



International
Labour
Organization

Performance-based benchmarking system for European PES

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“Benchlearning” among European PES

- ✓ The European PES Network was launched in 2014 to encourage cooperation across Member States (Decision 573/2014);
- ✓ One of the core tasks is “benchlearning”, i.e. the identification of good performance through indicator-based benchmarking and evidence-based mutual learning activities for driving change.

The five pillars of benchlearning

1. Quantitative assessment of PES performance through the collection, validation and analysis of PES data;
2. Qualitative assessment of PES performance against performance enablers through self-assessment and peer/EC/external expert assessment (site visit);
3. Identification of good practices;
4. Mutual learning programme that builds on the results of PES assessment (strengths and weaknesses);
5. PES follow-up through the definition of action plans for improvement.

Reminders

1. Data transparency (provide information on methodology and sources) and be rigorous in assessing performance enablers;
2. It is important also to provide data over a number of years as well as context indicators (about the country as a whole and of the PES register) so that it becomes possible to use econometric techniques for comparability;
3. Qualitative aspects are reviewed through self- and external assessment, so as to validate information on performance enablers).

Quantitative indicators/1

1. Contribution to reducing unemployment

Indicator	Definition and disaggregation
Transition from unemployment into employment	<p>Number of unemployed transitioned to employment over stock registered unemployed (%)</p> <p>Disaggregation: sex, age-group (15-24; 15-29; 25-54; 30-54; 55+), qualifications (ISCED 0-2; ISCED 3-4; ISCED 5-8); and type of transition (subsidized/unsubsidized);</p> <p>Timeframe: quarterly, annually ;</p> <p>Stock: sum of the total number of registered unemployed at end month for every month (in the timeframe) divided by the number of months of the period under consideration.</p>
Number of people leaving the PES unemployment records (share of registered unemployed)	<p>Number of registered unemployed leaving the register (any destination) over total number of registered unemployed (%)</p> <p>Disaggregation: by individual characteristics (especially youth and low skilled) and reason of deletion (sanction, employment, return to education, pension, death)</p>

Quantitative indicators/2

2. Contribution to reducing unemployment spells and inactivity

Indicator	Definition and disaggregation
Transition into employment within 6 and 12 months of unemployment	<p>Number of unemployed transited to employment within 6 and 12 months (from registration) over total number of unemployed transited to employment (%)</p> <p>Disaggregation: sex, age-group (15-24; 15-29; 25-54; 30-54; 55+), qualifications (ISCED 0-2; ISCED 3-4; ISCED 5-8)</p> <p>Timeframe: quarterly, annually</p>
Entries into the register of previously inactive persons	<p>Number of inactive individuals registering with the PES over total number of individual registering (%)</p> <p>Disaggregation: as above, good to add also reason of inactivity (education, family responsibility, illness and disability, discouragement).</p> <p>Inactive: neither employed nor unemployed (ILO definition).</p>

Quantitative indicators/3

3. Filling vacancies

Indicator	Definition and disaggregation
Job vacancies filled	<p>Number of vacancies filled over total vacancies notified (%)</p> <p>No disaggregation required, but measurement of number of notified vacancies per unemployed registered</p> <p>Vacancy: paid post that is newly created, unoccupied, or about to become vacant: (i) for which the employer is taking active steps to find an external candidate (ii) which the employer intends to fill immediately or in a specific period. If the definition used by PES is different there is a need to provide the exact definition.</p> <p>Timeframe: quarterly, annually</p>
PES involvement in job finding	<p>Number of individual currently employed (LFS) that found the job through PES over total number of workers.</p> <p>This indicator need to be measured with SSO figures.</p>

Quantitative indicators/4

4. Overall satisfaction with PES services

Indicator	Definition and disaggregation
Overall satisfaction of jobseekers	<p>Number of individual clients satisfied with service over total number of clients served (%)</p> <p>No disaggregation required</p> <p>Timeframe: quarterly, annually</p> <p>This indicator requires to carry out satisfaction surveys. See <i>EU Toolkit to assist PES with the development of customer satisfaction systems 2016</i></p>
Overall satisfaction of employers	<p>Number of employers satisfied with the service over total number of employers served (%)</p> <p>NO LONGER MEASURED (employers' responses are determined by context factors and not linked to PES performance)</p>

Performance enablers

- A. Strategic performance management;
- B. Design of operational processes;
- C. Sustainable activation and management of transitions;
- D. Relations with employers;
- E. Evidence-based design and implementation of PES services;
- F. Management of partnerships and stakeholders;
- G. Allocation of PES resources.

A. Strategic performance management (PMS)

Enabler	Description
Performance management by target-setting	PES operations are guided by a PMS with the design of annual targets that (i) are developed on sound LM analysis; (ii) involve local offices; (iii) are few, well designed and communicated extensively.
Translation of targets into performance indicators	In effective PMS, targets are translated into SMART performance indicators at both central and local level. They include measure of efficiency (input-output) and sustainability. (e.g. participants of ALMP employed at 6, 12 and 18 months)
Following up performance measurement	The results of performance monitoring are disseminated timely (quarterly and annually), through multiple channels
Make use of the results of performance management	Existence of a system of financial/non-financial incentives based on performance results (and does not lead to perverse incentives) . Benchmarking is used to measure performance across units (to improve rather than punish).

B. Design of operational processes

Enabler	Description
Process definition and standardization	Processes are clearly defined, standardized and differentiate among (i) management, (ii) core operations and (iii) support processes. Local offices are able to adapt based on circumstances. Processes are visualized by flowcharts or matrices and documented in operational guidelines available to all staff.
Implementation of support structure	The PES has a support structure that informs process implementation (including collection and storage of high quality client data available to staff). The design of the ICT infrastructure follow the service delivery strategy.
Quality management	PES implements a quality management system used for continuous improvement and learning.
Channel management and blended services	PES combines different channels of service provision to supply clients with the most adequate services according to their needs and background. This requires: (i) good technology and back-up systems; (ii) help features for clients and (iii) regular monitoring of effectiveness and efficiency of delivery .

C. Activation and management of transition

Enabler	Description
Holistic profiling and segmentation	The PES uses holistic profiling (combination of data-based and caseworker profiling) including skills assessment and referral to specialized service units, if needed. Unemployed are grouped according to level of need. Segmentation is used for workload distribution and design and delivery of services.
Individual action plan and ALMPs	The PES uses action planning (based on mutual obligation) with clear service line according to profiling results. ALMP are provided on the basis of profiling, based on robust evidence on what works for whom and supported by individualized counselling and guidance.
Early intervention and YG implementation	PES implements early intervention approaches (to avoid unemployment for those at risk of losing their job and minimize unemployment duration for newly registered). PES has well defined response time for newly registered and clear YG implementation procedures.
Implementation of activation strategy	PES has clear processes for outsourcing services with local offices having some decision-making flexibility to determine how to deliver certain services.

D. Relations with employers

Enabler	Description
Employer strategy and management	PES has a clear employers' strategy that comprise (i) core activities (vacancies and ALMPs) and (ii) specialized services, both managed through performance targets.
Specialized unit for employers' services	The PES runs a separate unit responsible for pooling all contacts with employer clients. The employers' service unit embodies the principle 'one face to clients' and serves as a one-stop-shop for employers. Staff has good knowledge of the local labour market and an understanding of the companies' needs.
Matching vacancies and jobseekers	PES has a well functioning interface between employers' and jobseekers' units. Matching is a two step process that includes: (i) ICT-driven automated matching and (ii) a further refined selection by the employment counsellors

E. Evidence-based service design

Enabler	Description
Ex-ante and ex-post evaluation	The PES uses ex-ante evaluation (combination of performance indicator and ex-post evaluation results) to gauge the likely effects of a new service line. Ex-post evaluations combine performance evaluation and impact analyses to identify how implementation approaches affects causal impacts.
Pilot projects	The PES uses pilot projects when ex-ante evaluations do not provide sufficient evidence . Projects are used to gain experience/insights on the effects of proposed services while minimizing possible negative side effects (limited scope and target).
Communication of evaluation results	Evaluation results are communicated to all in a transparent and comprehensible format. Staff providing services to clients are equipped with guidelines/tools to maximize evaluation results for every-day work
Management of change and innovation	Evidence is used to manage change and introduce innovation . Change is actively managed with the participation of all units (thematic dialogues, mutual exchanges)

F. Management of partners and stakeholder

Enabler	Description
Identification of relevant stakeholders	The PES structures stakeholders in functional groups based on type and role (management broad, service provider, social partner). All units and staff are aware of partners' functions.
Partnership building	The PES builds partnerships to deliver on the objectives and targets of the organization.
Management of multiple partnerships	<p>The PES manages the partnerships through (i) their involvement in strategic management and service delivery process, (ii) developing agreements for each partner's responsibilities, (iii) systematically monitoring implementation and results and (iv) sharing results.</p> <p>This applies to supervising authority, social partners, organization involved in the delivery of the YG and service providers.</p> <p>For service providers there are precise selection criteria applied in procurement processes. In the operation of service contracts, transparent quality standards exist and are systematically monitored.</p>

G. Allocation of PES resources

Enabler	Description
Human resource management	<p>The PES has a clear Human Resource Management strategy that includes: (i) definition and description of qualifications and profiles for all functions; (ii) analyses of HR capacity and forecasts of future requirements; (iii) flexible recruitment methods with local offices involved in recruitment decision; (iv) an initial training plan for new employees , which includes mentoring and coaching; and (v) a training and career development plan which is competency –based. Systematic monitoring and employees satisfaction surveys.</p>
Budget allocation and use	<p>The PES allocates budget through a target-oriented procedure (distribution is based on local labour market situation and the targets to be achieved). Local offices have flexibility in shifting budgets between personnel/equipment and ALMP and (at least partly) across fiscal years. Local offices are fully accountable and the performance management system informs timely about target achievement.</p>

Context indicators

1. Economic, social and labour market trends (SSO):

- GDP (components and growth); export/import; government balance (expenditure, revenues);
- Demographic trends and poverty profile;
- Education trends
- Labour force participation, employment and unemployment;
- Labour demand (job vacancies);

2. Unemployment register:

- Registered unemployed (sex, age, education, geographical distribution);
- Inflow and outflow (sex, age, education, unemployment spell geographical distribution);
- Service delivery (sex, age, education, type of service, geographical distribution)
- Active programme delivery (sex, age, education, programme , geographical distribution)
- Passive programme delivery (as above).

Benchmarking in practice....

1. Collect and analyze data on context indicators over the last 3-5 years (to capture trends). Use existing researches and surveys as well;
2. Collect and analyze data on quantitative indicators (3-5 years). For the first exercise, also provide information on methodology (definitions, calculation methods);
3. Prepare an analytical framework (checklist) to guide the collection of information on performance enablers;
4. Analytically appraise the data and information collected to provide a realistic picture of the performance of the Agency.

QUESTIONS?

