

Larsen | Kipper | Schmid | Ricceri [Eds.]

The Relevance of Artificial Intelligence in the Digital and Green Transformation of Regional and Local Labour Markets Across Europe

Perspectives on Employment, Training, Placement,
and Social Inclusion



Nomos

Edition
Rainer
Hampp

Comparative and Transnational Perspectives on Research and
its Application in the Field of Regional and Local Labour Market
Monitoring

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Foreword

From the perspective of Swiss unemployment insurance (UI) and public employment services (PES), digitalisation and artificial intelligence (AI) offer considerable potential. Digitalisation enables PES to streamline their processes and concentrate their resources on the core business of personnel counselling and placement, while administrative activities with lesser added value were automated (digitalised) within a short period of time.

In triggering the automation of many of our administrative processes, the COVID-19 pandemic played an important role as a changemaker and contributed to the initialisation and implementation of “Digital First” for the Swiss UI and PES. For example, due to high demand, all processes related to short-time work compensation were digitalised during the pandemic. The entire range of administrative processes required for the receipt of unemployment benefits was provided by digital format within a short time. As of July 2022, two thirds of jobseekers registered with PES have an account with the UI’s “Job Room” and actively use this portal to pursue their job search and to take care of administrative matters *vis-à-vis* the UI.

All Swiss UI services will soon be available to jobseekers on one central online portal. The Job Room is already the largest job portal in Switzerland. By implementing additional AI modules, the Job Room will soon be able to intelligently match advertised jobs with jobseekers. Employers should also interact with the PES primarily via the central online portal. As the Job Room has become the central hub in the job search, it will also be the preferred recruitment tool for employers: for example, they will be able to register for fully automated candidate applications. The provision of such e-services frees up the resources needed for personnel counselling and the active management of networks with employers.

Overall, “digitalisation” from the perspective of UI and the PES is also a call for seamless collaboration and service provision. This means that previous analogue processes must not only be digitally mapped and replaced with digital channels, but also that the organisation charts and staff job profiles will have to be redesigned according to the requirements of “seamless service” for “Digital First” connected customers. New tasks are already being assigned to the PES, which can be perceived as both an opportunity but also a challenging goal for staff

members in the PES and counsellors in particular. Due to less standardised employment histories, atypical employment, and a rapidly changing labour market PES must focus more on the jobseeker's individual starting point and situation. Managing these on a case-by-case basis requires more resources and effective support tools.

Skills shortages and demographic change mean that the PES are increasingly expected to contribute to catch-up training and retraining. The PES are therefore faced with the task of professionalising their counselling services and support for jobseekers. Digitalisation will thus contribute to greater differentiation of the regional employment agencies' functional profiles. For a long time, personnel counsellors were trained as non-specific human resource specialists whose work also included a control function. From now on, these control tasks will be risk-based and supported by partially automated decision-making systems which in turn will, for example, classify information on the work efforts undertaken as worthy of review and flag them for case-by-case control. Along with the new portfolio of tasks and a higher level of demand, counsellor training, in turn, will be further standardised and further differentiated with regard to the core tasks in the context of counselling and placement (taking into account the needs of different client groups, specialisations according to sectors, among others).

In my opinion, a cultural change is the central requirement for "seamless" and "Digital First" provided service to be successfully implemented. Specifically, processes must be designed as simple and efficient as possible from the perspective of all target groups, especially jobseekers and employers. And all relevant stakeholders must be involved in designing the new processes from the outset. In addition, the goal must be to create an agile organisation when realigning the organisational chart to the needs of seamless "Digital First" provided service. In this context cross-functional teams where all team members have a clear role and assume responsibility contribute to the ability of PES to respond as quickly as possible to economic challenges and to be able to deal effectively with uncertainty. Moreover, a successful "Digital First" provided service, requires a culture of error, a culture of fairness and a culture of feedback as well as the use of resources oriented towards the circular economy. Furthermore, changing job profiles in the PES presupposes that employees are committed to embracing and actively engaging in these changes. Ultimately, the success of the drive for seamless "Digital First" service delivery also depends on leaders' determination to

align their leadership with the goal and the requirements of the agile organisation.

This anthology contains numerous indications of how and to what extent the use of digitalisation and AI can help integrate jobseekers into a digitalised labour market. It includes contributions from scientists and experts across Europe and presents a variety of different approaches, methods, and data, providing useful knowledge of the relevance of digitalisation and AI in such labour markets. I trust you will find these articles insightful and wish you pleasant reading.

Oliver Schärli

Head of the Labour Market/Unemployment Insurance Division at the Swiss State Secretariat for Economic Affairs and Treasurer of WAPES (World Association of Public Employment Services)

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