



# **The European Commission Mutual Learning Programme for Public Employment Services**

DG Employment, Social Affairs and Inclusion

## **PEER PES PAPER**

### **AMS: HOST COUNTRY PES ISSUES PAPER**

**Peer Review "Performance Management in PES"**

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# **1. PES organisation, service profile and labour market challenges**

## **1.1 How is the PES organised at the national, regional and local levels and in relation to the relevant government ministry?**

In 2007, a major structural reform of local and regional government came into effect. Its purpose was to strengthen the decentralised public sector in the context of changing conditions in business, trade and technology in order to consolidate and further improve the level of welfare in Denmark.

With the structural reform, the 271 municipalities were reduced to 98 municipalities, and the 14 counties were abolished and replaced by five new administrative regions governed by popularly elected boards. The responsibilities and division of tasks were restructured, resulting in more tasks for the municipalities, who are now responsible for almost all public services. The municipalities are governed by politicians elected by popular vote.

An important element of the structural reform was to reorganise the public employment system (PES) to create optimal frameworks to manage workforce challenges, strengthen the results and efficiency of public employment measures, and create a sustainable employment system. As a result, a new institutional framework was established, and new planning and management tools were introduced.

As Danish politicians and officials did not feel it was natural nor logical to have two employment systems in Denmark, the active measures for insured unemployed people were transferred from the national PES to the municipalities. These measures were added to the responsibilities the municipalities already had for the uninsured unemployed, including full responsibility for active labour market policy and cash social benefits. This involved the transfer of over 2,000 national employees to regional and local governments. Merging the previous national and municipal employment systems into one was intended to reap synergy benefits and enhance the cooperation of employment measures with other municipal responsibilities. This meant that all tasks in the employment area in Denmark directed at citizens and enterprises are now handled at municipal level.

Furthermore, four employment regions were set up to monitor the labour market situation and the performance of the Job Centres. The two eastern regions were regarded as one labour market and consequently merged into only one labour market region.

Further changes were introduced from 2011, namely the municipalities were given a role in financing active measures in enterprises (two thirds of the budget came from national, one third from municipal sources). There were also incentives built into the measures so that the municipalities get a higher reimbursement from the national budget when they activate the jobseekers in private enterprises than in other not so effective measures.

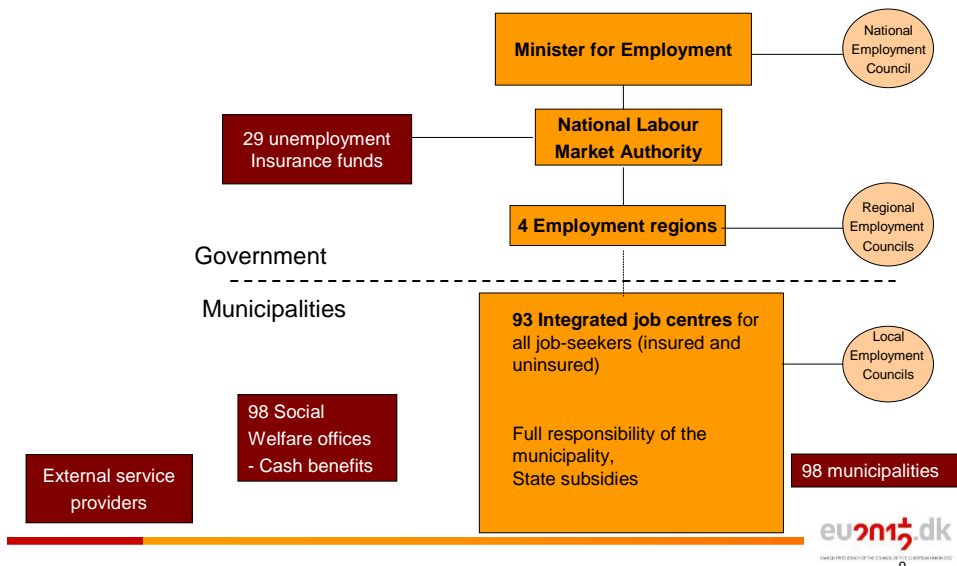
Danish employment policy is organised at three levels. An advisory body with representation from the Social Partners is linked to each of the three levels:

- At national level, the National Employment Council (BER);
- At regional level, the Regional Employment Councils (RBR) and

- At local level, the Local Employment Councils (LBR).



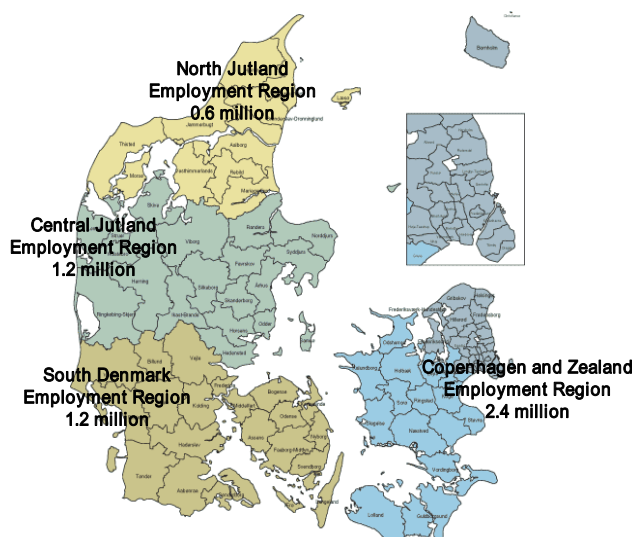
## The Danish institutional setup



The new general administrative structure with five (four) regions and 98 municipalities is shown in the chart below.



## Employment Regions in Denmark



At national level, the Minister for Employment has overall responsibility for employment policy. The Minister is also the supreme administrative authority for the employment regions and for employment measures in the 93 Job Centres. A few municipalities have decided to set up a job centre in common with the adjoining municipality. The National Labour Market Authority (AMS) is responsible for implementing and following up on employment policy on behalf of the Minister. This means that AMS is responsible for

ensuring implementation of new legislation, following up on results at national level and developing new tools and methods that support employment policy. It is often said that the Ministry/AMS has a toolbox with the following four tools:

1. Legislation (minimum requirements for unemployed to participate in active measures);
2. Economic incentives (the state refunds part of the costs of benefits issued by the municipalities);
3. IT systems (nationwide tools to ensure full transparency about the results and efforts across municipalities); and
4. Dialogue, monitoring, follow-up and continuous learning.

At local level, municipalities manage employment measures for citizens and enterprises within the frameworks of legislation. All municipalities have a Job Centre which is the pivot of its measures. It manages all employment-directed tasks for all groups of citizens: employed people, recipients of unemployment benefits, recipients of social cash benefits, recipients of sickness benefits rehabilitees, etc.

At regional level, four central employment regions have been established. The four employment regions play a central role in ensuring accountability, as well as supporting flexibility in employment policy in Denmark. Employment regions fall under the remit of AMS. Each region has set up an advisory regional employment council consisting of the social partners, the municipalities, the Regional Council and the Disabled People's Organisation in Denmark. The employment regions and the employment councils have annual contact with the Minister for Employment on how the regions must work to ensure good results and effects in employment measures in cooperation with the Job Centres.

## **1.2 What is the overall business model of the PES?**

Municipal task performance – targeting and local ownership

A key intention of the municipal reform in the employment area was to target employment policy and measures more specifically at the local labour market and strengthen cooperation and interaction with a number of local players, such as local enterprises, sector associations, trade unions, educational establishments, etc.

Efficient management of the work force challenge

The workforce challenge was and is the greatest of all challenges facing employment policy in Denmark. A key intention of the 2007 municipal reform was to optimise the employment system to deal with this challenge. It was thought that strengthening and developing measures for target groups outside the workforce would only succeed if employment measures were performed in the municipalities and in close connection with other municipal tasks, e.g. social measures, and in close cooperation with enterprises in the local community.

### **1.3 What range of services does the PES offer?**

#### *Target groups for employment measures*

The primary purpose of active employment measures is to contribute to a well-functioning labour market by assisting unemployed people to obtain a job, providing services to private and public employers seeking labour or wishing to retain employees, and supporting people who have special needs for assistance to find work due to reduced ability to work. Employment measures in Denmark are thus relatively widespread and comprise all unemployed people. The job centres also assist citizens who have to take on a subsidized job, e.g. due to reduced ability to work.

The main target groups are:

- Insured unemployed people who receive unemployment benefits from an unemployment insurance fund
- Uninsured unemployed people who receive social cash benefits from the municipality
- People on sick leave from employment and unemployment
- Persons with reduced ability to work who need rehabilitative training (retraining)
- Persons receiving unemployment benefits for people in flex jobs

### **1.4 What are the main challenges facing the supply and demand sides of the Danish labour market?**

The medium and long term challenge of the Danish Labour Market is the risk of a declining workforce due to demographics. For every five people retiring from the Labour Market only four enter. In the 2020 National Reform Programme (NRP) the government has introduced a number of initiatives to counter this development by increasing the retirement age and introducing a number of initiatives that stimulate the supply of labour in Denmark.

Along with the supply challenge, Denmark also faces challenges with a tendency to lose especially manufacturing and low-skilled jobs. In the last 3 years Denmark has lost net 5 % of the total jobs. The Government is preparing a Growth and job plan with the purpose of stimulating job creation.

The recent job crisis has critically increased the number of long-term unemployed in Denmark.

#### *Acute package plan for Denmark's long-term unemployed*

The unemployment benefit period has been reduced from four to two years and this means that a large group of benefit recipients stand to lose their right to unemployment benefits from 2013. It could be more than 30,000 people in 2013. The government has launched a group of initiatives aimed at long-term unemployed persons, a so-called emergency rescue plan. These initiatives are managed by the Job Centres.

## **2. Overall approach to performance management**

### **2.1. What are the PES goals that frame the overall approach to performance management?**

In recent years, the AMS has been moving from traditional goal-oriented performance management towards a more evidence-based model. This means that we now supplement the traditional political goals with management based on knowledge, evaluations and indicators about what works.

Evidence-based performance management focuses on knowledge about what PES services and measures are effective in bringing the unemployed back into work i.e. the correlation between input and outcome of the PES. This means that new employment policy, if possible, should be based on evidence that particular services and measures have a positive effect on outcomes, if this knowledge is available.

The political demands, as well as new evidence about what works, influence the making of new employment policy. To ensure that new employment policy is implemented in the PES, the AMS can use the previous mentioned four tools in Section 1.1.

### **2.2 Which structures or individuals have overall responsibility for performance management in the PES?**

Performance management is an integrated part of the general and overall business model in the PES in line with the responsibility for other strategic and operational issues.

### **2.3 Does the PES use a quality management model to assist in managing and improving performance? E.g. ISO 9000, Balanced Scorecard, EFQM, CAF**

The PES does not use as a general use quality management model. This concept was closed when the municipalities took over the job centres. We cannot exclude if a few/some municipalities are using the concept.



### **3. Goals and target-setting**

#### **3.1 What systems are in place to define and agree the goals, performance indicators and (quantifiable) targets?**

Combined with answer 3.2.

#### **3.2 What systems are in place to review and adjust the goals, performance indicators and (quantifiable) targets?**

Targets and performance-based management are organised via an annual planning and monitoring process, which integrates national goals, local targets and a continuous performance dialogue.

At national level, the Minister for Employment sets out national employment goals which are formulated in conjunction with AMS.

All municipalities must draw up an employment plan and carry out a performance audit annually as a basis for dialogue and continuous improvement. The municipalities have the full responsibility to convert the three national employment goals into local, specific, quantified targets in their employment plan. It is obligatory for all the municipalities to set quantitative local targets for each of the first three national goals. They must do this on the basis of an assessment of the challenges and requirements of the local labour market and the historic performance of the job centre. The individual municipality can also set out supplementary targets and requirements in their employment plan, if desired. The local employment councils are involved in this process.

The administration of the four employment regions assist the municipalities in this task through dialogue, including meetings, analysis and conferences. The regional employment councils are involved indirectly via their role as an advisory body to the regional administration. This dialogue concentrates on challenging the individual municipality's level of ambition in the employment area while not imposing targets. The employment regions' most important incentive in this dialogue is statistical documented knowledge about the current challenges facing the municipalities in the employment area, as well as the job centres' efforts and their results. The statistical benchmarking tool, [jobindsats.dk](http://jobindsats.dk), is the key instrument in this process.

### **3.3 What are the main goals and performance indicators for the PES?**

The four specific national goals for 2013 have the overall aim of bringing people out of public benefits into employment and young people into education.

#### **Goals for 2013**

The job centres shall:

- ensure that more young people without an education start on a vocational education;
- reduce the number of people on disability pension;
- ensure that the numbers of unemployed are reduced as much as possible; and
- strengthen their cooperation with local enterprises on the employment effort.

All four Employment Regions set the overall quantitative target at regional level for the first three national goals. Within the regional framework, the municipalities in dialogue with the regional level decide to which degree they are able to fill the national goal in their area. This means for each of the first three goals the municipalities should define how much they are able to reduce or enhance the level of the goal. For the fourth goal the municipalities specify how they will try to strengthen their cooperation with local enterprises on the employment effort.

### **3.4 Is there any rationale behind the number of indicators set and, if so, what?**

The number of national goals are deliberately restricted to very few broad but focused indicators in order to leave room for the job centres to set their own relevant specific goals within the national framework consistent with the challenges at local level. The limited number of goals helps focus the efforts on the National priorities.

### **3.5 Are the indicators common to all the PES structures and levels or is there some degree of tailoring?**

Decisions on prioritising target groups are usually a political choice, dealt with by the political committee and local employment council and has to be done within the legislative framework with rights and duties for both the jobseekers and the job centres, cf. the 4 instruments in the toolbox. Administrative managers can experience differing levels of influence in this decision-making process. To support the job centre's work, the four Danish employment regions regularly prepare an analysis of target groups for employment measures for use by the job centres, supplemented by information available on the municipal/job centre databases and the online jobindsats.dk portal. These resources can assist in identifying the barriers facing the target groups, the options available in legislation, as well as examples of previously demonstrated successful outcomes.

84% of job centre directors have negotiated targets and performance requirements with their political and administrative managers. Furthermore, 84% of all job centres have opted to set out their own supplementary targets, in addition to incorporating the

ministerial goals in their employment plan. Overall, 39% of job centre directors find they have high flexibility in the management of goals and performance in employment measures, while 46% felt that they had moderate flexibility.

### **3.6. Based on your experience, what are the main challenges faced in ensuring effective target setting?**

The main challenges in ensuring effective target setting are to establish consensus on the targets among all stakeholders at national, regional and local level and to communicate the targets effectively to those who have the operational responsibility, caseworkers, job centre managers etc. Another challenge is to develop and implement common monitor information systems.

### **3.7. Based on your experience, what works best in ensuring effective target setting?**

Transparency regarding the input/efforts and results generated is a key word in the employment policy administration. Each municipality has the possibility to benchmark itself against other municipalities and it is clear from this benchmarking which municipalities are performing best.

A survey carried out by a consultancy company for the Local Government Denmark (LGDK) (the interest group and member authority of Danish municipalities) shows that the best performing municipalities have a strong political and administrative leadership, with a close and constructive interplay between the political leadership and the administrative management with the ability to set up ambitious goals and targets and with formulated visions and missions well known to all staff groups in the job centre.

It is possible to steer and manage the employment policy by a result-oriented focus and by a lesser degree on a traditional process demanding way. In the best performing municipalities the politicians have created a motorway with a good overview over the initiatives and programmes with the best results.

## 4. Performance measurement

### 4.1. What are the main systems and tools to collect data and measure performance according to the agreed indicators?

All the relevant data for the employment policy is collected by the AMS and stored in a data warehouse. The data is based on registrations from the municipalities' own registration systems, like WorkBase, Opera og Fasit. Some of the data is then presented on Jobindsats.dk.

Jobindsats.dk is an internet portal containing statistical information on a wide selection of measurements, which illustrates the developments and composition of the target groups, initiatives and results in employment efforts. Measurements can be calculated nationally, regionally and locally.

All municipalities use [www.jobindsats.dk](http://www.jobindsats.dk) as a basis for their work on their employment plans and in the ongoing follow-up of performance. Also the municipalities can evaluate their performance regarding the legal requirements for performance measurement, e.g. to evaluate how the municipality is doing with regard to the legal requirements for provision of timely services and measures, data is collected on the waiting time with regard to specific efforts. Jobindsats.dk also provides the four regions and the central level with the basic information for monitoring the performance against the ministerial goals. Besides the data collected by the AMS, the municipalities also have the opportunity to register and collect data on other indicators which can be of interest to the specific municipality or region. The indicators that they are able to collect can vary by registration system.

Each year municipalities are obliged to undertake a performance audit (a short status report on the results of employment measures) and prepare an income statement (a comparison between municipalities). To this purpose they can use the management tools from [www.jobindsats.dk](http://www.jobindsats.dk). The performance audit then has to be approved by the board of the municipality to ensure national coordination.

Full transparency of regional, local and national outcomes is offered through the jobindsats.dk portal which allows municipalities to benchmark their own measures and performance against clusters of comparable municipalities. To aid the monitoring and evaluation process, it also provides a monthly performance overview; a one-page overview of the most important measures and results in the employment area compared to other similar municipalities.

The primary goal of the regional and local employment councils is to monitor trends in performance results and the impact of local employment measures. Using this available data, they then discuss approaches for improvements with the appropriate managers.

The table below is an example of the data that can be obtained from [www.jobindsats.dk](http://www.jobindsats.dk). The table relates to the Job Centre in Vordingborg. It informs on the number of people receiving various benefits of a temporary kind, i.e. unemployment benefit, social cash benefit, sickness benefit and rehabilitation benefit. "Klyngen" is the cluster to which Vordingborg belongs, so it possible to compare the performance of Vordingborg to the performance of the cluster overall. The figures inform on the number of recipients in March 2012 and the development since March 2011 (- means a decrease in the number).

**Tabel 1. Personer på midlertidige ydelser i Vordingborg Kommune - samt udviklingen ift. samme måned året før**

Vordingborg Kommune	Fuldtids- personer <sup>1</sup>	Andel af befolkningen <sup>2</sup>	Udvikling mar 2011 - mar 2012		
			Vordingborg	Klyngen	Østdanmark
	marts 2012				
- Dagpengemodtagere	1166	4,3%	-6% (30%)	-2%	-3%
- Kontanthjælpsmodtagere (match 1)	282	1,0%	-10% (16%)	2%	-1%
- Kontanthjælpsmodtagere (match 2)	518	1,9%	-5% (-3%)	3%	7%
- Kontanthjælpsmodtagere (match 3)	253	0,9%	14% (19%)	25%	10%
- Kontanthjælpsmodtagere (ingen match)	7	0,0%	-36% (-65%)	-46%	-18%
- Personer på sygedagpenge <sup>3</sup>	763	2,8%	-13% (2%)	-12%	-12%
- Personer på revalideringsydelse	51	0,2%	-4% (-7%)	-18%	-19%
<b>- I alt</b>	<b>3040</b>	<b>11,1%</b>	<b>-7% (12%)</b>	<b>-2%</b>	<b>-3%</b>

Kilde: Jobindsats.dk, Danmarks statistik og egne beregninger

1. Opgørelserne af antal fuldtidspersoner er inkl. aktiverede

2. Målgruppeandelene beregnes ved anvendelse af kommunens befolkningsgrundlag (16-64 år) og dermed adskiller sig fra metoden, hvormed kommunens arbejdsløshedsprocent beregnes (hvor arbejdsstyrken anvendes). Det anvendte befolkningsantal er fra 1kvt2012

#### **4.2. How do the performance measurement systems compare the results of different PES offices to be used for benchmarking?**

With jobindsats.dk, employment efforts can be monitored closely with regularly updated data for each municipality and it is easy to compare results between the municipalities. Furthermore, the municipality can benchmark its own efforts against clusters of comparable municipalities through publicised results for clusters available in 'jobindsats.dk'. The purpose of the clustering is to ensure that the employment effort of municipalities with different framework conditions are not compared to each other. To decide each municipality's framework conditions an analysis is performed which weighs the elements in the municipality's framework conditions into an index. The index is based on information including the age of the population in the municipality, the level of education, the share of immigrants and elderly. In the analysis it is sought to use variables which are not correlated with the employment effort of the municipality to ensure that afterwards you can compare the employment effort of municipalities with similar framework conditions.

The purpose with Jobindsats.dk is to create more transparency about the municipalities' effort regarding employment. Therefore, all data in jobindsats.dk are available without charge to government bodies, citizens, stakeholders, the press, etc., at local, regional and national levels.

#### **4.3. Based on your experience, what are the main challenges in collecting data and measuring performance?**

Overall the validity of the collected data is assumed to be high in Denmark. However, especially when the registrations are related to the municipalities' economic conditions (e.g. the basis for reimbursement from the state), the data is assumed to be completely valid.

When the registrations are not related to the economic conditions nor the case workers' further work the validity of the data can sometimes be questioned. This is for example assumed to be the case regarding registrations of the education injunction for young

unemployed without education, where there are only limited available data on the use. This can be caused by the fact that the persons given the injunction will then shift from the employment system to the educational system and will therefore no longer be a part of the actual case work in the PES. The case worker is supposed to register that the unemployed have been given this injunction, but since the registration has no influence on the case worker's further work it is assumed that the registration is often not made.

Also, there can be a challenge in collecting the data from those who supply the registration systems to the municipalities. The reasons are many and often varied. It can be technical problems or lack of resources from the suppliers' side. The problems mostly arise for the data which are not collected on a regular basis. There are rarely problems with the data presented on jobindsats.dk.

#### **4.4. Based on your experience, what works best in ensuring effective performance measurement?**

Data for jobindsats.dk is obtained through registers from municipalities and other public authorities like Statistics Denmark, Ministry of Education or Ministry of Immigration. Also some data is reported by the unemployment insurance funds.

This means that data capture is not linked to manual and cost-intensive reporting by job centres and municipalities. Also, data is updated with a lag of only three to eight weeks.

The mutual confidence between the political and administrative leadership supports a greater readiness to invest in the employment policy. A prerequisite for the confidence is that the administration can give reliable information about the services and measures and their results, and that the administration can demonstrate that there is a close follow-up of the results and an ability to adapt and change the efforts if necessary. The statistical benchmarking tool, jobindsats.dk, is the key instrument in this process.

In recent years, Danish labour market policy has focused increasingly on implementing "what works" in terms of improving employment outcomes for jobseekers, through an evidence-based approach. This thinking has fed into the development of minimum standards in the service to jobseekers, and into rewarding municipalities for taking forward actions for which there is evidence of good outcomes. Denmark is not alone in moving towards an evidence-based approach, and the availability of longitudinal data on the outcomes of investment in training and education would seem to make this approach particularly valuable.

## **5. Performance management, continuous improvement and learning**

### **Part 1: Continuous improvement and learning within PES**

#### **5.1. How are the goals, performance indicators and targets communicated to wider PES staff?**

As stated earlier the performance management concept is part of the general PES business in the municipality job centres. Consequently it is the responsibility of the individual job centres to decide on how to communicate the performance management concept and its elements to their staff.

#### **5.2. What systems and tools are in place to use the results for the continuous improvement and learning of the PES?**

The best performing municipalities are building on a systematic learning and experience from their own organisation. They are seeking to implement relevant knowledge from trials, projects and practices in other municipalities.

It is decisive for a strong culture of learning that key figures and other information are accepted by politicians, management and staff. A prerequisite for this is that the involved staff of any kind participate in the formulation and follow-up of the key figures, including taking the responsibility for adjusting the efforts in case of lack of results. Such a process ensures that question marks or excuses will not be raised if the key figures do not show the expected and desired results.

New results from the collation and development of new evidence are presented in the monthly bulletin SAMSPIL.info which is a newsletter primarily targeted at the PES, journalists and others who have an interest in employment policy. All results are also gathered at [www.ams.dk](http://www.ams.dk) which has its own 'knowledge site'. Finally AMS has built a knowledge bank - [www.jobeffekter.dk](http://www.jobeffekter.dk) - which is a web-based database that provides an overview of the evidence level for various combinations of employment policies and target groups. Jobeffekter.dk is not yet publically available, but when published, it will be open to all, free of charge.

#### **5.3. Please describe what works best in giving concrete impulses for the continuous improvement and learning of the PES at all levels, including some concrete examples.**

Launch of national trials and development projects in priority areas

The AMS and the employment regions regularly cooperate with selected job centres at national level on trials and development projects aimed at identifying programme designs which generate good results for specific target groups or issues. National trial activities may result in statutory amendments directed at underpinning better results from national employment policy by implementing experience and learning from the trials across all job centres.

For example, controlled trials have been carried out showing that early and intensive measures get unemployed people into employment much quicker than measures where

the statutory minimum requirements alone are met. Another example is the result of several research results (not controlled trials) which show that activation in private companies has the strongest employment effect of all employment measures. These two examples both led to specific changes in national statutory requirements in co ordinance with the results of the controlled trials.

Employment regions to begin exchange of experience and network meetings between job centres on development of measures

The employment region monitors measures and results for different target groups. The employment region monitors that measures comply with statutory requirements, volume, timeliness and whether results and outcomes are created from the measures undertaken. The employment region also launches activities together with the job centre, if the job centre experiences problems with measures and results for specific target groups for a longer period of time. As part of the regular cooperation between employment regions and job centres in the region, experience and learning is collected and systematised from different types of measures, and network meetings and workshops are held on developing measures and theories of change for various target groups, etc. This exchange of experience underpins the dissemination of good experience and that each job centre is accountable for new knowledge on what works and what does not work.

#### **5.4 Based on your experience, what are the main challenges in linking performance measurement to continuous improvement and learning within PES?**

- Common statistics
- Performance dialogue
- Motivation for adjustment and change
- Political capability and will
- Staff qualifications
- Implementing evidence based knowledge

#### **5.5. Based on your experience, what works best in ensuring continuous learning and improvement within PES?**

- Performance dialogue at all levels
- Motivation for change
- Ensuring qualified staff



## **Part 2: PES business case: using information from performance management in the dialogue with policymakers and social partners**

### **5.6 How is the wider knowledge of successful (and less successful) employment policies and measures collected?**

Knowledge Bank for evidence-based policy and strategy development

With the increasing demands placed on the PES, it is crucial to focus on ensuring the efficiency of strategies and tools along with the development of future initiatives.

Knowledge on "what works" allows PES to ensure and develop the most efficient measures. PES have various ways of addressing the issue of "what works". PES can carry out model projects to learn about new methods and active measures. PES can gather and systemise their knowledge and sort out what can be used in the PES (database, research, reviews) and thereby develop new knowledge. To this end, a web-based 'knowledge bank' that everyone can access has been established. Here, researchers have collected evidence on behalf of AMS about what works in employment policy for various target groups based on Danish and international studies and several reviews have been produced.

The conceptual model for determining what works in employment policy and the evidence level required is presented below. In Denmark, we use the terms 'evidence', 'indication' and 'no (certain) knowledge' when talking about what works in employment policy.

#### **Box 1. Evidence-levels in the Danish Employment policy**

Evidence	Strong evidence	A dominance of three or more effectiveness studies of high quality showing the same results
	Moderate evidence	A dominance of two effectiveness studies of high quality showing the same results
Indication	Indication	A dominance of one effectiveness study of high quality or more studies of more limited quality showing the same results
No (certain) knowledge	Contradicting knowledge	Studies that go in opposite directions. No dominance
	Uncertain knowledge	None or very limited studies of limited quality. No dominance

More broadly, there are three tracks in the Danish strategy for evidence-based policy and implementation:

- Collecting knowledge about what works in employment policy;

- Developing new evidence and knowledge through randomised controlled trials (described in section 5.3); and
- Conveying/communicating knowledge/evidence to staff and stakeholders.

### **5.7 How is the wider knowledge of successful (and less successful) employment policies and measures shared with others?**

Knowledge of successful (and less successful) policies and measures is shared with policy makers and social partners primarily through the Employment Councils at local, regional and national level. At all levels, the Councils are given relevant documentation for discussion and decision on the performance of PES, recent research results and specific reports on administrative activities and adjustments.

Knowledge is also published on the websites of the AMS (including the Employment Regions) and the local PES.

The media are systematically informed through press releases and other information. The performance and the effects of employment measures have a high profile in the media and in the public debate in Denmark

### **5.8. How are the goals, performance indicators and targets communicated to other stakeholders (social partners, ministries) if these are not involved in the process?**

See answer to question 5.9 below.

### **5.9. How are the results from PES performance management (in terms of what works best, ideas for continuous improvement) shared with others (policymakers, social partners)?**

Collaboration in Denmark is relatively institutionalised. There are statutory provisions for the employment councils at the three levels: national, regional and local which involve social partners and other stakeholders. As required by legislation, municipalities must engage with the local employment council and the employment region in the development of an employment plan and their performance audit.

Employment councils also help the job centre design local strategies, and in some cases, they act as the initiative taker and facilitator for developing new collaboration by gathering relevant organisations to establish agreements and new partnerships. Outside of this framework, job centres can decide with whom they wish to collaborate and what this should cover, and they can take part in strategic collaboration and partnership across a range of policy areas, such as job creation, employment measures and developing the local community. There is also space for inter-municipal collaboration, which allows for the implementation of more ambitious and effective measures than would otherwise be possible.

Municipal job centres in Denmark most frequently work in partnership with trade unions, unemployment insurance funds, enterprises and educational institutions. For example, currently many job centres have been focusing on collaborating on youth initiatives with educational institutions, education counsellors and a number of municipal administrations. However, the number of people the municipalities collaborate with is

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more limited than other countries, possibly because many policy fields are covered by the municipalities themselves.

Overall, most collaboration between job centres and the different players is needs-defined, ongoing cooperation. In addition, annually, most municipalities hold strategy seminars in which they discuss the challenges facing employment policy in the short and long-term, and how various players can contribute to implementing local strategies. For example the municipal politicians in most municipalities arrange annual strategy seminars with the social partners, educational managers and regional employment and industrial policy authorities in order to agree on a common overall strategy for different sector policies.

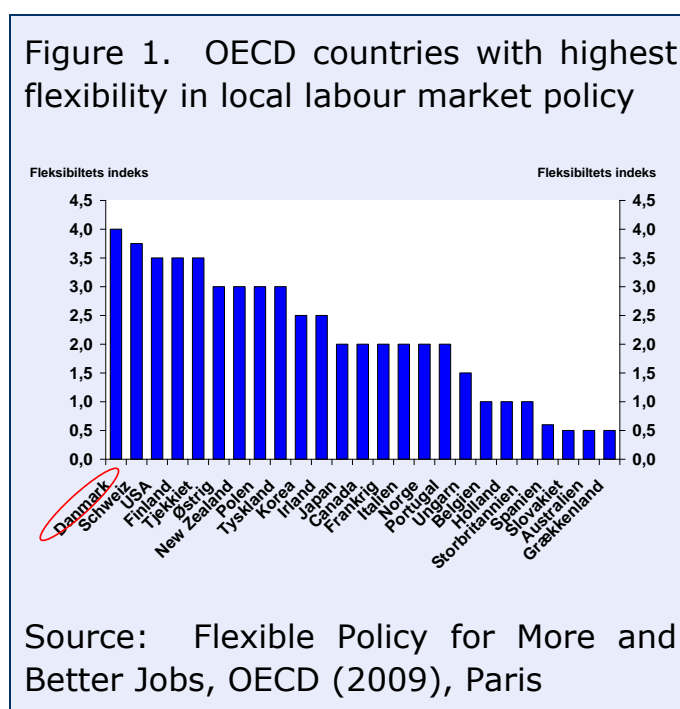
This gives room and possibilities for breaking up the silos between different policy areas which is one of the biggest challenges for an effective job creation and growth strategy at all levels in Denmark.

## 6. CONCLUSIONS AND QUESTIONS

### 6.1. What lessons have you drawn from your experience in performance management and what are your lessons for the future?

Performance management in the Danish version has proven to be a very successful approach in order to, on the one hand, secure an optimal focus on the national and regional outcome-performance targets and, on the other hand, leave scope for the PES at local levels to design and prioritise relevant strategies and measures in accordance with local needs and political decisions.

In a recent study, OECD concludes that Denmark is among the OECD countries with the highest degree of autonomy at local level for PES to design and finance appropriate employment measures, and at the same time, secure accountability to the National Performance Targets. OECD also demonstrates that the higher the flexibility for PES at local level, the higher the outcome performance.



The lessons from the Danish PES experience are:

- Set few clear, meaningful and operational national PES outcome performance goals and targets.
- Secure ownership to the National Performance Targets through a stringent dialogue process involving relevant stakeholders, including the social partners and politicians, at national, regional and local level.
- Establish systematic and transparent follow up procedures and systems on the outcome performance of each individual local PES including:

- Relevant and detailed regular statistics on local PES level performance have to be available and published
- Performance dialogue and follow up procedures with the local PES management on a regular and frequent basis must be in place and be carried out.

The Danish model where the Employment Regions have the responsibility of the performance dialogue with local PES has proven very effective.

- Set in place economic incentives at local level to apply employment measures with the documented best effects for a given target group.
- Acknowledge the importance of a professional and competent PES staff.

## **6.2. What would you most like to learn from PES in other countries?**

- How can the appropriate balance be struck between national and regional-level coordination and local-level autonomy for performance management?
- How can PES use information from performance management in order to make the 'business case' for PES vis-à-vis their ministries, social partners and other stakeholders?
- How can continuous improvement and learning be effectively built into performance management systems, (including bottom-up approaches)?