



BUDAPEST
INTÉZET

QUALITATIVE BENCHMARKING AND TIMETABLE OF ACTIVITIES

Ágota Scharle

Belgrade

14 September 2017

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Pálfi'.

OUTLINE

- Aims and motivation
- Our team
- EU Benchlearning initiative
- How to apply it to Western Balkans
- Logic of the evaluation framework: enablers and PDCA
- Role of assessors
- Group work on how to use the assessment framework
- Group work on how to organise internal assessment

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Palota'.

MY BACKGROUND

Budapest Institute

- independent think tank based in Hungary
- established by four economists in 2008

Ágota Scharle

- founder and co-director of BI
- labour economist, policy design and evaluation
- involved in EU benchlearning process since 2011
- external assessor in Hungary and Croatia

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Pálffy'.

OUR TEAM

The qualitative benchmarking team

Consortium of **Budapest Institute for Policy Analysis** (Hungary)
and **Center for Development Evaluation and Social Science
Research** (BIH)

Agota Scharle *team leader*

Nermin Oruč *Bosnia and Hercegovina and coordinator*

Dragan Đukić *Serbia*

Milika Mirković *Montenegro*

Esmeralda Shehaj *Albania*

Ardiana Ghasi *Kosovo*

Alili Hyrije *Macedonia*

Aims of the BL initiative

- Support reflection on PES performance in systematic way
- Identify development needs -> basis for ML activities

Aims of the workshop

- Explain BM process and tools
- Reflection on why and how to do it

(note: bench*marking* vs bench*learning*)

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Palota'.

WHAT'S IN IT FOR YOU?

EVIDENCE on impact of PES reforms

Germany 1

- A pilot project (2007) in 14 of its 779 local employment offices: Lowered the ratio of caseworkers to UI recipients to 1:40 from 1:100 in the pilot offices
- Outcome: (1) Re-employment rate, (2) UE duration (days)
- Effect: (1) 9.4% rise 1 year after the start of the project, (2) 5.8 days decrease

Germany 2

- Hartz III (2007) package revised role division within PES staff so that all claims by a jobseeker are now processed by a single case-worker
- Outcome: UE rate
- Effect: 0.88 pp (22.51%) decrease from 2005 to 2008

EVIDENCE ON IMPACT OF PES REFORMS

UK

- Introduction of Jobcentre Plus (2001): integrated the Employment Service and Benefit Agency; modernised IT systems and performance monitoring; enhanced job-brokering.
- Outcome: Exit rate from Jobseeker Allowance to job
- Effect: 3% rise 18 quarters after the introduction

Hungary

- HRDOP 1.2 measure (2004-2008) was a new model of service provision with client profiling, internal remodelling of the local offices, installed self-help computer terminals, introduced quality assurance system, staff training and an integrated information system uniting all county offices.
- Outcome: Re-employment rate
- Effect: 9.4 pp rise 4 years after the program start (controlling for age, education, and prior labour market history).

EU PES NETWORK OPERATIONAL OBJECTIVES

EU-2020



EP & Council
Decision



PES
Initiatives

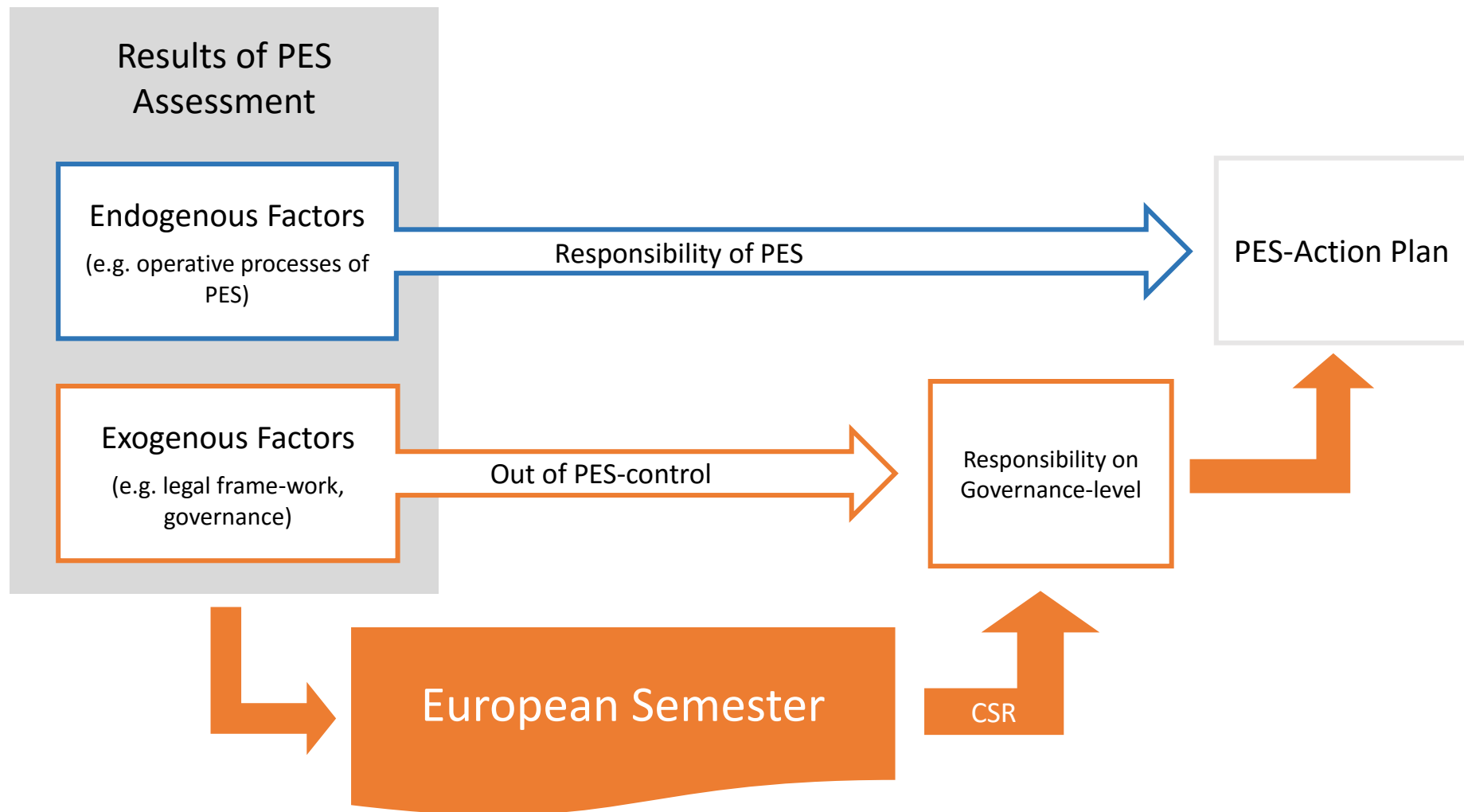
- Employment rate: 75%
 - Education: early school leavers/ drop-out rate <10%
 - Fight against poverty and social exclusion: Reduce number of threatened or affected people by 20 million
-
- Contribution to the EU strategy 2020
 - Stronger cooperation of European PES
 - Modernising and strengthening PES
 - Definition of quality standards in PES (YG)
-
- Reducing unemployment and ensuring employment
 - Creating transparency on the labour markets
 - Implementing youth guarantee
 - Creating fair mobility
 - Reducing long-term unemployment
 - Improving customer satisfaction

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Pálfi'.

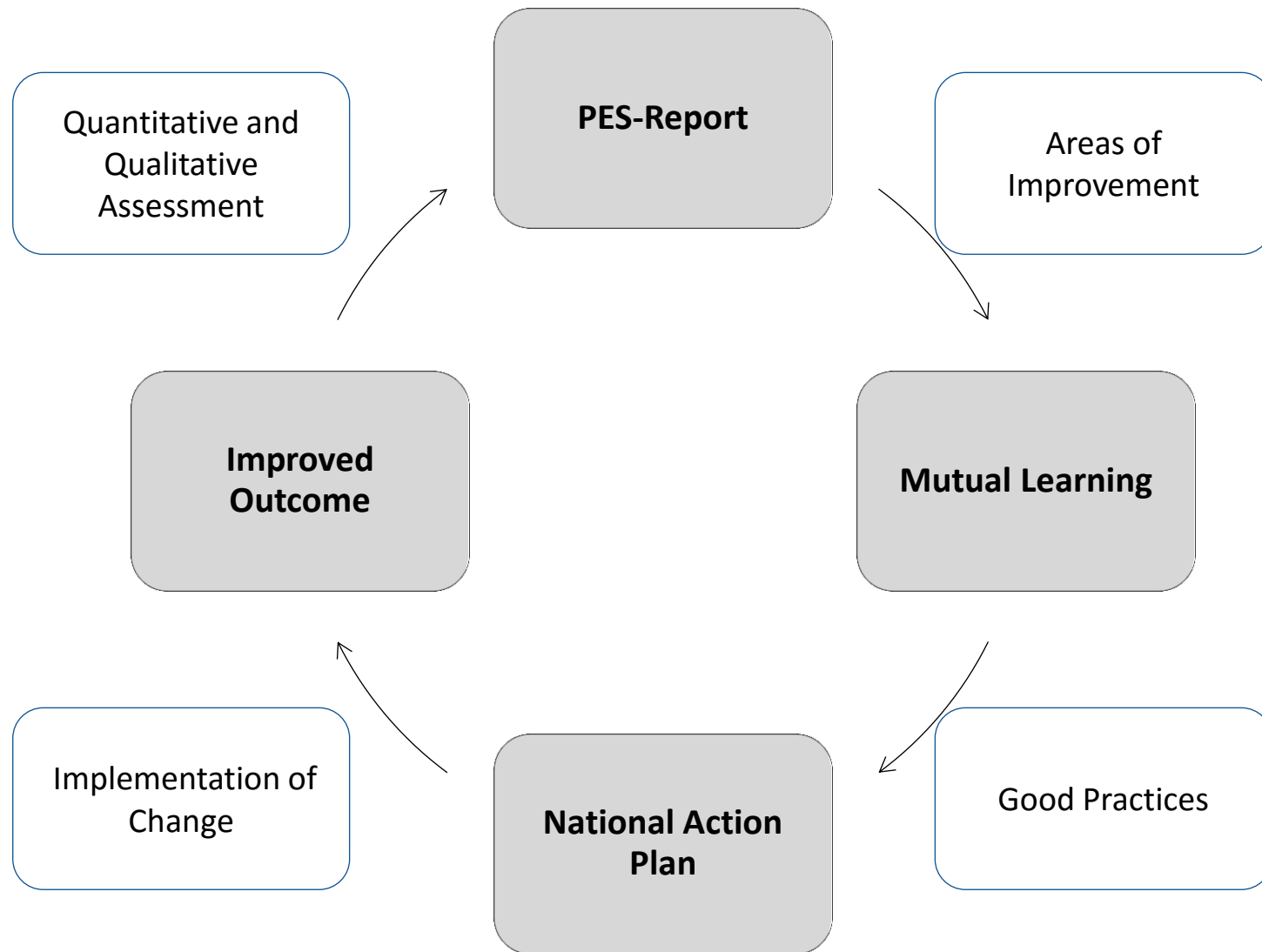
OUTLINE

- Aims and motivation
- Our team
- EU Benchlearning initiative
- How to apply it to Western Balkans

BENCHLEARNING & THE EUROPEAN SEMESTER



PES BENCHMARKLEARNING CYCLE



ASSESSMENT PROCESS

Quantitative Assessment

Data collection and analysis

European data-platform
with data of each national PES

Overall PES-Benchmarking comparative
statistics

Valid Performance Outcomes

Qualitative Assessment

Identify unquantifiable strengths and good
practices

PES-Self Assessment

External PES Assessment

True Performance Enabler
Evidence-based Good Practices

Mutual Learning Process

OVERVIEW OF CONCEPTUAL APPROACH

Benchmarking of PES-performance

Performance
dimensions

Task 1

Theoretical

Potential
performance
outcomes collected
from PES, LFS etc.

- ← Closely related to PES activities
- ← Measurable without extreme effort
- ← Comparable across PES

Truly
exogenous

Context in
which PES
operate

Empirical

Valid
performance
outcomes

- ← Measured with adequate quality
- ← Carrying original information
- ← Not determined completely by context

Benchmarking of organisational arrangements

Areas of organisational
arrangements

Task 2

- Manipulable for PES →
- Plausible impact in theory →
- Comparably understood →

Predetermined

Potential performance
enablers collected from
PES-self-assessment and
external assessment

Theoretical

- Systematically related
to at least one VALID
performance outcome

True
performance
enablers

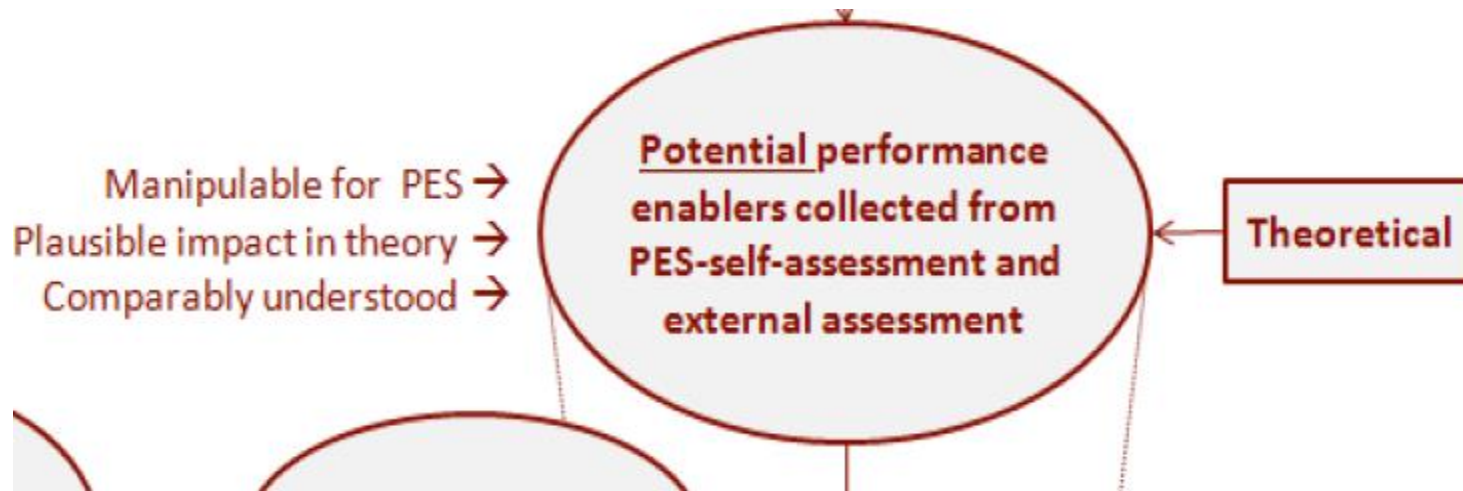
Empirical

Most promising
true
performance
enablers

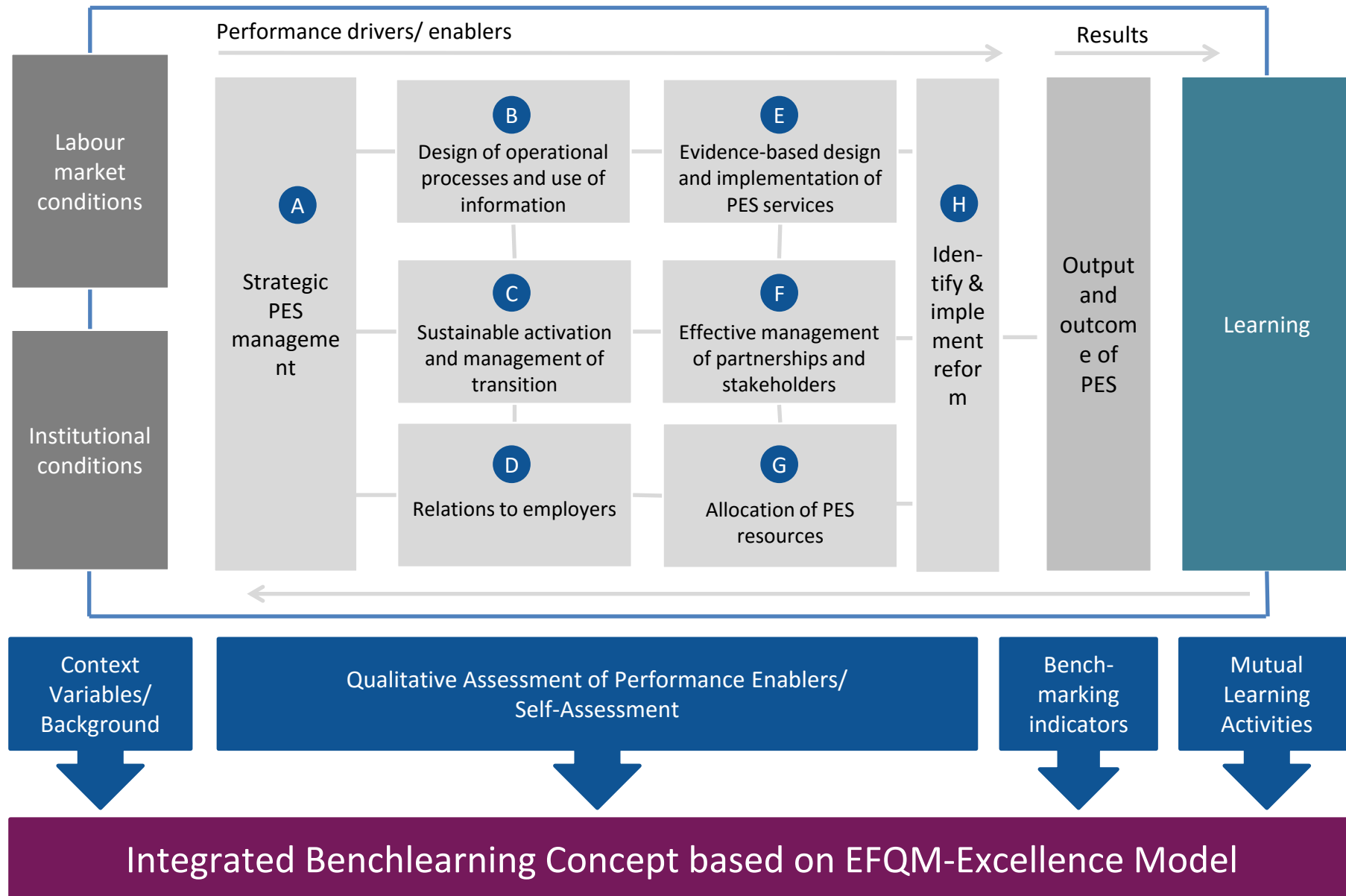
Empirical

Comparison of PES: Context-free valid performance outcomes
(and/or composite indicator of them) and most promising true
performance enablers (together with examples of good practice) →
→ Input for BENCHLEARNING

REVISED SET OF PERFORMANCE ENABLERS



ASSESSMENT FRAMEWORK ON BENCHLEARNING



ASSESSMENT TEMPLATE

| Section | A. Strategic performance management | | | | | | | |
|--------------------------|--|--|--|---|--|---|---|--|
| Performance enabler | A1. Establishing the fundamentals of performance management by target-setting | | | | | | | |
| Description | Ideally a PES maximises the scope for action... accountability. | | | | | | | |
| I. Implementation | | | | | | | | |
| Phase | Description | Hints to fill in Evidence level | No evidence or just some ideas 1 | Some weak evidence, related to some areas 2 | Some good evidence related to relevant areas 3 | Strong evidence related to most areas 4 | Very strong evidence related to all areas 5 | Excellent evidence compared with other organisations, related to all areas 6 |
| Plan | Planning is based on the organisations'/clients' needs and expectations. Planning is deployed throughout the relevant parts of the organisation, on a regular basis. | mark the relevant column | | | | | | |
| | | Indicate sources | | | | | | |
| Do | Execution is managed through defined processes and responsibilities and diffused throughout the relevant parts of the organisation, on a regular basis. | mark the relevant column | | | | | | |
| | | Indicate sources | | | | | | |
| Check | Defined processes are monitored against relevant indicators and reviewed throughout the relevant parts of the organisation, on a regular basis. | mark the relevant column | | | | | | |
| | | Indicate sources | | | | | | |
| Act | Corrective and improvement actions are taken based on the results of the above processes throughout the relevant parts of the organisation, on a regular basis. | mark the relevant column | | | | | | |
| | | Indicate sources | | | | | | |

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone and includes labels for various locations such as 'Pest', 'Buda', and 'Széchenyi'.

SELF-ASSESSMENT AND EXTERNAL ASSESSMENT

- **Self-assessment (prior to site visit):**
 - Host PES is asked to score itself on a 6-level scale for each enabler
 - Scoring is done on the basis of available evidence that a PES has implemented organizational solutions according to the definition of excellence (“ideally”)
 - The more evidence is available and the more convincing it is, the higher is the score
 - Evidence: Any information that supports an assessment, e.g. concepts, handbooks, surveys, reports, studies etc.
- **External assessment (during site visit):**
 - Extensive preparation by ICON (country profile package, incl. information on the broader institutional context)
 - Discussion on results of self-assessment with representatives of host PES
 - Assessment of evidence presented by host PES
 - Identification of room for improvement together with host PES
 - Scoring of presented evidence

IDENTIFICATION OF GOOD AND BEST PRACTICE

- **Good practice:**

- To be identified during and after the site visits
- Criteria: Theoretically defined excellence for each performance enabler
- Result: Any convincing and evidence-backed approach/solution in a PES that comes close to the theoretical “ideal” is good practice

- **Best practice:**

- To be defined after all site visits have been conducted and the combined empirical analyses of performance outcomes and performance enablers have been finished
- Criteria: Statistically significant relationship between (at least one) performance outcome and (at least one) performance enabler (“true performance enablers”)
- Result: Approaches/solutions for which such a relationship can be established are best practice

A historical map of Budapest, Hungary, showing the city's layout, including the Danube River, various districts, and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries.

RECOMMENDATIONS AND INPUT FOR ML

- **Practical recommendations:**
 - To be identified during site visits in close co-operation with host PES
 - Inevitably, this has to be done using the theoretically defined “ideal”
 - Recommendations will become part of the feedback report
 - Might not only address the PES but also the governance level
- **Input for mutual learning:**
 - First year: Examples of good practice
 - After second year: Examples of best practice
 - Suggestions to group PES for learning purposes (learning clusters)

RESULTS OF EU PES BL SO FAR 1

- Scores for each enabler and each EU MS

| enablers/ ranking | A1.... | | | ...G2 |
|----------------------|---|--|--|-------|
| developable | most of Southern Europe, some CEE | | | |
| developing | some of Southern Europe, most CEE | | | |
| well-developed | most of Western Europe, some Baltic | | | |
| mature | Austria, Belgium VdAB, Estonia, Germany | | | |

RESULTS 2 ENABLERS' IMPACT ON OUTCOMES

| Enablers | <i>Unsubsidised transitions</i> | | <i>Outflows of low-skilled</i> | | <i>Outflows of <25</i> | |
|---|---------------------------------|--------|--------------------------------|--------|---------------------------|--------|
| | '10-15 | '14-15 | '10-15 | '14-15 | '10-15 | '14-15 |
| Section E: Evidence-based design/implementation | + | + | + | + | + | + |
| E1: Ex-ante and ex-post evaluation | + | + | + | + | + | + |
| C1: Holistic profiling | + | + | + | + | + | + |
| C6: Implementation of service and activation strategy | + | + | + | + | + | + |
| A4: Making use of the results of performance management | + | + | + | + | + | + |
| B2: Implementation of support structure | + | + | 0 | + | + | + |
| B4: Channel management and blended services | + | + | 0 | + | + | + |
| Section F: Manage partnerships and stakeholders | + | + | + | + | + | 0 |
| F1: Identification and structuring of relevant stakeholders | + | + | + | + | + | 0 |
| F2: Partnership building | + | + | + | + | + | 0 |
| F4: Management of partnerships w social partners | + | + | + | + | + | 0 |
| Section C: Sustainable activation + transitions | 0 | + | + | + | 0 | 0 |
| Section A: Strategic performance management | + | + | 0 | + | 0 | 0 |
| Section B: Design of operational processes | + | 0 | + | + | 0 | 0 |
| Section G: Allocation of PES resources | + | + | 0 | 0 | 0 | 0 |
| Section D: Relations with employers | 0 | 0 | 0 | 0 | 0 | 0 |
| D3: Matching vacancies and jobseekers | 0 | + | 0 | + | 0 | 0 |

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Pálfi'.

PES SITE VISITS

- Purpose
- Roles of Assessors and PES Staff
- Timescale/Workflow for typical visit

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. Labels in Hungarian are visible, such as 'Szechenyi tér', 'Városliget', and 'Palota'.

PES SITE VISITS

Purpose

- Get a better and more profound understanding of the PES, to learn more about operational processes, performance management, achievements and main challenges.
- Open dialogue between PES and the assessors.
- To achieve these objectives it is important to cover different levels (management, experts and operational) of the PES.

ROLES OF ASSESSORS AND PES STAFF

- All assessors receive training.
- The assessment is conducted both at central and local levels.
- During the external assessment process/country visit, two PES experts, two from the contractor (ICON) and two experts from the European Commission act as joint assessors. Self-assessment will already have been completed by the PES before the visit.
- The site-visit takes 2.5 days. Depending on need and the structure of the PES, the visit focuses both on Head Office and local office(s).



EU PES SITE VISITS-WORK FLOW

[illegible]

PES SITE VISIT GENERIC STRUCTURE

Day 1: Head office

| | | |
|-------------|---|---|
| 8:30-9:30 | Introducing the PES-BL-exercise – Presentation of objectives, expectations, methodology, follow-up and assessors | |
| | General introduction to the Hungarian PES situation and recent structural changes with central PES top management and officials in the line ministry | |
| 9:45-11:15 | Section A Strategic Performance Management | |
| 11:30-13:15 | Section B Design of Operational Processes | Section D Relations with Employers |
| | 13:15-14:15 Lunch break | |
| 14:15-16:00 | Section C Sustainable Activation and Management of Transitions | Section F Management of Partnerships and Stakeholders |
| 16:15-18:00 | Section E Evidence based design +implementation of PES services | Section G Allocation of PES Resources |

PES SITE VISIT GENERIC STRUCTURE 2

| Day 2: Local PES office | | |
|-------------------------|--|---|
| 9:30-10:30 | Presentation of the regional/local organisation: tasks and targets, main challenges in the region/local office, relationship to head office | |
| 10:30-12:00 | <p>Presentation of regional/local office, organisation, key processes</p> <p>Customer journey. One of the team acts as a jobseeker client and goes through the process as if a new jobseeker, rest of the team observs. Or the team is walked through the customer journey as a group.</p> | |
| 12:00-13:30 | Lunch break | |
| 13:30 - 14:30 | Interview with team leaders of local level: eg on details of process implementation in every-day work, any perceived autonomy and practical use of it, networking and partnerships, resources use etc. | |
| 14:30-15:30 | Interview with front-line advisers and counsellors | |
| | Career guidance counselor | Activation and counsellors for people with disabilities |
| 15:30-16:15 | Youth employment counsellors/EURES assistant | Interview with employer counsellors |
| 16:15-16:45 | Optional meeting of Assessors to discuss the outcomes of the day | |

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone with red lines indicating roads or boundaries. The title 'PES SITE VISIT GENERIC STRUCTURE 3' is overlaid on the top part of the map.

PES SITE VISIT GENERIC STRUCTURE 3

Day 3 Head Office: Summary of results and feedback

**08:30-
13:00**

Assessors summarize findings from both days and agree on central messages to host PES top management / officials in the line ministry

13:00-14:00 Lunch break

**14:00-
15:30**

Closing session with management of head office

A historical map of Hungary, showing various towns and regions. The word 'OUTLINE' is overlaid in large white letters on the left side of the map.

OUTLINE

- Aims and motivation
- Our team
- EU Benchlearning initiative
- **How to apply EU BL to Western Balkans**
 - Elements: same as in the EU, with small adjustments
 - Participants
 - Time scale

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The word "ELEMENTS" is overlaid in large, white, sans-serif capital letters on the left side of the map.

ELEMENTS

- Template with small adjustments
- Enablers: same set of 29, but 19 + 3/10 rule:
 - 19 to be filled in by all PES
 - 10 to be decided by PES: at least 3 out of the optional 10
- Self-assessment supported by
 - Guidelines
 - Local workshops
 - country expert
- Site visits
- Self-assessment and evaluators' report in local language, summary and comparative study in English

BM PROCESS FOR WESTERN BALKANS 1

Experts involved in BM at Host PES

Training:

- 1 coordinator of self-assessment: senior manager with experience and authority to influence PES management and processes
- 1 back-up to coordinator
- 1 peer assessor: senior expert with at least 7 years of experience in at least one of the enabler sections
- 1 back-up to peer assessor

Self-assessment:

Top management, senior experts to cover all enabler sections, representatives of all main levels and service areas of the PES down to frontline staff.



BM PROCESS FOR WESTERN BALKANS 2

Other experts involved in BM

Assessor team on site visits:

2-3 peer PES assessors

2 external experts (1 lead assessor)

1-2 experts from RCC

General support and comparative report:

Team leader of external experts



BM PROCESS FOR WESTERN BALKANS 3

About 11 weeks in total / country (excl training)

- 1 day training of PES officials and peer assessors
- PES complete questionnaire for self-assessment (4 wks)
- PES send documents/info to assessor team (statutes etc)
- Lead assessor prepares country profile, shares with team
- Assessors identify questions for clarification during visit
- PES site visit
- Scoring and results of visit summed up for PES
- Host PES report on the assessment process
- Lead assessor prepares report on assessment
- Lead assessor identifies good practices
- Online meeting with host PES to discuss recommendations

A historical map of the Western Balkans region, showing various towns and geographical features. The map is partially visible at the top of the slide, with a semi-circular cutout on the right side.

TIMELINE FOR WESTERN BALKANS

11 Sept start of data collection for qualitative BM

14 Sept training for PES managers and assessors

25 Sept start of BM process in country 1

2 Nov – 8 Dec site visits

8 Dec end of BM process in country 1

12 Jan end of BM process in country 6

2 Jan-10 Feb comparative analysis

12 Feb draft comparative report

28 Feb final comparative report

Trying to observe holidays and other projects



Thank you for your attention.

Now to your questions.

A historical map of Budapest, Hungary, showing the city's layout with various districts and landmarks. The map is in a sepia tone and includes labels for several areas, such as 'Szechenyi tér', 'Városliget', and 'Angyalok'.

REFERENCES

- Hainmueller, J. et al. (2015). *Do lower caseloads improve the performance of Public Employment Services? New evidence from German Employment Offices* (Scandinavian Journal of Economics (Forthcoming)). Available at <https://ssrn.com/abstract=1926683> or <http://dx.doi.org/10.2139/ssrn.1926683>
- Launov, A. & Walde, K. (2016). *The employment effect of reforming a Public Employment Agency* (European Economic Review, Vol. 84(C), pp. 140-164). Available at http://www.waelde.com/pdf/LaunovWaelde_PublicEmploymentAgencies.pdf
- Riley, R. et al. (2011). *The introduction of Jobcentre Plus: An evaluation of labour market impacts* (Department for Work and Pensions, Research Report No. 781). Available at http://www.waelde.com/pdf/LaunovWaelde_PublicEmploymentAgencies.pdf
- The CAF model <http://www.eipa.eu/en/topic/show/&tid=191>