

# 19th Annual Meeting of the European Network on Regional Labour Market Monitoring

Lugano, Switzerland 5. – 6. September 2024

## Occupational Mismatch Within the Lazio Region: a Case Study

Dr. Francesca Parente

Regional Observatory on Labour, Training and Education Policies |  **REGIONE LAZIO**

Italy

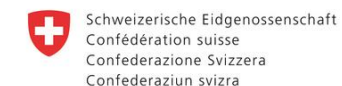
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# Mismatches in the Labour Market

- In 2022, 12.3% of the labour force faced an unmet supply of employment → Italy: 19.5% - Spain 21.3% (Eurostat 2024)
- Different kinds of “non-in-employment” → Italy: EU widest portion (45%) of *available to work but not looking for a job*
- 2020 increase in inactive population and NEETs (+1mill)
- ITA job vacancy rate up to 2.3 % by end of 2023 (Istat 2024)
- Lazio Region +6.4% (on 2022) for recruitments planned by local firms (Excelsiors - Unioncamere, Anpal 2024)
- 45% of total hirings foreseen by the employers showed difficulty in finding the searched candidates →
  - mismatch of professional profiles (28.4% of cases in 2023)
  - inadequacy of required skills (around 12% of total recruitment)





# The Italian case study

- Channels\* to match labour *demand* and *supply* →
  - around 40% known personally
  - 35% spontaneous applications and CV received
  - 33% introduced by friends and relatives
  - 13% trade unions and associations, other recruiters
  - 12% online ads and social media
  - **around 10% PES** or private recruitment agencies
  - 7% other firms (competitors/suppliers) or education institutions

*\*sum of percentages exceeds 100 because firms could flag multiple answers  
(data source: Excelsior – Unioncamere, Anpal 2024)*

- Lazio firms resorting to PES are 6% of those surveyed in 2023

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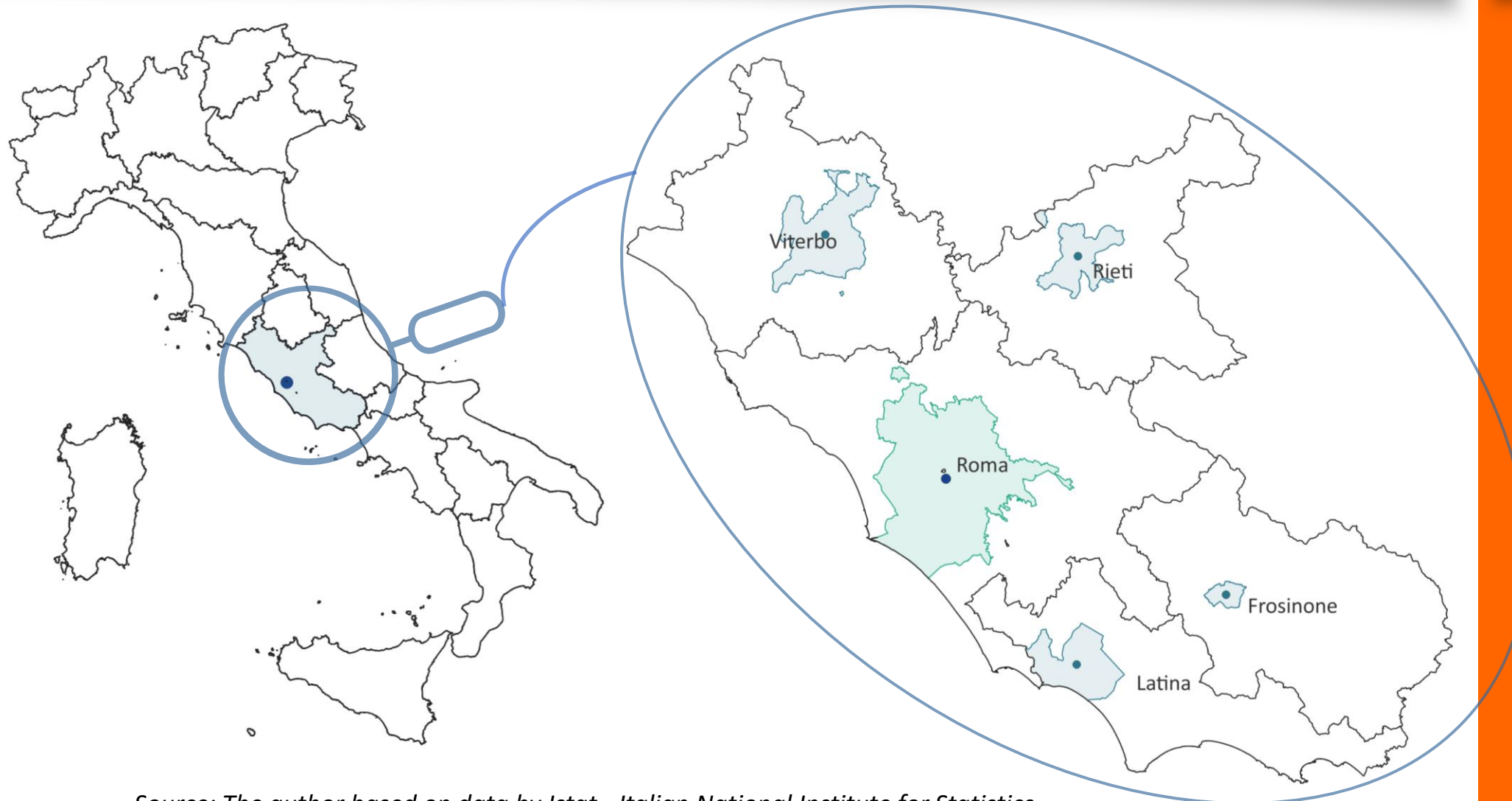
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# Active Labour Market Policies structure

- National network restructured by decree law in 2015
  - National Agency for ALMPs (ANPAL, under further restructuring)
- Steering by the Ministry for Labour and Social Policies
  - Directorate for ALMPs → unitary policy guidelines
  - Essential Levels of Provision (ELPs) and common min. standards
- Service provision by local administrations
  - Since July 2018 → Regions over Provinces
  - In 2019 launch of a national plan to enhance the PES
    - 60% of actual implementation – territorial imbalances
- Since 2022, ALMPs included into the National Recovery and Resilience Plan (NRRP) Agenda – Mission 5, Employment
  - GOL Programme (Garanzia Occupabilità Lavoratori)  
= *Workers Employability Guarantee*



# Our places: the Rome Region



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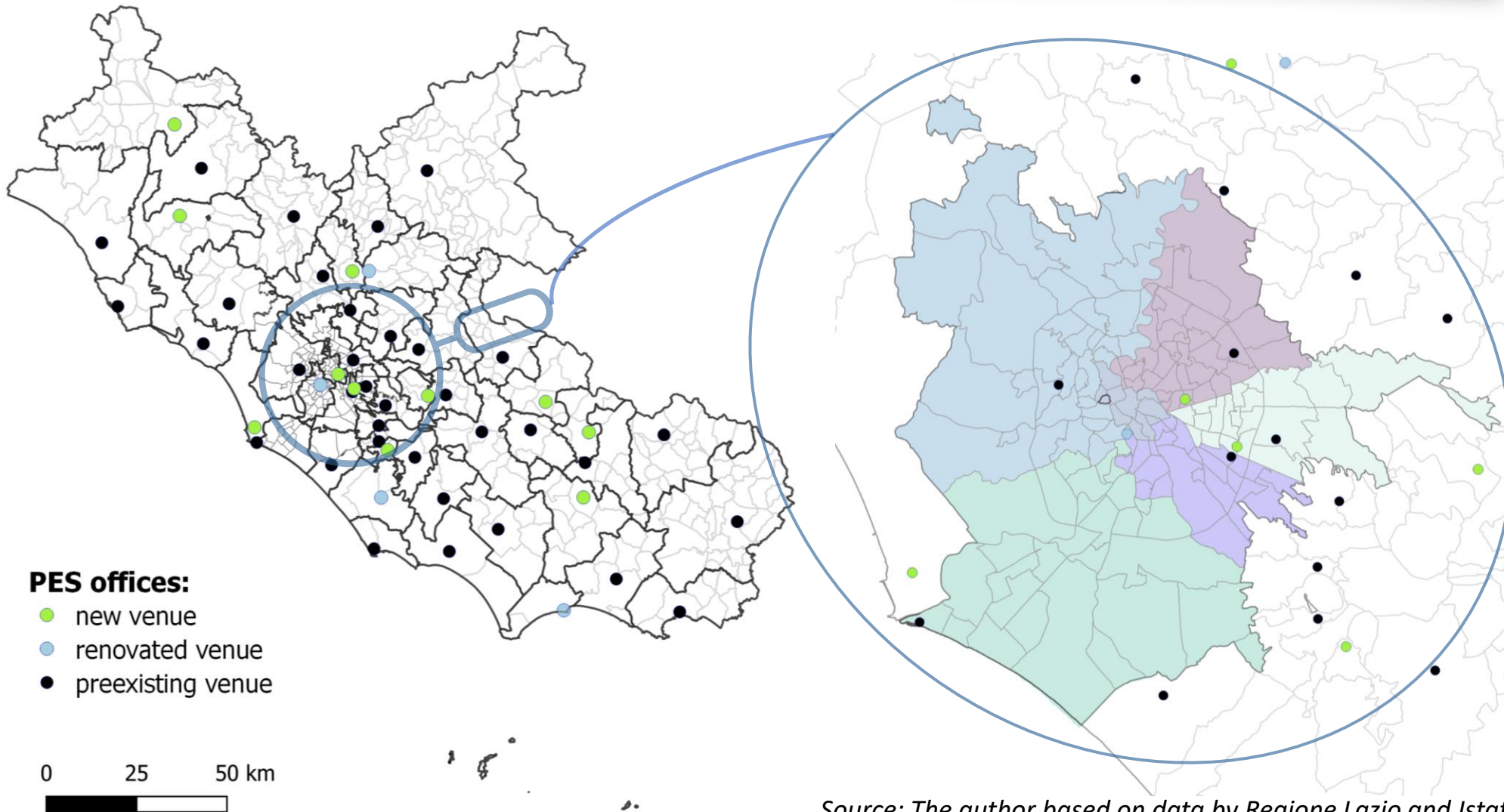
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# The territorial PES network



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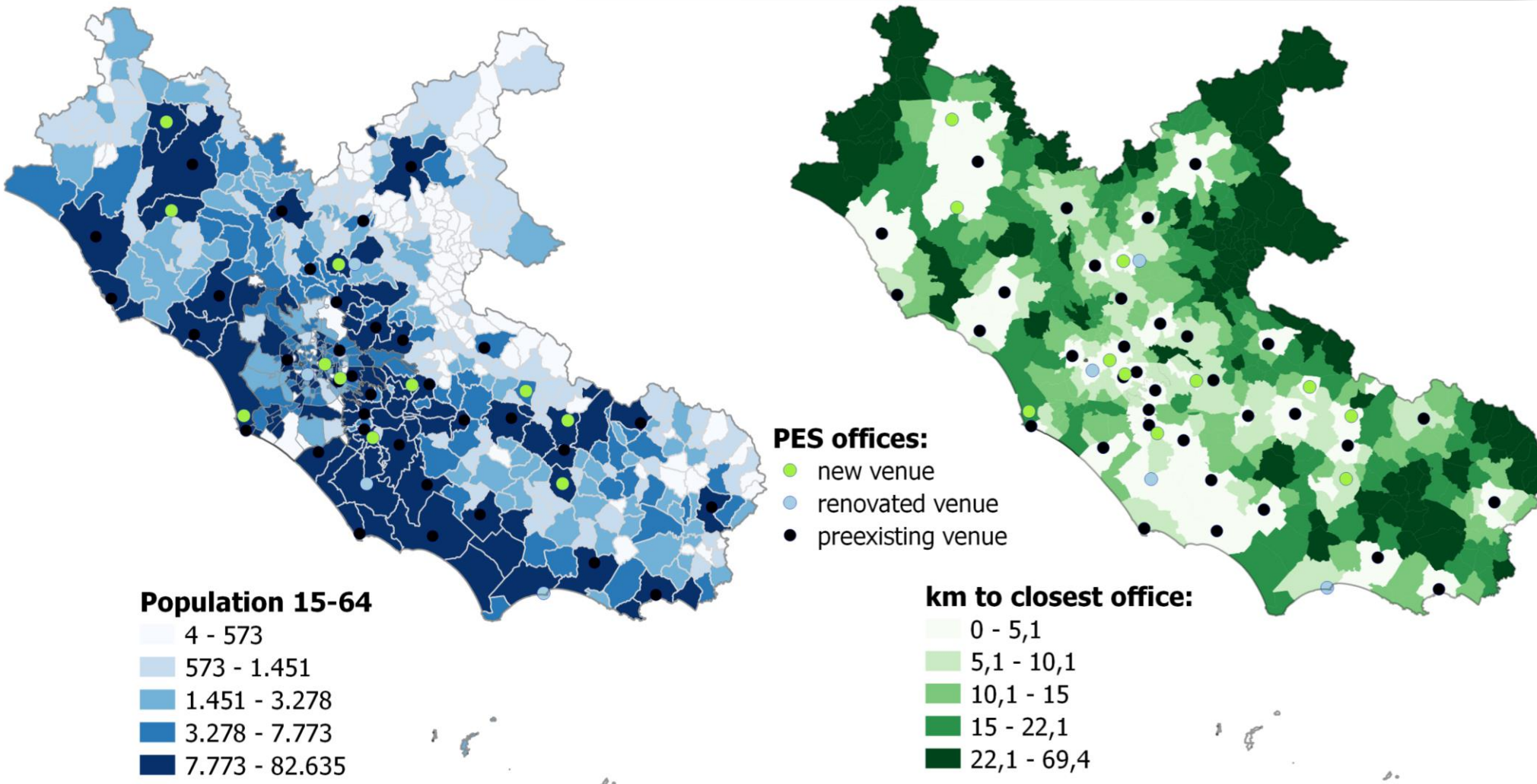


# Population and distances to job services



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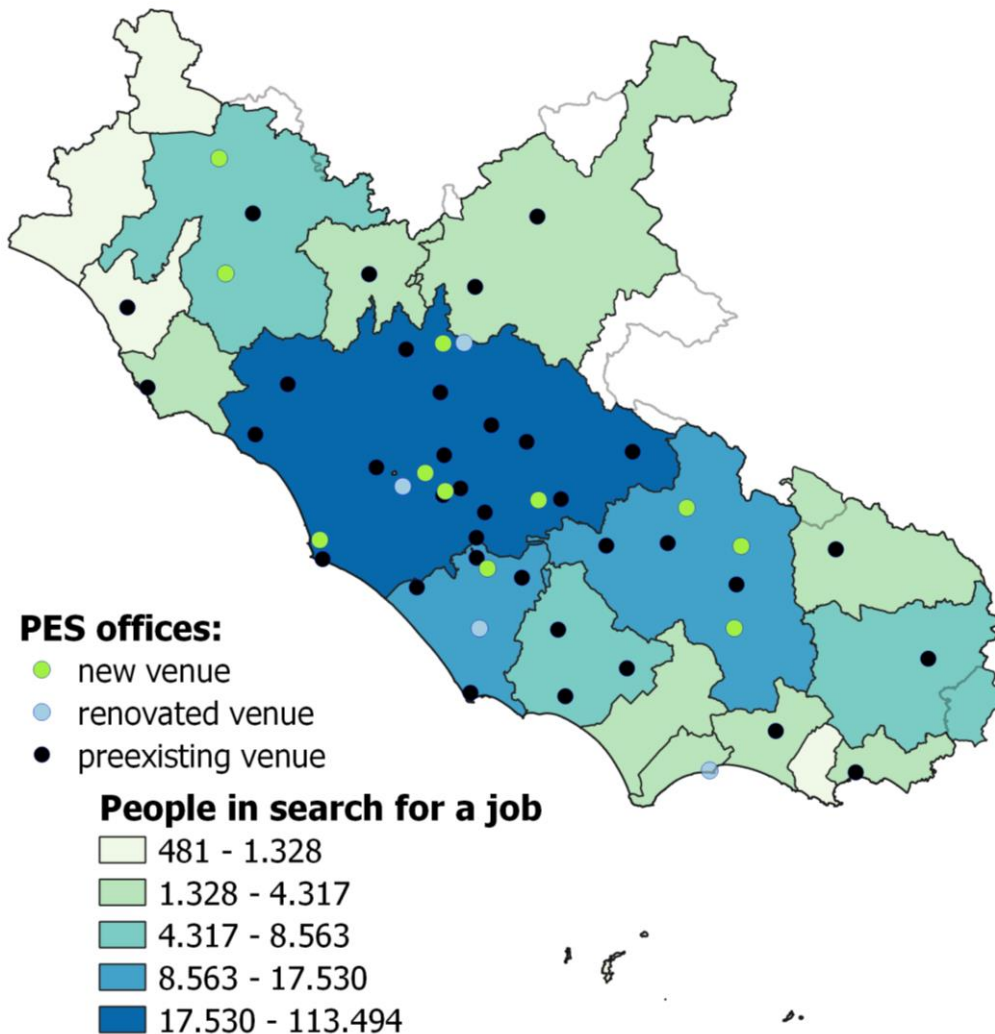
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Source: The author based on data by Regione Lazio and Istat - Italian National Institute for Statistics

# Job search in LLMS

- 18 Local Labour Market Systems → Rome is the wider in Italy (extension)
- LFS data (Istat, 2024) → people actively searching for a job in 2023:
  - average decrease of 5%
  - +2% on 2022 for both employed and LFs
  - steady population >15
- Unemployment rate →
  - higher in southern LLMS
  - Ranges from 5,7% to 10,6%
  - slightly decreased in 2023



Source: The author based on data by Regione Lazio and Istat







# The current policy scheme: GOL

- Financed by Next Generation Europe funds and in force since 2022
- Emphasis on training and professional development → based on qualitative profiling, participants are sorted into **four** different **paths** according to their estimated distance from the labour market:
  - 1) *ready to work* → only guidance and support in the active job search
  - 2) *upskilling* → short-term training before addressing the job search
  - 3) *reskilling* → longer-term training before being ready to search for a job
  - 4) *work and inclusion* → complex needs besides the unemployment
- They are also grouped into **six** different **categories** of general PES **users**:
  - 1) recipients of social safety nets benefits, whilst in employment
  - 2) recipients of social safety nets benefits, in unemployment
  - 3) recipients of minimum income schemes
  - 4) vulnerable and fragile workers
  - 5) unemployed not qualifying for income support
  - 6) working poors

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# Labour supply and PES data

- GOL beneficiaries as mixed subgroup of the unemployed in the Lazio Region → available labour supply at the local level
- Regional internal monitoring database → originating from the administrative archive, powered by the operators of the *employment centres* → information registered with the procedure to be taken in charge by the Programme
- For each user reached, these files store information on:
  - 1) sociodemographic characteristics → age, gender, level of education
  - 2) user profiling → previous participation in other unemployment schemes, allocation group in the current programme and related assigned activities
  - 3) career aspirations → collecting up to three preferences expressed for specific job titles (according to Istat classification of occupations)



# Labour demand and Excelsior data

- Project started in 1997 by Unioncamere (Chambers of Commerce)
- Supported by the Ministry for Labour and Social Policies
- Part of the National Statistical Programme
- Developed jointly with ANPAL since its establishment
- Monthly survey on a sample of 500.000 firms located throughout the country, operating across all economic sectors and of different size, to:
  - provide insights about employment needs in terms of:
    - required occupational title and sector of economic activity
    - preferred educational attainment of job candidates
    - their expected work experience and skills
  - fuel a multisectoral econometric model resulting in medium-term forecasts on the labour demand trends (active since 2010)
  - inform and support the related policy planning, also in terms of education and training needed by the labour force to better meet employers' expectations → *lowest territorial detail is provincial*

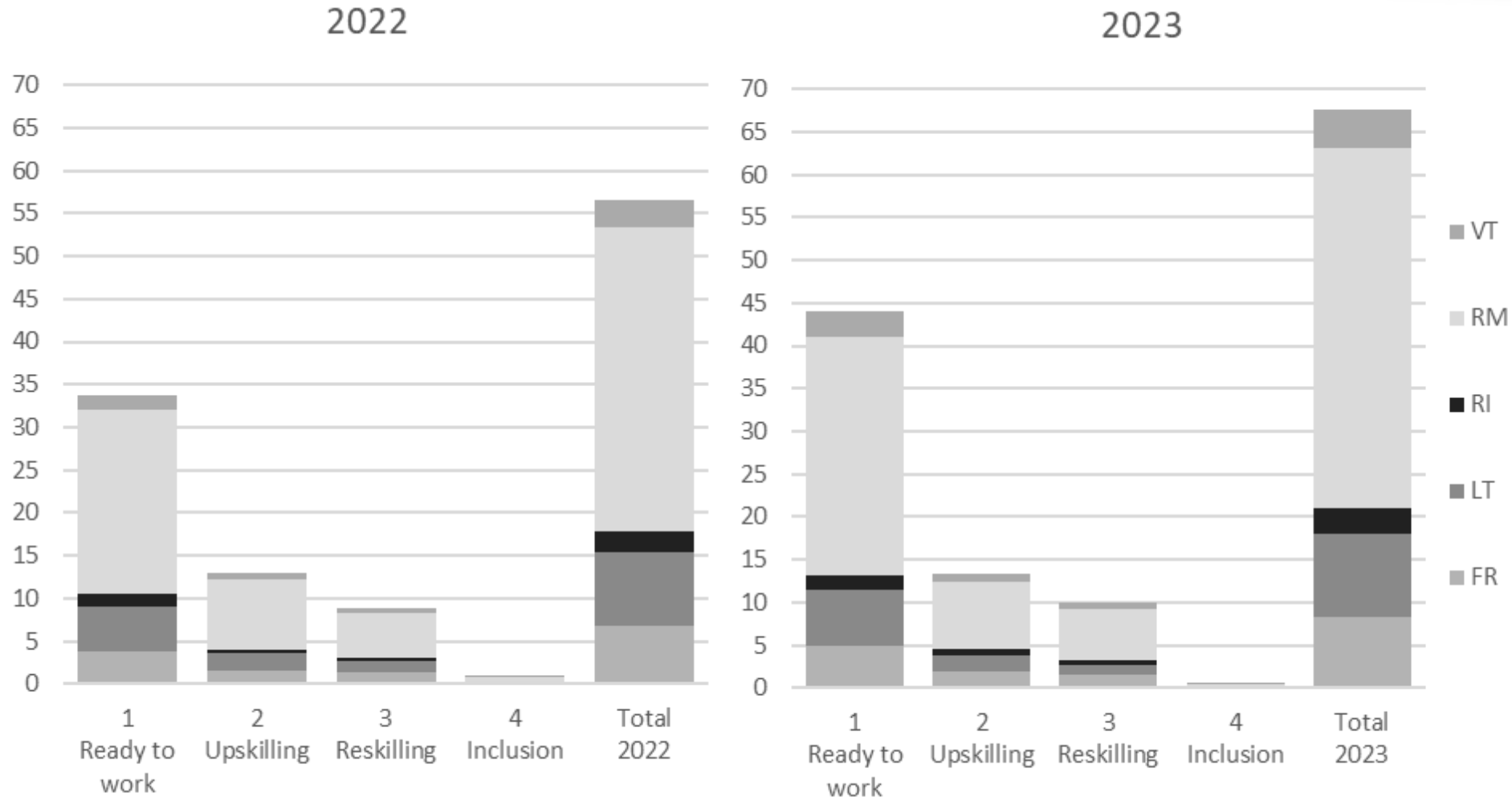


# Our analysis

- AIM → contributing to the measurement of occupational mismatch within the local labour markets in the Lazio Region
- STRATEGY → focusing on job titles, we compared the most sought-after occupations by employers located in our region with the career aspirations declared by PES users when applying for ALMPs
- SOURCES → *labour demand* from the Excelsior project estimates *labour supply* from our internal administrative databases
- DATA → referring to GOL Programme, a subgroup of unemployed population over the two-year period between 2022 and 2023
  - differentiated in terms of socio-demographics and target groups (e.g. those in need of income support or upskilling - reskilling)
- METHOD → exploratory analyses by user profiles to assess how far the beneficiaries of this measure are from the demand of their potential employers → as a ratio of the unemployed to the searched job profiles of their interest, we obtained an *employment needs coverage* differentiated by occupations, territories, age, and level of education



# Distribution of users among GOL target groups



Source: The author based on data by Regione Lazio, values in thousands.

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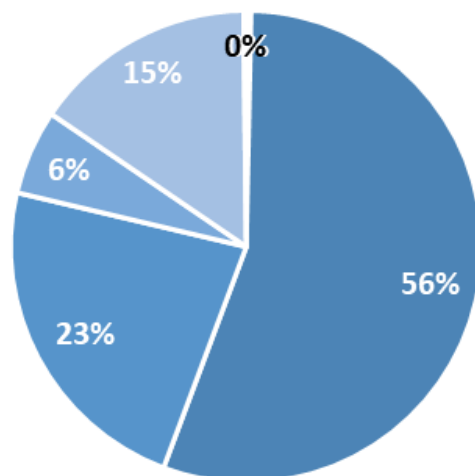
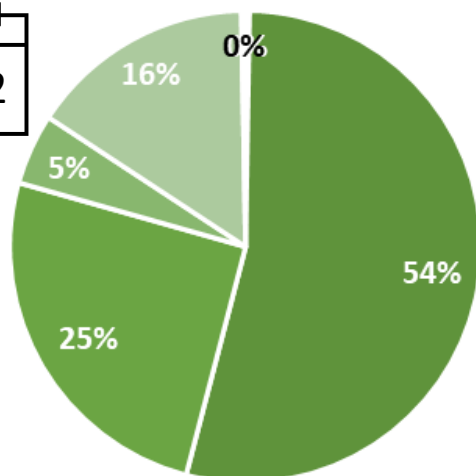


# Distribution of GOL users among target categories

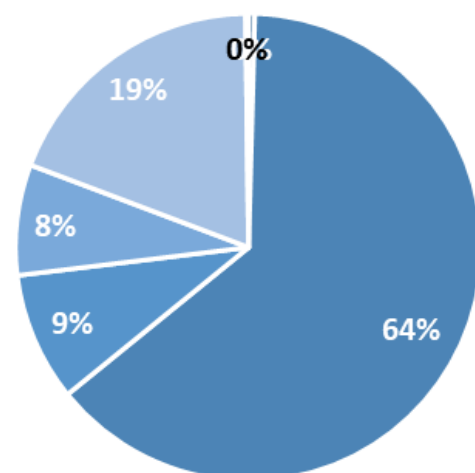
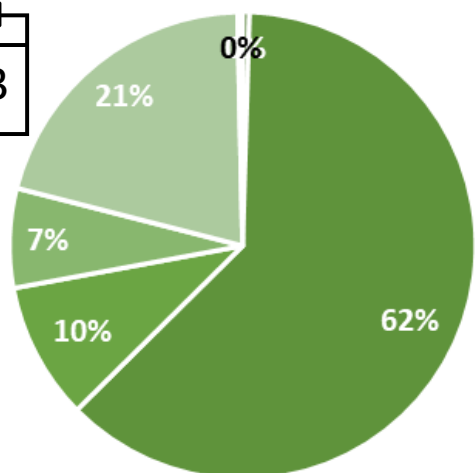
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2022






2023



■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6

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Source: The author based on data by Regione Lazio

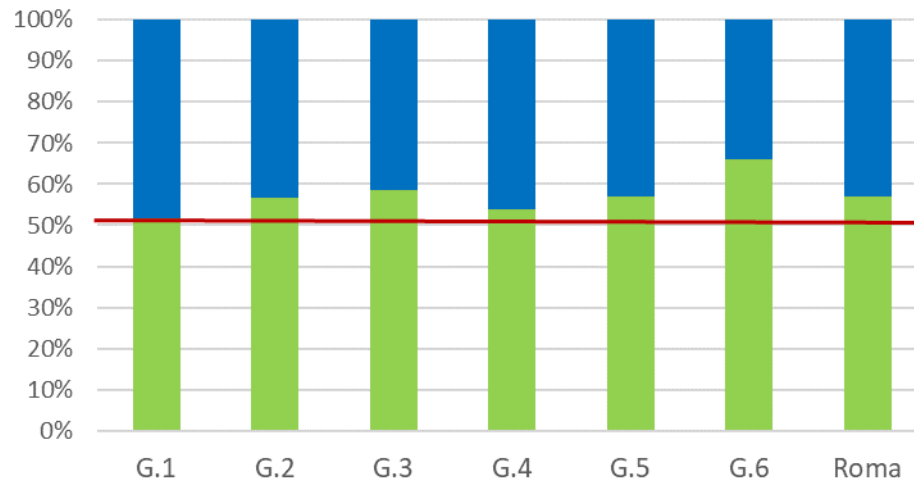
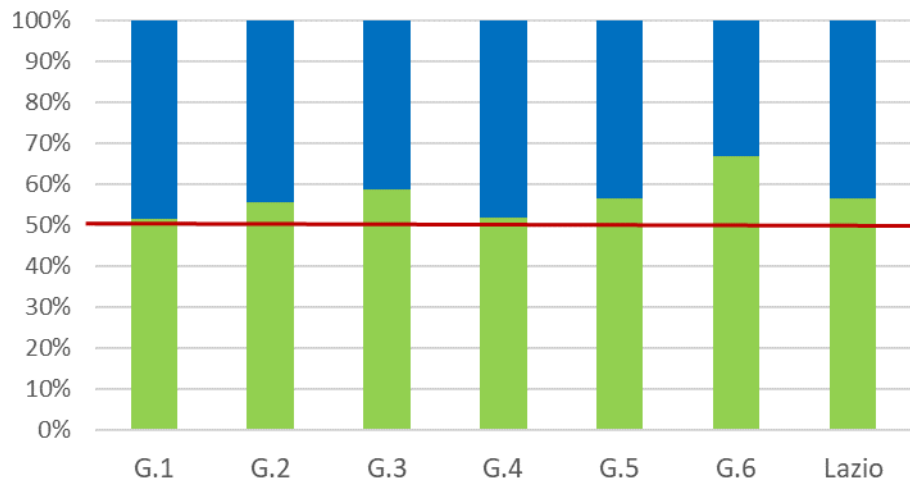
- Similar composition for **women** and **men**
- Territorial homogeneity
-  unemployed with *ssn* benefits
-  minimum income scheme
-  unemployed not qualifying for any income support

- 1 *recipients of social safety nets benefits, whilst in employment*
- 2 *recipients of social safety nets benefits, in unemployment*
- 3 *recipients of minimum income schemes*
- 4 *vulnerable and fragile workers*
- 5 *unemployed not qualifying for income support*
- 6 *working poors*

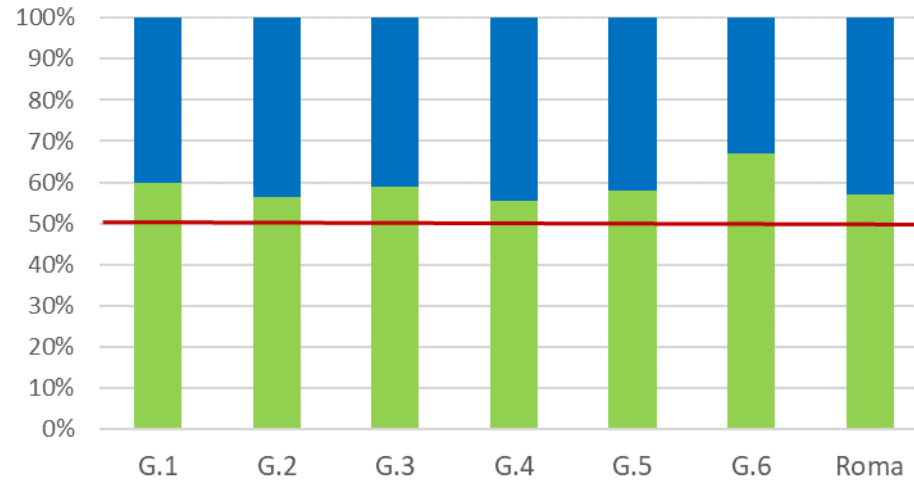
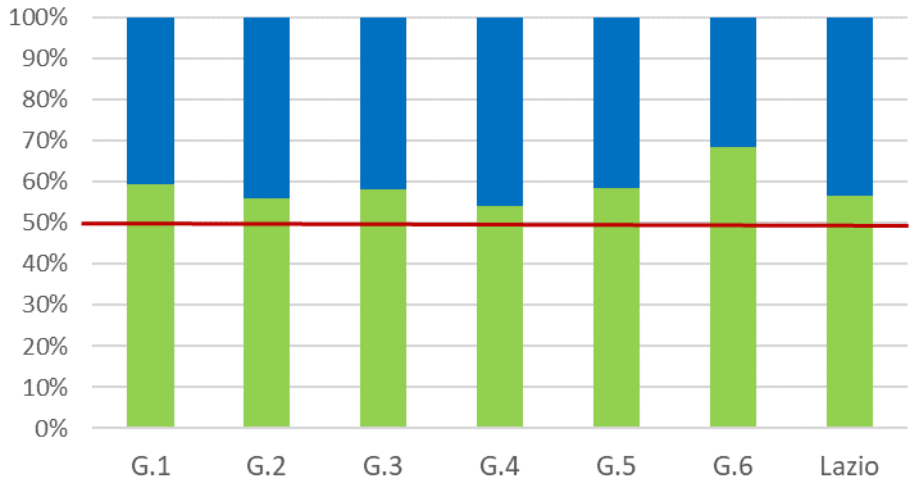
# Gender composition across the six users categories



2022



2023



F M

F M

Source: The author based on data by Regione Lazio

# Occupational mismatch: main groups



## Employment needs coverage by main occupation groups and territories

OCCUPATIONS	Lazio	FR	LT	RI	RM	VT
1 - Managers	31%	47%	92%	60%	27%	33%
2 - Professionals	9%	29%	39%	48%	7%	30%
3 - Technicians and associate professionals	8%	16%	23%	39%	6%	19%
4 - Clerical support workers	22%	55%	63%	78%	17%	56%
5 - Qualified service and sales workers	14%	31%	18%	27%	12%	16%
6 - Crafters and skilled agricultural workers	10%	9%	12%	13%	9%	15%
7 - Plant and machine operators and assembles	6%	10%	8%	5%	4%	8%
8 - Elementary occupations	10%	40%	21%	28%	7%	21%
<b>Total 2022</b>	<b>11%</b>	<b>22%</b>	<b>20%</b>	<b>24%</b>	<b>9%</b>	<b>19%</b>
1 - Managers	26%	23%	160%	*	21%	105%
2 - Professionals	15%	122%	56%	162%	10%	80%
3 - Technicians and associate professionals	10%	26%	34%	38%	7%	28%
4 - Clerical support workers	22%	57%	65%	128%	16%	87%
5 - Qualified service and sales workers	13%	26%	16%	35%	11%	22%
6 - Crafters and skilled agricultural workers	10%	10%	14%	21%	9%	18%
7 - Plant and machine operators and assembles	7%	12%	11%	11%	6%	12%
8 - Elementary occupations	9%	33%	27%	56%	5%	26%
<b>Total 2023</b>	<b>12%</b>	<b>26%</b>	<b>22%</b>	<b>40%</b>	<b>9%</b>	<b>28%</b>

\* some users expressed it as job preference, but no related vacancies emerge from the Excelsior database.

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# Occupational mismatch: job titles

- GOL users are just a portion of regional unemployed pool
- Difference of coverage between the two years
  - Higher and (especially) lower needs remain stable on average
    - across occupations and job titles
    - across subregional territories
- While among the job titles of the first groups there is no big difference and the provincial distribution stays in line with the main occupation group average → the field of expertise matters for the professionals (code 2):
  - social sciences, and especially education & research (code 2.6), show the highest variation range → also one of the highest levels of needs coverage, despite not so much requested by the firms



# Youth employment



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## Employment needs coverage by occupation groups and age classes preferred by the firms

	All ages	no specific age preference					under 29 years old				
		FR	LT	RI	RM	VT	FR	LT	RI	RM	VT
1 - Managers	29%	2%	15%	20%	3%	5%	*	*	*	*	*
2 - Professionals	9%	2%	2%	3%	0%	5%	0%	0%	0%	0%	1%
3 - Technicians and associate professionals	8%	2%	3%	8%	1%	3%	1%	1%	8%	0%	2%
4 - Clerical support workers	22%	12%	14%	23%	4%	16%	5%	5%	9%	1%	4%
5 - Qualified service and sales workers	14%	24%	16%	17%	9%	13%	5%	2%	6%	1%	2%
6 - Crafters and skilled agricultural workers	10%	7%	11%	14%	8%	15%	2%	2%	2%	2%	2%
7 - Plant and machine operators and assembles	6%	5%	6%	6%	3%	6%	2%	1%	0%	1%	2%
8 - Elementary occupations	10%	28%	18%	26%	5%	19%	11%	4%	2%	1%	3%
<b>Total 2022</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>15%</b>	<b>5%</b>	<b>12%</b>	<b>4%</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>	<b>2%</b>
1 - Managers	24%	7%	23%	*	2%	10%	*	*	*	540%	*
2 - Professionals	15%	4%	2%	8%	1%	5%	191%	102%	198%	15%	131%
3 - Technicians and associate professionals	10%	3%	4%	5%	1%	4%	74%	68%	164%	17%	81%
4 - Clerical support workers	22%	9%	16%	42%	4%	22%	112%	118%	213%	37%	195%
5 - Qualified service and sales workers	13%	13%	14%	25%	8%	21%	37%	15%	45%	13%	19%
6 - Crafters and skilled agricultural workers	10%	6%	13%	19%	8%	18%	20%	15%	20%	9%	14%
7 - Plant and machine operators and assembles	7%	5%	7%	9%	4%	10%	35%	20%	10%	12%	16%
8 - Elementary occupations	9%	21%	23%	59%	4%	24%	74%	36%	44%	10%	27%
<b>Total 2022</b>	<b>12%</b>	<b>9%</b>	<b>13%</b>	<b>23%</b>	<b>4%</b>	<b>17%</b>	<b>52%</b>	<b>29%</b>	<b>52%</b>	<b>16%</b>	<b>34%</b>

\* some users expressed it as job preference, but no related vacancies emerge from the Excelsior database.

# Youth employment

- Age classes have been reduced to two broad categories:
  - *under 29 years old* → to highlight youth employment
  - *no specific age preference* → including any other occurrences
- on average, the GOL potential coverage of expected vacancies is slightly lower for the users under 29 of age compared to all the others → 9.8% against 11.9% in 2022  
11.6% against 12.3% in 2023
- Wide increase in younger users reached in 2023 → while the composition of demand appears quite stable, even if:
  - no territorial homogeneity → more relevant increase in RM and VT
- Despite both demand and supply are lower for the youth → needs coverage reveals differentials in several job titles



# Level of education



## Employment needs coverage by occupation groups and level of education preferred by the firms

OCCUPATIONS	All levels	not required	secondary	professional qualification	tertiary
1 - Managers	29%	*	2%	104%	13%
2 - Professionals	9%	*	0%	106%	6%
3 - Technicians and associate professionals	8%	*	0%	44%	4%
4 - Clerical support workers	22%	*	1%	86%	16%
5 - Qualified service and sales workers	14%	20%	2%	22%	181%
6 - Crafters and skilled agricultural workers	10%	16%	2%	7%	*
7 - Plant and machine operators and assemblers	6%	4%	1%	25%	*
8 - Elementary occupations	10%	8%	3%	32%	*
<b>Total 2022</b>	<b>11%</b>	13%	1%	29%	8%
1 - Managers	24%	*	53%	2%	13%
2 - Professionals	15%	*	31%	4%	11%
3 - Technicians and associate professionals	10%	*	16%	1%	6%
4 - Clerical support workers	22%	*	21%	4%	18%
5 - Qualified service and sales workers	13%	35%	17%	2%	357%
6 - Crafters and skilled agricultural workers	10%	28%	13%	1%	*
7 - Plant and machine operators and assemblers	7%	13%	16%	1%	*
8 - Elementary occupations	9%	12%	25%	1%	*
<b>Total 2023</b>	<b>12%</b>	24%	19%	1%	11%

\* some users expressed it as job preference, but no related vacancies emerge from the Excelsior database.

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# Level of education

- Education has been reconducted to:
  - *tertiary* → ranging from ISCED 5 to 8
  - *secondary* → as for ISCED 2 and 3
  - *professional qualification or training* → as a proxy for ISCED 4
  - *not requested* → including the lowest levels of ISCED 1 and 0
- on average the GOL potential coverage of expected vacancies was quite low for qualified profiles in 2023 → only 12% between ISCED 4-8
  - even though the occupations for which employers more often require a professional trainings are in line with those more researched by users having that level of education (5.2, 6.1, 8.1) → coverage reaches 1% only
- Wider 2023 increase in GOL users for those with high school levels → while more demanded titles became professional qualifications
  - this is also the case for bigger reductions of employment needs coverage
- Differentials between specific job titles reflect demand structure



# Training offer within the GOL Programme



- NRRP Milestones foresee → Target 1. reached users  
Target 2. trained participants
- Lazio Region accounts for the 8,5% of 1<sup>st</sup> and 7,3% of the 2<sup>nd</sup>
  - latest goal → 85.200 participants, 18.175 with training (7.270 dgt skill)
- Half of GOL users (considering the whole july2022-july2024) have been assigned to training → equally between up/re-skilling
- Catalogue of available courses relies on the National Skills Plan (2021) to sustain green and digital transitions, distinguishing among →
  - basic and transversal skills
  - digital skills – different levels tailored to the professional needs
  - specialised vocational skills – by employment needs and vacancies
- Employers' requirements drawing upon Excelsior

# Further insights

- focus on users in need of *upskilling* and *reskilling* → to link this more detailed information to additional statistics collected within the Excelsior survey, concerning the level of job experience and the kind of skills required by the employers per each occupational title
- insights on the six categories of PES users (e.g. income support or not)
- in-depth exploration of territorial distribution of considered dimensions, possibly referring to local jurisdictions of job centres instead of provinces
- disentanglement of the analyses by a gender perspective
- examination of the job history of those who joined the GOL Programme would serve the purpose of evaluating their employment outcomes, based on different participation profiles and researched job titles
- to assess the coherence of their accomplishments with any trainings undertaken, either within GOL or previous and following job positions





# Job experience and skills

Occupational mismatch by expected previous experience of candidates → matching the preferences expressed by the employers with the type of GOL users as following:

- No previous experience → upskilling / reskilling / inclusion
- Experience acquired → ready to work

**Employment needs coverage by main occupation groups and required experience**

OCCUPATIONS	2022		2023	
	Experience	Not requested	Experience	Not requested
1 - Managers	26%	580%	22%	690%
2 - Professionals	8%	29%	13%	48%
3 - Technicians and associate professionals	7%	12%	8%	19%
4 - Clerical support workers	26%	17%	25%	18%
5 - Qualified service and sales workers	13%	17%	13%	13%
6 - Crafters and skilled agricultural workers	6%	22%	8%	16%
7 - Plant and machine operators and assembles	5%	6%	8%	7%
8 - Elementary occupations	9%	11%	9%	8%
<b>Regional Total</b>	<b>10%</b>	<b>14%</b>	<b>12%</b>	<b>13%</b>



# Conclusions

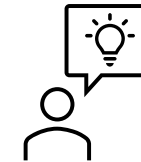
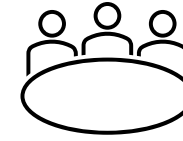
- GOL implementation is still in progress
  - ongoing data collection and elaboration on updated targets
  - ongoing structural adjustments → involvement of private job agencies
- Occupational mismatch → changes in the labour market and job profiles demanded by the regional employment structure
- Spatial distribution of mismatch and infrastructures
- Youth unemployment and levels of education → synergies with the education and training system
- Skills requirements → labour demand and training offer
- Need for a comprehensive analysis to combine all domains (?)



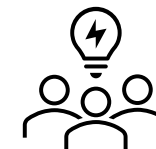
# Discussion and your inputs



- Similarity in analyses across different territories
- Difference in data sources
- Application of data treatments and methodologies
- Focus of analyses → occupation, level of education, age, skills profile, gender
- Comparability of institutional settings
- Policy relevance and responses



... any other ideas and suggestions...



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Thank you for your attention 😊

Dr. Francesca Parente | [fparente@regione.lazio.it](mailto:fparente@regione.lazio.it)

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*Occupational Mismatch Within the Lazio Region: a Case Study*

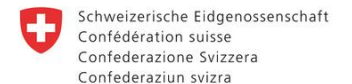
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