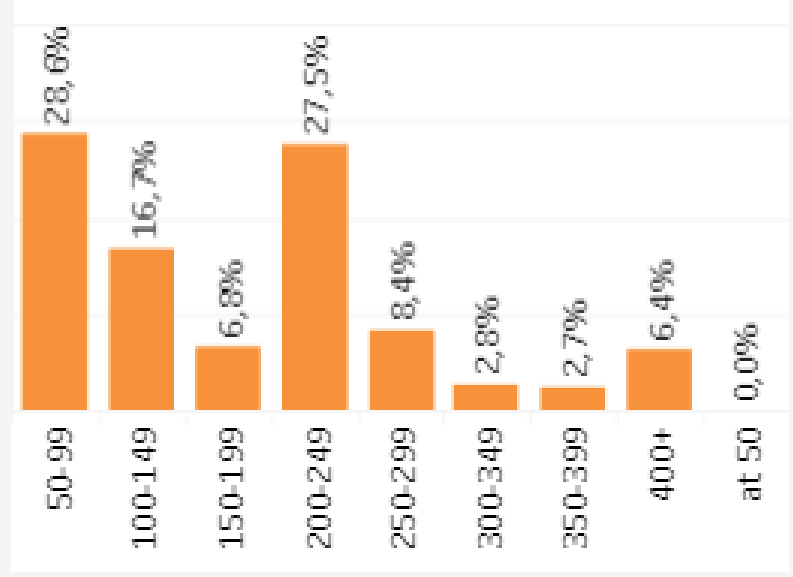
Timeline of entries and participations (+/-)



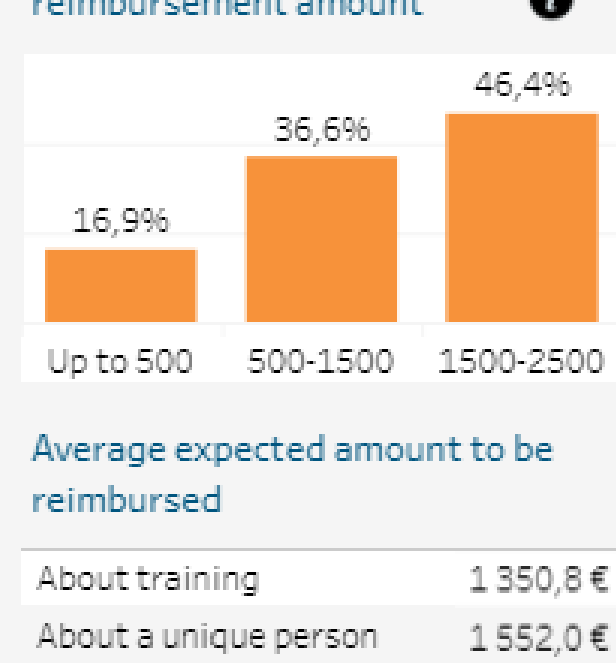
Field of training (+/-)



Planned volume in hours



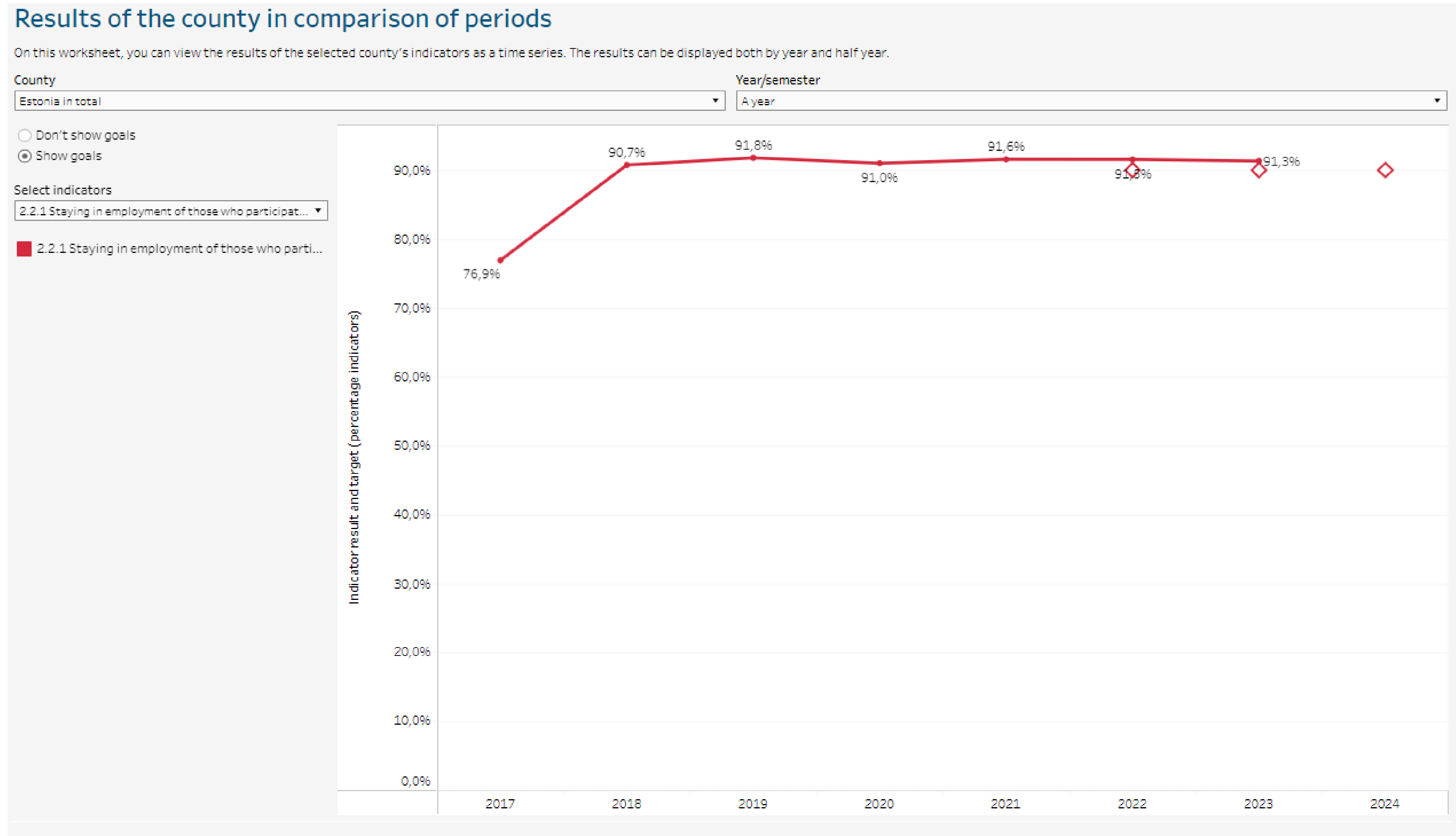
Expected training cost reimbursement amount



Daily Monitoring Report for Employers' Training Grant

Source: EUIF, statistics and analysis module TARU
Automated translation

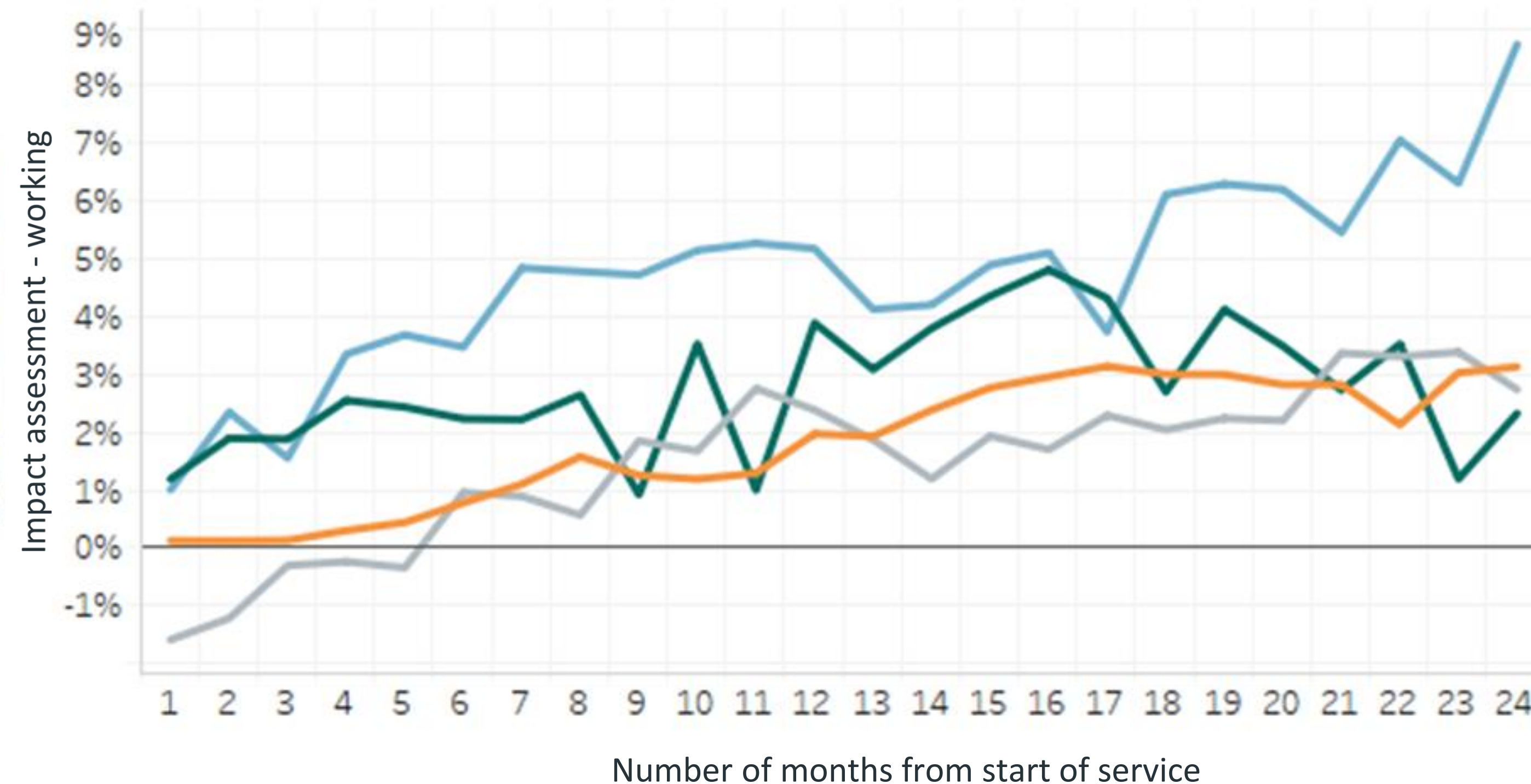
Monitoring results: Sustainable employment of employed people who have participated in unemployment prevention measures



KPI for
Work & Study

Unemployment prevention measures

Impact on employment



Impact evaluation is based on **counterfactual impact evaluation** - comparing participants with similar employed people who did not participate in the unemployment prevention measure (i.e. treatment and control group).

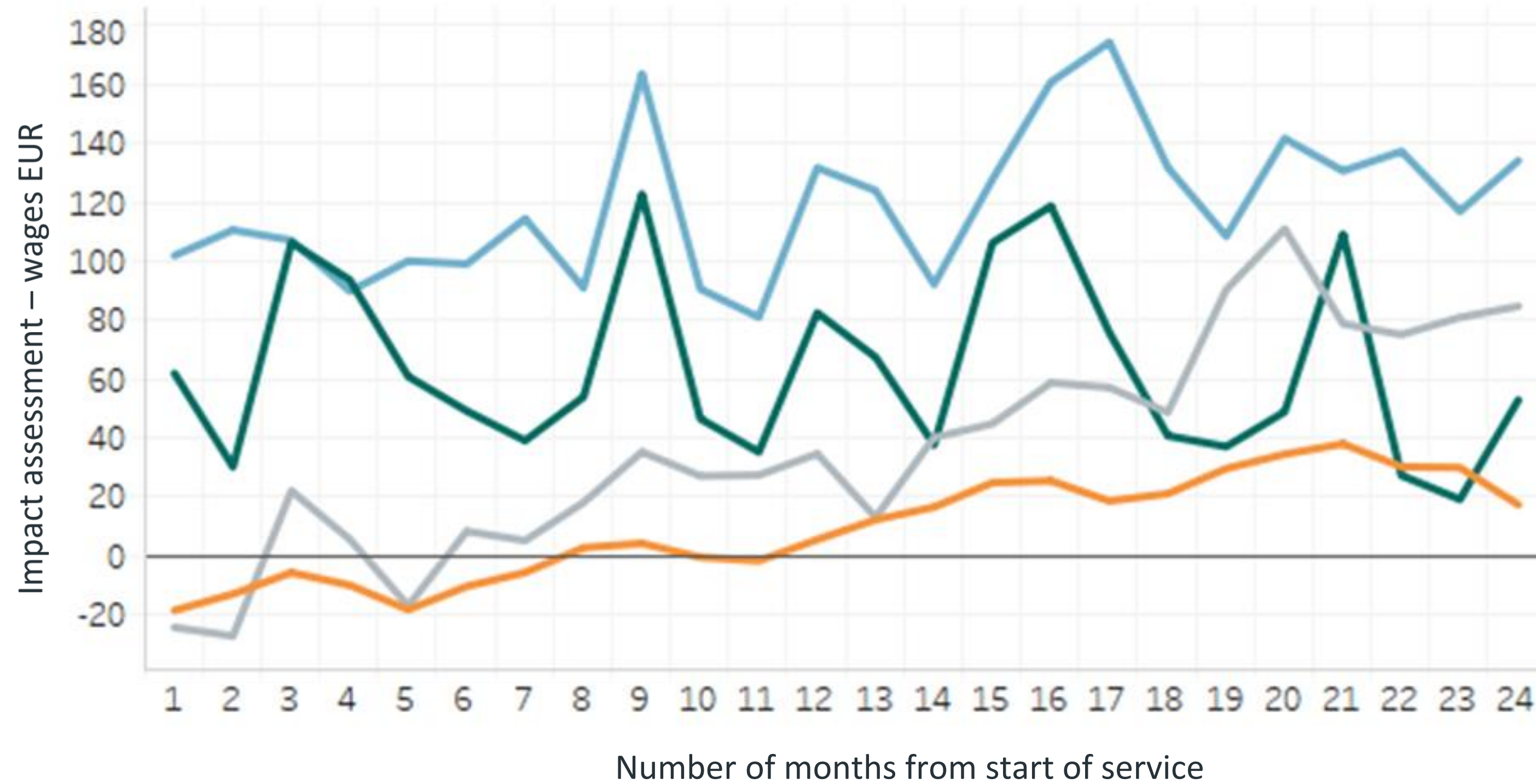
- Labour market training
- Degree study allowance
- Employers' training grant to develop the employee's Estonian language skills
- Employers' training grant in situation of change

Impact of participation in services on the probability of employment within 24 months of starting the service

Source: Estonian Research Council project MAITT using European Regional Development Fund programme 'Strengthening of sectoral R&D (RITA)'

Unemployment prevention measures

Impact on the average wage



- Labour market training
- Degree study allowance
- Employers' training grant to develop the employee's Estonian language skills
- Employers' training grant in situation of change

Impact of participation in services on the average amount of wages within 24 months of starting the service

Lessons learnt

- Counsel employers systematically so they will make informed decisions while choosing training and service provider to receive the maximum benefit.
- Encourage employers to create curricula that meet their own needs and combine general and professional skills.
- Contribute also to control activities.



Estonian Case Studies to decide with 2-3 main arguments

Case Study 1.

Today, the medium-sized company produces cheese and butter. At the same time, a new production unit is being built and lines for the production and bottling of oat drink are being acquired. Oat drinks, yogurts and desserts will be produced. The changes will increase the overall production volume, and new products will be created under the new brand. As a result, the new production manager wants to participate in the *production management competency program*.



Estonian Case Studies to decide with 2-3 main arguments



Case Study 2.

A youth centre as public organization employs twelve youth case managers. The decrease in the number of young people in the region has led to the need to use their premises and employees differently. They are planning to open an activity-centre for elderly people with mental health problems in a separate building. It is known, that in this sector there is a scarcity of workforce. For this, three employees need the training of an *activity instructor for people with mental disabilities*.

Estonian Case Studies to decide with 2-3 main arguments

Case Study 3.

The company has been operating for 10 years and has been producing metal structures and selling them in five foreign countries. The company employs four sales managers, one of whom left, and one production worker was promoted in his place. To communicate with foreign partners, the employee must know English, but the new employee does not have this skill. The company requests an *A1 level English language training* for the employee.



Question to discuss and answer

You as the representative of your PES have (limited) recourses to support employers in upskilling their employees.

Now you need to answer **Why?** and **What?**

- 1) How would you limit the situations when you provide the support?
- 2) Who should have access to the PES support?
- 3) Should the fields of training be limited? How? What should be the reasoning?





Be aware of your talents!

Thank you!

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