Modernizing digital systems of the
Latvian Public Employment Services

24 May 2024

CONNECTING PEOPLE WITH JOBS: MODERNISING LATVIA'S PUBLIC EMPLOYMENT SERVICE THROUGH DIGITALISATION

Key findings of the OECD report

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BETTER POLICIES FOR BETTER LIVES

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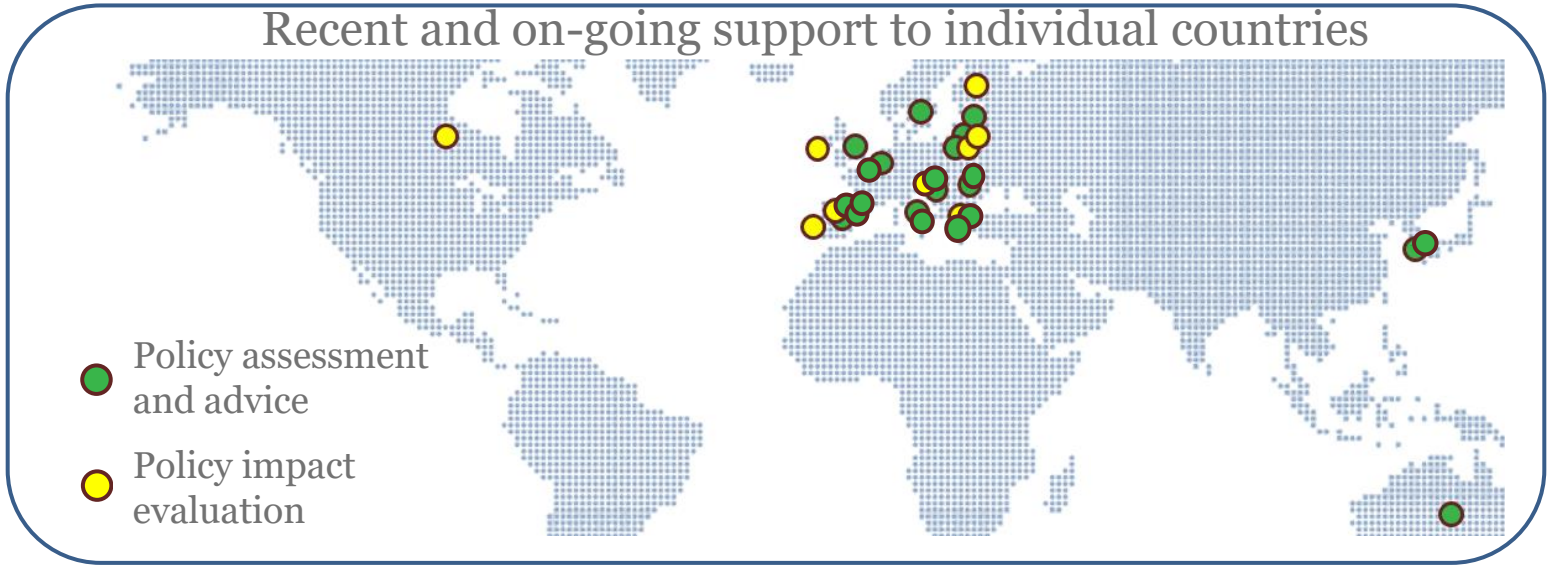
DG REFORM and OECD jointly supporting countries in adapting and reforming their PES and ALMP systems



Key topics in joint OECD-DG Reform projects

- Integrating vulnerable groups into the labour market
- Institutional setup of ALMP provision, including the role of private providers
- ALMP impact evaluation
- Digitalisation, data management and AI

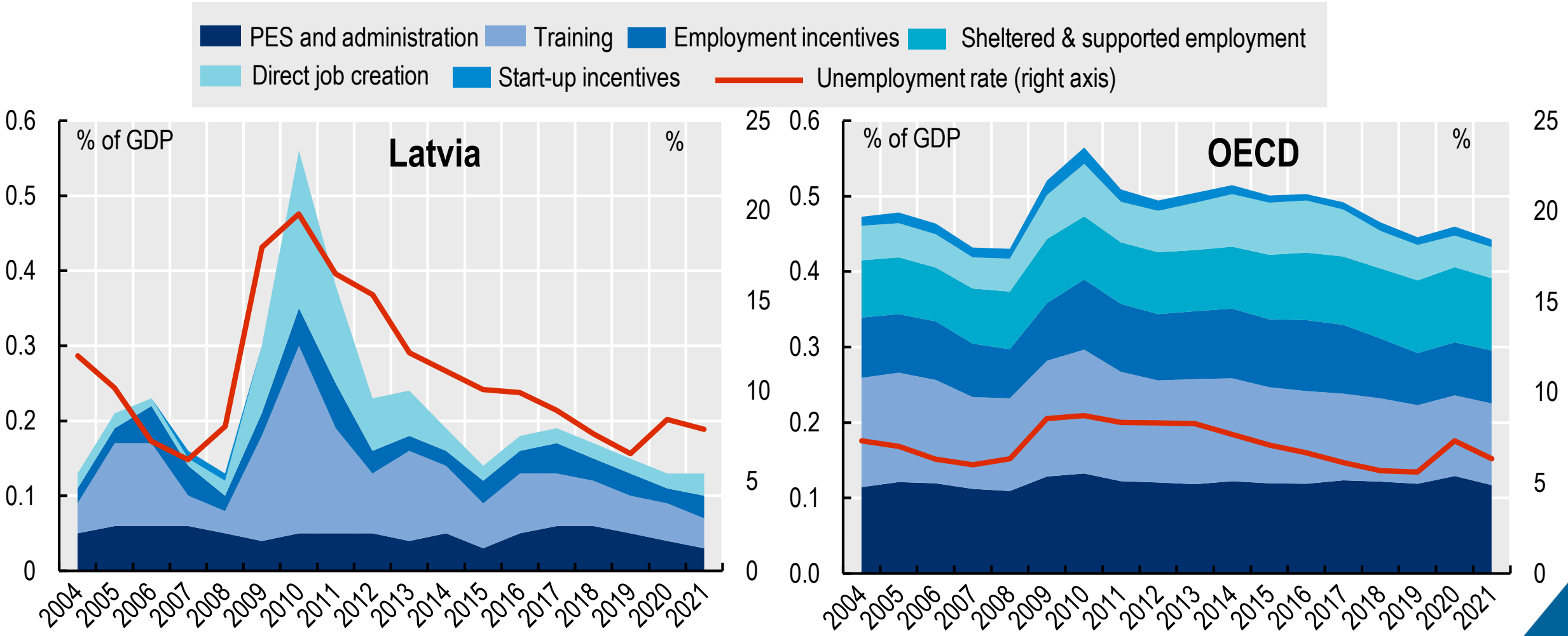
OECD - DG Reform project with Latvia: Digitalisation and better data management for better services

IT infrastructure to consider the needs of all users

More effective and efficient **employment services**

Efficient exchange of high-quality data with other stakeholders, supporting better and **evidence-based public services**

Increase the capacity of the ALMP system: Invest in the SEA's digital tools and staff capacity



Spending on active labour market policies (ALMPs) by category as % of GDP

How have we worked together and what have we done?

September 2022

- Qualitative assessment of the SEA digital infrastructure
- Discussion with stakeholders
- Quantitative analysis of SEA data
- Discussion with stakeholders
- Analysis of international practices
- Knowledge sharing events

Recommendations for SEA's IT systems

May 24, 2024

- OECD report containing assessments and recommendations
- Strategy to increase capacity, effectiveness and efficiency

August 2024

Support for pilots

Capacity building activities

Main focus areas of OECD recommendations

- The high-level digital infrastructure in SEA
  - Digitalisation strategy of the SEA
  - Operational IT system, data management and IT security
  - Data analytics system
- Specific tools for employment services
  - Job matching tool (supported by skills profiling)
  - Jobseeker profiling tool

Develop a dedicated digitalisation strategy for the SEA

Assessment

The importance of digitalisation underlined in the **overall SEA strategy,** but no dedicated digitalization strategy exists.

Limitations to IT developments connected to **budget, skills, capacity of the development partner**.

No systematic approaches for **monitoring and evaluation**, and the **involvement of end-users** in the development processes.

Recommendations

Develop a **clear digitalisation strategy** that includes:

- A pathway to sustainable **financial and human resources** for IT developments.
- **Considering user insights**.
- **Risk management** for digital tools.
- **A modern IT development methodology**
- **Adjustments to procurement** to receive competitive proposals for IT projects.

Fine-tune the operational IT system and strengthen data management and IT security

Assessment

The high-level architecture **generally meets operative needs.**

The system is **not completely future-proof**.

Limited **data validity and integrity** checks.

Issues with **data security and system security.**

Recommendations

Move to a **more modular architecture**.

Introduce **network-level segmentation** to improve system security and network performance.

Adopt an official process to **manage data quality issues**, system-wide controls over input data and automate data quality analysis.

Systematically **update technology stack**.

Implement continuous and systematic processes throughout **system security management**.

Adopt a modern data analytics system

Assessment

The **copy of the operational database** to support data analytics – limited data, sub-optimal solutions and data security concerns.

Limited data queries with **low flexibility and scope**.

Data processing **manual, inefficient, error prone**, and entails **data security** concerns.

Recommendations

Adopt a **dedicate data warehouse** to fit data models and content for analytical purposes.

Adopt a Business Intelligence (BI) tool to automate the production and visualisation of statistics.

Support SEA staff with key information in an easily understandable and flexible format, i.e. **dashboards**.

Enhance the performance of the job matching tool

Assessment

The CV and vacancy portal uses simple and straightforward filters to support matching

Recommendations

Move towards **competency-based matching**

Introduce **a skills profiling tool**.

Consider small immediate adaptions to increase the tool performance.

Adopt an AI-based job matching tool that uses competencies, jobseeker interests and labour market information.

Consider supporting the job matching tool with digital solutions for **vacancy and career management**.

Refine the design and implementation of the jobseeker profiling tool

Assessment

The **methodology** of the profiling tool is transparent but **raises concerns of accuracy** and evidence-base.

Data are **not automatically** fed into the tool.

Detailed profiling **information not retained**.

Recommendations

Adopt a **profiling tool based on statistical techniques**.

Automate the use of data from administrative sources.

Retain digitally the detailed information from the questionnaire by automatic data exchange + user interface.

Use the profiling tool to segment jobseekers and save counsellors time for harder to place clients.

Key take-aways

SEA's IT system generally meets SEA's needs but further modernisation would increase the performance and user-friendliness of employment services:

1. Develop a **comprehensive digitalisation strategy.**
2. Fine-tune the IT system to improve **system and data security**, and **data quality management**.
3. Develop a **modern analytics system** consisting of a data warehouse and a Business Intelligence tool.
4. Improve the design and implementation of **the jobseeker profiling tool.**
5. Move towards **competency-based job matching**, supported by skills profiling.

Thank you!

Selected works:

- Harnessing digitalisation in public employment services, oe.cd/digitalPES
- ALMP impact evaluation: Finland, Lithuania, Canada, Spain
- ALMP reviews: Nordic countries, Bulgaria, Estonia
- Building inclusive labour markets: Cross-country policy advice, Lithuania
- More on active labour market policies: oe.cd/ALMPs

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