

CASE ONE


Job Matching Services in Kosovo¹

The Enhancing Youth Employment (EYE) project



March 2016

EYE Enhancing Youth
Employment

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

 **HELVETAS**
Swiss Intercooperation

Management
Development
Associates **MDA**

¹ This case is an extract of a bigger case study conducted by Jon Burns of the Springfield Centre

1. Understanding the job matching service market system

In a context of dynamic and complex labour markets, functional job matching services on current and future skill needs are of paramount importance. These **services include web-based and print-media job information and matching; recruitment, human resources and ‘head hunting’ services; career counselling and coaching and other related services.**

Kosovo’s economy was not able to provide enough jobs for a rapidly increasing workforce. Up to 30,000 youths enter the workforce every year. Demographics continue to suggest that this number will grow year-on-year. Young women and men were facing barriers to finding jobs. There was an oversupply of certain (fashionable) skill profiles, while often the skills sought, by the private sector, remained substantially undersupplied. Even when jobseekers had the right skill-sets, they were not necessarily identified by employers.

[The Kosovo Enhancing Youth Employment \(EYE\)](#) project, funded by the Swiss Agency for Development and Cooperation (SDC), supports employment opportunities of young women and men going out from schools and universities by facilitating their transition from school to work. The project addresses three sides of labour market by focusing on relevant and feasible sectors (such as ICT and agro-processing): skills development meeting the demands of employers; improvement of job matching services; and job creation through better private sector investment. The first phase of the project runs from June 2012 to December 2016.

Prior to EYE’s intervention, job matching services were **non-existing or insufficient, of low quality and unaffordable.**

While private job matching services were present in the market, they were very basic on-line portals with no differentiated services. The job matching service providers were the Public Employment Service, four university career guidance centres; the daily print press (the largest matching services provider at the time); and web based, job search engines which represented a small but growing service area.

Furthermore, there was no recruitment agency: generic consulting companies provided recruitment services on an ad-hoc basis. There were no temporary work agencies operating. Public sector matching services were viewed as inefficient.

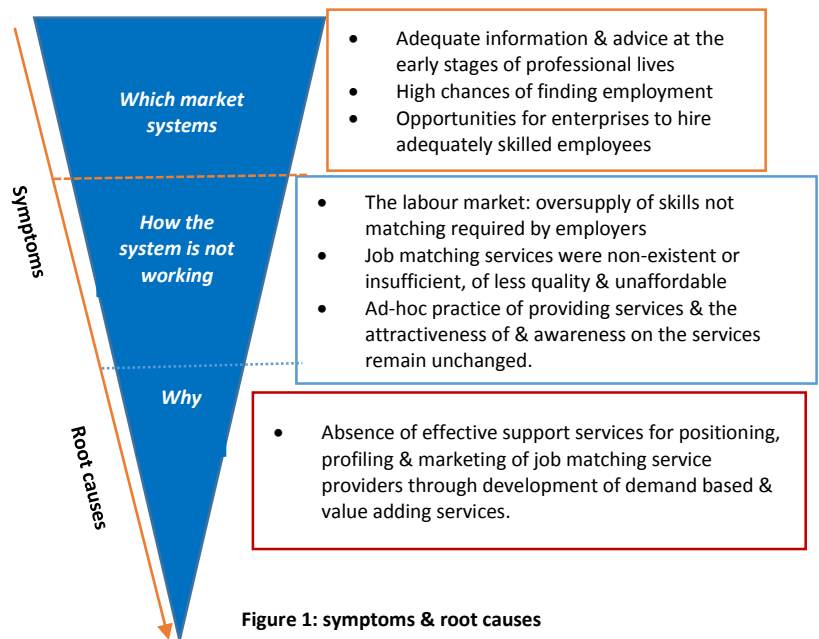


Figure 1: symptoms & root causes

The lack of efficient private and public job matching services meant very few employers were using matching services. Most employers were using print media to advertise vacancies. Employers also preferred to reach out to family and personal networks to find new employees. Additionally, employers (and job seekers) were starting to migrate from print to digital based services due to high transaction costs – searching costs, long transition times, and unfilled vacancies.

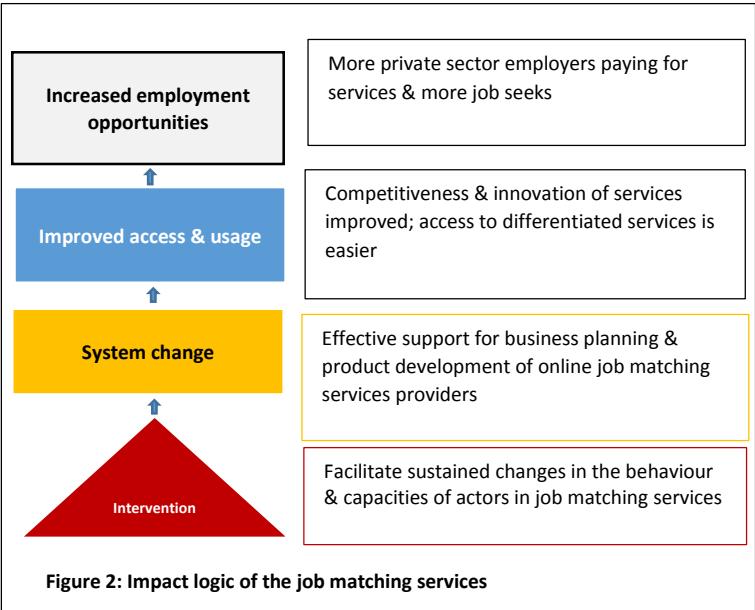
The analysis of the EYE project showed that the underlying cause for the underperformance of the system **was lack of support to job matching service providers for positioning, profiling and marketing through the development of demand based and value adding services.** Services were

constrained by a lack of quality providers, including market awareness, sustainable business models and marketing strategies. Improvement in these areas would increase awareness of the benefits of job matching services to young job seekers (their needs and behaviour) and to private employers (meeting skills and types of work).

2. Strategy and vision

The strategic vision of the EYE project was the development of **appropriate, accessible and affordable online portals that provide demand driven and innovative services for job seekers**. The strategy comprised **four broad ‘thrusts’**:

1. **Defining the objective(s) for the job matching service intervention**, including the potential to reach large numbers of young job seekers in Kosovo through online portal services. The objective was **greater employment opportunities for young women and men in Kosovo**.
2. **Identifying opportunities benefitting young job seekers**. The project determined that accessible, web based portals, and related services, had high potential to match young job seekers with job opportunities.
3. **Assessing feasibility for stimulating job matching service system change**. The project assessed which market players had both the incentives (will) and the capacity (skill) to support change. Momentum included the shift from newsprint to services by online portals, with lower transaction costs, increasing demands from private employers for employees with relevant skills, a recognition of the youth employment problem by government and other related policies.
4. **Detailing out project design process**. The project established a strategic framework for the job matching service intervention area and set indicators and targets for improved access to employment for job seekers and increasing opportunities for youth employability/employment.



3. Implementation

There were **two main sets of actions** undertaken:

1. Conducting and reviewing of pilot interventions
2. Conducting of supplementary interventions that stimulated ‘crowding-in’ of service providers, employers and job seekers

There were two key market partners for the pilot job matching service intervention: [KosovaJob](#) and [PortalPune](#). They were existing, single and basic service, job portals, based in Pristina (Kosovo). They were selected through a process that involved an analysis of all existing market players, a concept note and a formal application with a business plan. The evaluation of the businesses and their plans was facilitated by engaging a co-facilitator, [KOLEKTIV](#) in Sarajevo (Bosnia & Herzegovina). KOLEKTIV is a regional specialist in the provision of job matching services and a part of a seventeen country network. Detailed evaluation matrices, with reports and scores, were developed.

The objective of the new business model was to **develop the job matching service through marketing and new value-added services**. The project targeted commercially sustainable operations within the few promising private job matching firms. The incentive was increased and sustained profits. This would increase awareness of the benefits of job matching services to young job seekers

and to private employers, and would help ensure the relevance and sustainability of services to address the needs of young job seekers and private employers.

To support the development of a new business model, the project assisted the selected online portals through a co-financing grant. The grant was used to mitigate some of the risks associated with the introduction of new services and to support the implementation of approved business plans.

The project and the two selected online portal providers collaborated to ensure job matching services become a potential for growth and the main channels, through which, young women and men would be able to access information about job vacancies. The project supported the providers through increasing awareness among private sector employers on the value of these job matching services. The key to the success of the new business model was to ensure the willingness of private sector employers to pay for such services.

The project then started sharing the experiences/evidence with other potential providers to stimulate expansion of the market, which had limited scale through more service providers. Although the market was ‘thin’, the analysis and design by the project indicated that it was large enough to sustain a few players in a competitive environment in terms of number of users (job seekers and employers). The project monitored additional opportunities and stimulated further actions; it also monitored and documented any independent initiatives by other providers without its support.

Box 1: Action – Main highlights

Where the project intervened

- Support market system to stimulate changes in capacity & behaviour of job matching providers & users

Who the project engaged

- Two job portals KosovaJob and PortalPune.; one regional service provider, KOLEKTIV
- Considered the ambition, realism, validity and positivity of the potential job matching service providers

What ‘right-sized’ support given

- Development of business plans
- Co-financing to mitigate risks in introduction of new services
- Monitoring & knowledge management system
- Overall consistency of action with strategy

4. Results

The job matching services intervention has addressed underlying constraints, including the inefficient and ineffective linkages between the demand for skills and the supply of skills. **Evidence, generated through the monitoring system, highlights that more and better job matching services are aligned to increased awareness and readiness of both employers and job seekers to use these services.** This is illustrated by the comparatively large number of enterprises that have paid to publish job advertisements (see table below). The effective market delivery of these various innovations and initiatives has resulted in increased business revenues and trading surpluses.

There are now nine job matching service providers. The 2012 baseline indicates that there were then three, including the two selected market partners. The market is expanding and, consequently, the number of market users (job seekers and employers) are growing. Many of these market players offer basic job matching, through a digital platform. For some, job matching is secondary to news services and, for others, the activities are limited to disruptive (and unethical) copying and pasting from other sites. Others are differentiating their services and are starting to grow the number of paying clients, the number of job seekers and their own revenues.

Indicator	Baseline in 2012	2013-2015 (three years average)
No of Vacancies advertised through private service providers per annum	1,000	20,567
No of job seekers using job matching services	8,041	65,347
Total gross income earned by supported service providers	EUR 5,000	EUR 58,729
No of enterprises using service providers	620	1,684
No of paid for advertisements per annum	0	1,128
No of unique visitor “clicks” to service providers sites per annum	490,718	1,102,384
Table 1: Summary of key figures showing achievements between 2012 and 2015		

The job matching service market is growing and diversifying and market leaders are emerging. Licencing and regulations were introduced by the Ministry of Labour and Social Welfare. This happened without the project’s contribution. If properly enforced by the government, this will neutralise the more disruptive elements in the market, indeed, together with more sophisticated demands from employers (better digital matching services, job advertisements, job seeker training services, recruitment services, human resources development services and head hunting services).

One of the market players has been contracted to become the network partner of KOLEKTIV. This exposure to new markets and new demands will fundamentally change the job matching service market in Kosovo. It has the potential to reach scale in less time.

Box 2: Behavioural changes – some examples

- **Job matching service providers:** transition towards recruitment and other value adding human resource development services;
- **Employers:** willingness to pay for services and changes in hiring behaviour linked to greater awareness and requests for more sophisticated recruitment services;
- **Job seekers:** willingness to pay for services; transferring soft skills to other job seekers; using smart mobile applications to access job markets;
- **The public sector:** formal recognition of the role of the private sector in the provision of job matching and other employment services; willingness to collaborate; policy changes around partnerships with the private sector and licensing and regulation of private providers.

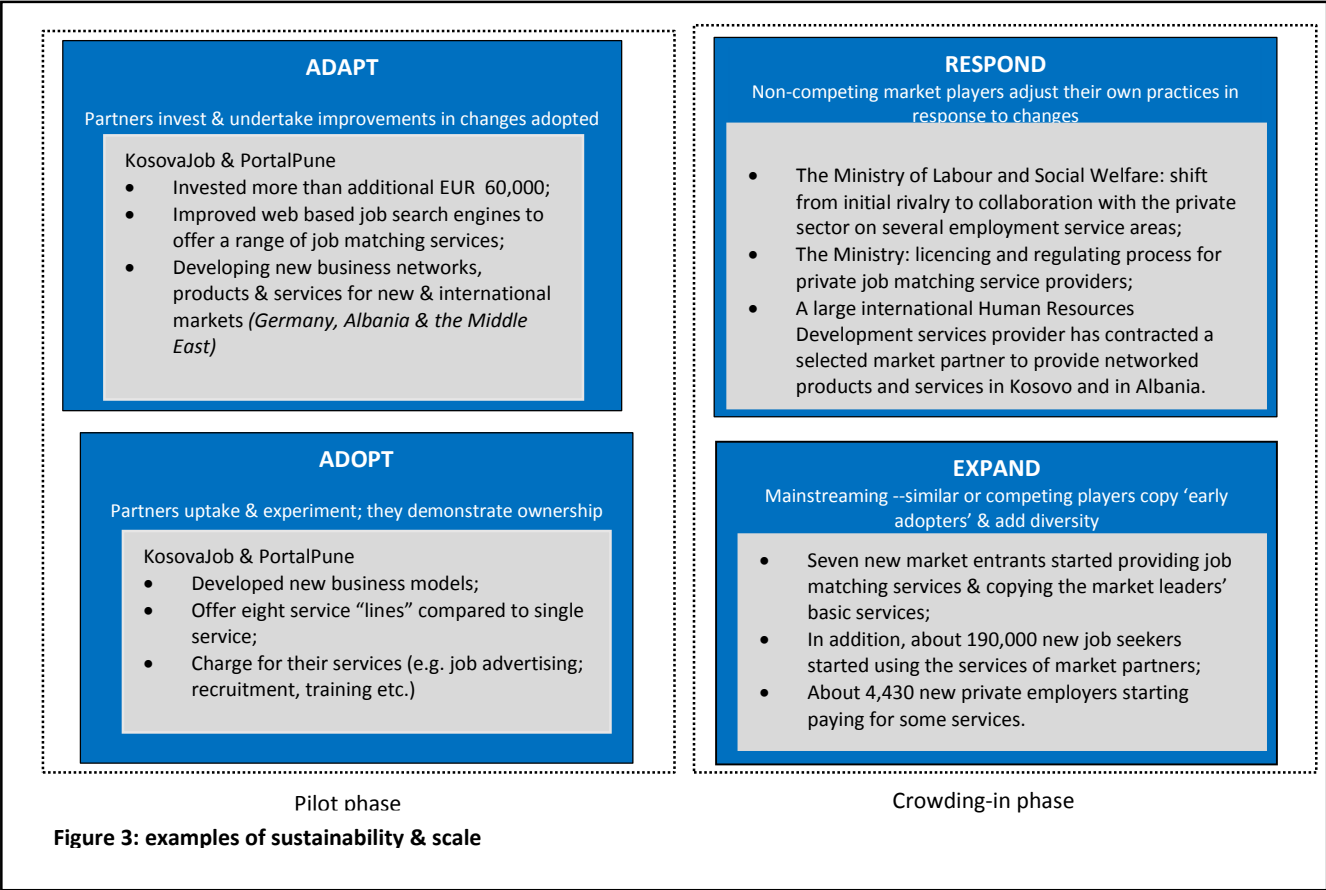


Figure 3: examples of sustainability & scale

5. Lessons

- **Understanding a rapidly changing market system:** In rapidly changing market systems, such as job matching services in Kosovo, market diagnosis should be iterative and adaptive and, ideally, be undertaken more frequently. New information should be reflected in the project (intervention) M&E indicators. This would help ensure that the intervention plans and activities reflect changes that were taking place in the ever-evolving external market system.

- **The role of communication and knowledge sharing:** Intervening in interconnecting / intersecting markets brought synergy (contribution and aggregation). However, optimising project outcomes required very effective internal communications, including regular knowledge sharing events between those who were responsible for the various project interventions. This process should be embedded in the project management (including guidelines) and should be enforced and facilitated by project managers.
- **Clarity of roles among project staff, co-facilitators and market actors:** To avoid unnecessary barriers to progress, co-facilitators should be embedded into the project at the outset. This would help to ensure that innovations, skill and knowledge transfers and business models are relevant and well supported and it would help ensure the avoidance of early mistakes relating to market research, business modelling and services development.
- **When to phase out?** Continuation of intervention beyond addressing the main constraints has the risk of displacing or distorting other incentives or investments; and perhaps the presence of the project has become a 'blocker of change' or has the potential to create 'perverse incentives' for more changes.