Building a resilient workforce in APAC in the wake of COVID-19
Global pandemic forces significant changes in the labor market

The impacts of the COVID-19 pandemic have created unprecedented challenges in labor markets around the world. The economic and social issues that were present before the pandemic are now heightened and the need to tackle them all the more urgent.

WCC is committed to supporting global Public Employment Services (PES) to become more agile in their approach to workforce development. Enabling governments to build sustainable labor markets that respond to the changing needs of their nations’ workforce and economy.

As part of this commitment, WCC hosted a virtual roundtable with senior representatives in Public Employment Services of Malaysia, the Philippines, Indonesia, and Vietnam. The attending parties shared the different issues each country is facing in employment and unemployment, looking to learn from each other’s experiences and solutions.
The insights revealed how Public Employment Services around the world can:

- Create actionable short and long-term strategies to support governments in building a more resilient labor market
- Find relevant, and appropriate digital transformation paths to suit their country’s unique situations and requirements
- Employ AI-driven skills matching to support workforce development
- Develop tactics and strategies to ensure both the people and economy are more resilient in the future
COVID-19 Pandemic
Key Impacts on the APAC Region

1. The COVID-19 outbreak has further exposed high percentages of informal unemployment across the entire APAC region.

2. The pandemic has highlighted the challenges faced by the region’s governments in their efforts to protect informal workers and vulnerable households.

3. The move towards digital transformation must be accelerated to address the deep divide to digital access, predominantly in lower-income countries. This includes providing better access to online learning opportunities and teaching programs. Failure to do so risks increasing the disparities in education and training and exacerbating inequalities.

4. While job retention efforts have had some success with mitigating the impact of the COVID-19 pandemic, there is a need for more structural and sustainable labor market management to stimulate job creation and workforce development.

5. Public Employment Services need to focus on re-employment through transferable skills, skills matching, or retraining.

6. Remote working can, and has, worked for both businesses and citizens. However, more robust initiatives and support are required to support this workforce.
Exploring the challenges presented by COVID-19

This section covers the overall challenges APAC territories are facing. It explores several important and potentially transformative opportunities that can help APAC territories become more resilient to fluctuations in the labor market and improve employment planning.

The challenges are great, but as the saying goes, from crisis comes opportunity. The extraordinary circumstances brought about by the pandemic can act as a motivator to address longstanding inequalities. These inequalities include access to the digital economy, disproportionate youth and female unemployment, and the need to enhance social protection for informal workers. But to prevent these marginalized groups from falling deeper into poverty, PES need to move fast.

We can achieve these important goals far more quickly and with more enduring and meaningful results when we share our experiences and learn from one another.
The challenges

**Barriers to digital technologies**
Before the pandemic, economists predicted that technological disruption will significantly affect the workforce in APAC territories. Digital transformation will be the driving factor in economic growth and will create a new demand for workers. The pandemic has accelerated the need for digital transformation and highlighted significant inequalities to digital tools, such as online learning.

**Lack of access to sustainable mechanization in agriculture**
The large rural areas in many APAC countries require specialized approaches to labor market management. Sustainable agricultural mechanization is just one of the solutions that can strengthen the resilience of the farming community to crisis situations.

**Tackling increasing gender inequality**
In December 2020, the International Labor Organization (ILO) reported that 81 million jobs were lost as the pandemic created turmoil across APAC. This continues to have a disproportionate impact on youth employment, especially young women. These groups face a tough labor market and did so even before the COVID-19 crisis began.
The technological solutions and other opportunities available to APAC PES in employment planning and labor strategy

While changing cultural perceptions of the APAC workforce and other socioeconomic factors clearly play a part in tackling labor market challenges, the panel agreed that technology can play a critical and transformative role in preparing PES in APAC for the future.

The following technological solutions were identified by the panel:

1. Public Employment Services pivoting to digital platforms
   This solution has already proved highly successful in some of the largest PES around the world. These digital platforms can provide the following:

   - Targeted and intelligent job matching based on AI-driven labor market knowledge and taxonomies. This means that jobseekers are connected to relevant and sustainable employment opportunities with minimum intervention from PES
   - Skills-based matching to identify alternative employment paths for the short or long-term unemployed
   - Identification of skills or training deficits so PES can proactively work to reskill and upskill the unemployed, and boost workforce development

2. Addressing inequalities in young people through digital access
   As part of their journey towards digital transformation, a few of the roundtable attendees said they intend to address inequalities by increasing access to online training provision. This method is likely to appeal to the Millennial generation who are ‘digitally native’ and only require access to training and upskilling resources. Should there be further restrictions of movement in the future due to COVID-19 or other unforeseen challenges, this approach should not be impacted.

3. Conducting virtual interviews with jobseekers
   This is another important element of the journey towards digital transformation. Conducting interviews online can help ensure there are fewer bottlenecks in recruitment processes, making re-employment quicker and less resource intensive.

   - The candidate meets with PES to discuss paths to re-employment
   - The caseworker identifies a suitable employer
   - The candidate completes the application and is selected by the company
   - The candidate’s interview and any other assessments are completed online and submitted via a secure portal
   - All further communication is managed digitally
The experiences of each APAC territory represented at the roundtable are influenced by a variety of economic and social factors. While there are some shared experiences, there are also a number of key differences relating to the effects the COVID-19 pandemic has had on each territory.

In the following section, we outline the challenges each PES has been facing; the way they prepared, how they are adapting, and the initiatives and programs they have introduced. This section will also explore the key learnings and outcomes from the initiatives so far, and how these will impact their future plans and activities.
In 2018, the Malaysian Public Employment Service, Perkeso, introduced an employment insurance system called Jobs Malaysia. This system was based on the model of the country’s unemployment insurance scheme that was already in place. The employment insurance system, which is embedded in law, was designed to offer support or financial assistance to citizens who have recently become unemployed. While this initiative was introduced before the pandemic, it has provided an important framework for the Malaysian PES to build further initiatives on.

In the same year, Perkeso introduced two additional employment services. One that facilitates a job brokerage matching and placement system and another that analyzes the data processed in the job matching and placement system and offers insights into future employment opportunities.

With support from WCC, Perkeso was able to demonstrate the value of these initiatives and was subsequently given a mandate by the Malaysian Government to take full control of Jobs Malaysia.

The initiatives listed here are helping Perkeso avoid the significant economic and social costs associated with mass unemployment. Perkeso is now able to focus on skills matching and job creation rather than short-term fixes such as financial assistance for the unemployed.

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1. Registered vacancies managed by Perkeso caseworkers (Jan 2020 – March 2021) 1,194,885
2. Employers are active on MyFutureJobs portal (Jan 2020 – March 2021) 197,661
3. Job seekers have registered with MyFutureJobs portal (Jan 2021 – Feb 2021) 603,627
4. WCC worked in partnership with Perkeso to develop and launch the MyFutureJobs portal. The technology driving MyFutureJobs includes sophisticated algorithms that match unemployed citizens in Malaysia with relevant sustainable employment. The portal also helped Perkeso administer the Malaysian Government’s COVID-19 Economic Recovery Package to 4.8 million workers across the country.
5. Using data from MyFutureJobs, Perkeso caseworkers can identify opportunities for retraining and upskilling the unemployed. The data also helps to identify employers who can retain and/or retrain workers if they receive sufficient financial support.
6. Perkeso learned from the MyFutureJobs data that citizens aged 40 and above, and those in vulnerable groups, are less likely to find sustainable employment. Perkeso is now able to target employers who are open to hiring someone in this demographic with an incentive. This data segmentation approach is also used to target employers with incentives to offer apprenticeship schemes to graduates and young people and to encourage businesses to avail of financial support for training schemes.
The Philippines has a strong network of 1900 Public Employment Services. The majority of these are Local Government Units (LGUs).

The unemployment rate was at 17.6% in April 2020, the highest since 2005. The youth unemployment rate peaked at 31.5% in April 2020, bringing its annual average to 21.5%.

At the onset of the pandemic, the Philippine government passed two Republic Acts into law to support citizens throughout the crisis. The packages included cash transfers, emergency employment opportunities, and the supply of basic goods to individuals and households. The Acts also provided support to workers in frontline services and small and medium enterprises including benefit support packages and low interest and flexible term loan programs.

More recently the Government has provisionally approved a national employment recovery program to create further employment and entrepreneurship opportunities and improve the employability of the workforce through training program.

The PES in the Philippines has also held several virtual job fairs to help job seekers find employment opportunities and connect with businesses that are hiring.

Implementing the country’s youth employment programs was a particular challenge when mass gathering is prohibited and people below 21 years old were not allowed to go outside their homes. To combat this challenge, the PES has accelerated its digital transformation strategy by launching the program in a digital format. This includes digitizing a library of 150 pamphlets offering career information on a range of vocational paths, from traditional jobs to green jobs.
1. Millions of people in the Republic of Indonesia are classified as pre-boomers, baby boomers, Gen-X, Millennials, Gen-Z and post-Gen-Z. The number of Millennials and Generation-Z in the workforce increases by 2.7% each year. Therefore, the PES has identified these demographics as an area of particular focus for building a more resilient and sustainable workforce.

2. The PES in the Republic of Indonesia has identified people with skills in sales, construction, healthcare, hospitality and manufacturing as the types of work that could become primary career paths after COVID-19.

3. To be resilient and create job opportunities, an acceleration towards digital transformation and digital training for young people is a priority.

4. The Indonesian Government has provided an economic stimulus for SMEs that are affected by the pandemic to help them continue to operate. This stimulus package aims to support 56 million workers.

5. The number of workers in the informal employment sector is increasing. Robust policies and initiatives need to be introduced to support this vulnerable workforce.

6. The PES has introduced pre-employment cards to encourage and incentivize newly unemployed citizens to access retraining and upskilling programs and smooth their journey back to sustainable employment.

7. The PES has also launched mental health support initiatives to help citizens remain motivated and positive as the impacts of the pandemic continue. It has also introduced incubation hubs where businesses can get advice and support.

8. The PES is using employment and unemployment data to identify skills gaps and connect people with training or employment opportunities.

9. Many Indonesians work as migrant workers. To support them, the PES has introduced a program designed to encourage and develop entrepreneurship. With a wealth of natural resources available, participants in the program are encouraged to develop skills and/or a business that could also support food resilience and maintain the national supply chain. The long-term aim is for migrant workers to build a sustainable and productive business that protects their welfare.
Initiatives introduced by PES in Vietnam

Following the outbreak of COVID-19, the Vietnamese Government introduced several programs to help low-income workers, informal sector workers, and workers in the formal sector who have become unemployed but were not receiving unemployment benefits. The Government also introduced support packages for small businesses so they could continue to employ their staff and operate successfully.

Vietnam was not as badly affected by the COVID-19 pandemic as some other APAC territories, and was able to make a swifter economic recovery. The country is now in the process of switching over to long-term workforce development strategies, with a strong focus on training and reskilling. The Vietnamese Government is also offering incentives for businesses who want to expand.
Key learnings from the APAC PES roundtable

- The journey towards digital transformation and digital training must be a priority for PES.
- Intelligent skills matching can significantly reduce bottlenecks in re-employment and help the unemployed find sustainable, relevant, and rewarding career paths.
- Regular analysis of employment data, including demographic segmentation, is vital.
- This data must be mapped to relevant re-employment strategies to get the best results.
- Long-term strategic and data-driven initiatives are needed to ensure resilient communities and economies.
- Short-term fixes such as furlough and financial support packages are necessary to cope with the impacts of a crisis initially but cannot replace sustainable employment programs or help PES cope going forward.
- Better knowledge of future career trends should be a key focus for sustainable jobs.
About WCC

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