

# ORGANIZATION OF AMERICAN STATES

XIV INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR

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Employment Services and Labor Market Observatories:  
Opportunities and Challenges in the Hemisphere

“Effective Employment Services in the Region”

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Mexico

# **EFFECTIVE EMPLOYMENT SERVICES IN THE REGION**

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## I. THE USE OF SERVICES:

- ✓ Usually for executive levels.
- ✓ In other levels; in cases of unique characteristics of the job specialization or the region.
- ✓ Small and medium size businesses occasionally use these services.

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## II. REASONS THAT JUSTIFY USING THE SERVICES:

- ✓ A new orientation of the company strategic focus to face the global economy.
- ✓ To have access to world class competition.
- ✓ To share specific risks.
- ✓ Shared capital investment.
- ✓ Transform fix costs into variable costs.
- ✓ Head Count reduction.
- ✓ Highly specialized functions.

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## III. BASIC CHARACTERISTICS OF A SERVICE SUPPLIER

- ✓ **Leadership in its field.**
- ✓ **Proved moral and financial solvency.**
- ✓ **Recognized experience.**
- ✓ **High standards of customer service .**
- ✓ **Auditable system of quality control.**
- ✓ **Ensure immediate availability and flexibility in services and infrastructure.**

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## IV. ADVANTAGES:

- ✓ A company that hires these services may achieve a “better concentration” of its Human Resources Area in strategic issues.
- ✓ The Human Resources Areas may focus on the key productivity projects of the organization.
- ✓ The service of selecting personnel is provided by experts.
- ✓ Access to a large specialized data base.
- ✓ Access to market information: The customer can validate whether the desired skills are available and whether the salary is competitive.
- ✓ Possible indirect access to potential candidates currently working in companies that may be of interest to the customer.
- ✓ The service is paid only when the firm hires an employee. Costs for the company are less than having full time personnel in-house to provide the service.

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## V. DISADVANTAGES:

- ✓ Little or no knowledge at all of the culture of the company, and in consequence, on the candidate proposal.
- ✓ Exposition of employees: Possibility of being selected by the support service.
- ✓ Access to qualified information on key jobs inside the Organization (salary range and benefits).
- ✓ Cost vs. in-house service and value added.

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## VI. WHAT DO EMPLOYERS EXPECT?

### THAT SYSTEMS PROVIDE:

- ✓ Access to transparent, objective, impartial and recognized recruiting services, certified by authorities and other actors: Respect of Fundamental Human and Labor Rights.
- ✓ Regional development, identifying human and productive potential in a field: available resources in a region; population profile; social and industrial infrastructure, and characteristics of the production in a region. Deep rooting that minimizes migration.
- ✓ Orientation and promotion of skills based on the requirements and trends: Coordination between the talent demand in the productive sector and the supply in the education institutions (high school, technical, college). Honesty and Consistency / Productivity and Competitiveness (who, to do what)

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- ✓ Foster productive development of people, establishing job training centers, providing professional practices and social services, with a regional approach and a global vision: Social Commitment.
- ✓ Provide job seekers and job suppliers a service that does not imply cost for first, that may be part of social services for students, and that may be a fair productive investment for employers : Social Co-Responsibility .
- ✓ Provide orientation for an adequate compensation according to the regional labor market. Ensuring employment / eliminating negative competition.
- ✓ Support in the formation of entrepreneurs, which at the same time is useful to promote economic growth and employment generation at the regional level: Micro-productive activities (family businesses, cooperatives, etc.).