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DG Employment, Social Affairs and Inclusion

PEER PES PAPER

**Peer Review "Peer Review on Performance Management
in Public Employment Services (PES)"**

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Pôle emploi

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1. Overall approach to performance management

The implementation of the new strategic plan, *Pôle emploi 2015*, is under way. It provides a new approach to performance management. However, it is still a work in progress so all explanations and details required cannot yet be given.

1.1. Are there any guiding principles that define and underpin the overall approach to performance management? If so, what are they?

Result-oriented - The three-year (2012-2014) tripartite agreement between Pôle emploi and its shareholders, the state and Unedic (joint body managing the unemployment insurance scheme) stipulate that Pôle emploi performance must be measured by result-oriented indicators. This is a major shift from the previous period when many indicators were resource-oriented.

Transparency and satisfaction - Some indicators will rely on the opinion of users such as jobseekers and employers on services provided by Pôle emploi. Pôle emploi will report its results to the agreement's steering committee periodically and these results will be available to the general public.

"Room to manoeuvre" at regional level - The major transformation plan *Pôle emploi 2015* which needs to reflect the principles stated in the tripartite agreement is currently being implemented. Aside from developing a new result-oriented performance tracking system, it also carries out a renewed performance dialogue with regions based only on results. Regions have now to set their own targets and are committed to reaching them.

Knowledge-sharing within PES - Several ongoing projects aim at enhancing performance through knowledge-sharing within Pôle emploi: 1) The clustering of local agencies will allow for more relevant performance comparisons, and 2) the implementation of a system dedicated to sharing good practices linked with an innovation process.

1.2. Which structures or individuals have overall responsibility for performance management in the PES?

Performance management relies largely upon performance dialogue between Head Office and the regional and local offices. Its principles have changed in line with the new approach to performance: more leeway for local agencies, temporality based on multi-annual agreement, indicators largely stemming from tripartite agreement indicators. Performance dialogue now focuses on results: performance contracts will be agreed at all operational levels through a bottom-up dialogue starting at the local offices level, based on a locally-defined strategy.

Controlling departments and units in regional or central offices develop and support the whole process.

1.3. Does the PES use a quality management model to assist in managing and improving performance?

Type of model	Used? Yes / no Give details if requested
<i>ISO9000</i>	<i>No</i>
<i>Balanced Scorecard</i>	<i>No</i>
<i>EFQM</i>	<i>No</i>
<i>CAF</i>	<i>No</i>
<i>Other (please specify)</i>	<i>Service commitments</i>
<i>None</i>	

2. Goals and target-setting

2 pages (excluding the questions)

2.1. What systems are in place to define and agree the goals, performance indicators and (quantifiable) targets?

Performance management is organised on different levels, each with its process and indicators (some may be shared) aimed at measuring how targets have been reached:

- Tripartite agreement between Pôle emploi and its backers (State and Unedic). Reporting is done on a national basis through the use of 15 indicators, most of which have 3-year national targets. Both indicators and targets are the result of a negotiation within a Technical Tripartite Committee fed into by several specific working groups. The main aims were to limit the number of indicators, to shift from merger-oriented indicators to results-oriented ones and to get a full picture of priorities including return to work, satisfaction, performance, direct servicing to jobseekers and employers. Monitoring and steering the convention is carried out at different levels:
 - the Monitoring Committee is led by the Employment Minister and comprises among others three state representatives appointed by the Employment Minister and representatives of both Pôle emploi and Unedic (social partners)¹. It is in charge of monitoring the agreement and if necessary adjusting targets and goals as well as indicators. It meets every six months.
 - the Directors Committee gathers together managing directors of Pôle emploi, Unedic, and of Delegation-General for Employment and Vocational Training from the Employment ministry. It analyses quarterly results by Pôle emploi with regard to both tripartite agreement and global economic conditions
 - the Technical Tripartite Committee comprises representatives from the state, Unedic and Pôle emploi. It aims at feeding all involved parties with information about studies, evaluation, and statistics and providing technical support to other committees with respect to analysis agreement indicators.
- Performance dialogue is carried out between Central Office and regional offices, and between regional and local offices. Its principles have changed in line with the new approach to performance: more leeway for local agencies, temporality based on multi-annual agreement, indicators largely stemming from tripartite agreement indicators. A tool for implementing national strategy, performance dialogue has been redefined and now focuses on results: performance contracts will be agreed at all operational levels through a bottom-up dialogue starting at the local offices level, based on a locally-defined strategy. A local/regional diagnosis taking into account socio-economic conditions on the labour markets, taking account of partners (operational and institutional ones) will have been previously carried out.

As explained before, the performance dialogue process is currently evolving, 2013 being the first calendar year for the implementation of *Pôle emploi 2015*. Regional directors define and implement the most appropriate regional strategy to reach the

¹ State Bodies (administration for employment and Budget), and Unedic (social partners) are both the main financiers of Pôle emploi.

objectives stated in *Pôle emploi 2015*. They commit themselves to general managing director to its implementation as well as to regional global performance. The Operations Directorate (Network Department) at Pôle emploi Central Office is responsible for the development, the organisation and the monitoring of the performance dialogue process. The network contact persons associated with the Central Office support regional directors at every step. The Strategy Department (within which statistics and studies units), and Controlling Department also take part to the process.

Targets will be nationally set up for 16 indicators for all regions, or tailored for some regions according to its results from the previous year. 11 of these indicators result directly from the tripartite agreement. Some other appropriate measuring items will supplement those at a later stage in order to provide the whole picture of how priorities were met in respect with strategic orientations.

The process starts with the Central Office delivering a general statement "paper" on the direction for the forthcoming year, and sending every region a first proposal of targets by indicator. This triggers iterations between regional and central offices to define the targets more precisely. The process ends with agreement on regional targets, including multi-annual targets. Resource allocations to regions are decided after the process has been completed.

Please give a brief description of the systems

How often are the goals, performance indicators and (quantifiable) targets set?

Frequency that goals, performance indicators and (quantifiable) targets are set?	Yes/No and give details if requested
6 months	
Annual	Yes
Multi-annual (please specify)	Yes, for the national targets associated with performance indicators of the three-year tripartite agreement
Specific points in time/circumstances that trigger a review/adjustment (please specify)	The Tripartite agreement Monitoring Committee (as the political body) meets at least every six months. It may adjust paths and yearly goals assigned to Pôle emploi, in case of substantial change in economic context for example, based on analysis provided by Technical Tripartite Committee, and proposals from the Directors Committee.
Other (please specify)	

Who is involved in defining and agreeing the goals, performance indicators and (quantifiable) targets?

The Pôle emploi Board of Directors (managing board) consists of five representatives of the State, five representatives from national, cross-industry trade unions, five representatives from representative national, cross-industry employers' associations, one representative from the local authorities and two qualified individuals appointed by the French employment minister. The system of performance indicators and targets are on the agenda of the managing board.

Who is involved in defining and agreeing the goals, performance indicators and (quantifiable) targets?	Involved? Yes/No and give details if requested
PES senior management	Yes
Ministry of Labour (Social Affairs, Economy ...)	Yes (see above)
Other policymakers (please specify level and type of policymaker)	
Social partners	Yes (see above)
Other stakeholders (please specify who)	Unemployment Insurance (Unedic). Board of directors.
Other PES staff (please specify who)	Controlling Department Statistics and Studies Department

2.2. What systems are in place to review and adjust the goals, performance indicators and (quantifiable) targets?

Please give a brief description of the systems

How often are the goals, performance indicators and (quantifiable) targets reviewed and adjusted?

Frequency that goals, performance indicators and (quantifiable) targets are reviewed and adjusted?	Yes/No and give details if required
<i>6 months</i>	
<i>Annual</i>	Yes
<i>Multi-annual (please specify)</i>	
<i>Specific points in time/circumstances that trigger a review/adjustment (please specify)</i>	The Tripartite agreement Monitoring Committee meets at least every six months. It may adjust paths and yearly goals assigned to Pôle emploi, in case of substantial change in economic context for example; on proposals of Committee of Directors.
<i>Other (please specify)</i>	

Who is involved in reviewing and adjusting the goals, performance indicators and (quantifiable) targets?

Who is involved in reviewing and adjusting the goals, performance indicators and (quantifiable) targets?	Involved? Yes/No and give details if required
<i>PES senior management</i>	Yes
<i>Ministry of Labour (Social Affairs, Economy ...)</i>	Yes
<i>Other policymakers (please specify level and type of policymaker)</i>	
<i>Social partners</i>	Yes (through Joint body Unedic)
<i>Other stakeholders (please specify who)</i>	
<i>Other PES staff (please specify who)</i>	Controlling Department Statistics and Studies Department

2.3. What are the main goals and performance indicators for the PES?

Please list the goals and indicators.

Fostering access/return to employment and preventing long-term unemployment through better use of resources (within the Tripartite Agreement) .

Main indicators are:

- exit rate to sustainable job (sub indicator: of which LTU 12m+), exit rate to sustainable job within 6 months after any training prescribed by Pôle emploi
- proportion of unemployed still registered 12 months after registration (sub indicator: of which aged 25- and 50+)
- number of jobseekers who have been registered with no activity at all at least 21 months over the last 24 months
- proportion of registration and diagnosis interviews carried out within 10 working days after first contact with Pôle emploi
- proportion of first benefits paid in due time
- satisfaction of jobseekers and employers
- Part of FTE staff dedicated to production services
- Part of FTE staff dedicated to jobseekers support and monitoring

What is the main rationale behind these goals and performance indicators?

"Doing more for those most in need": emphasis on sustainable outcome and LTU prevention, focusing on jobseekers the furthest away from the labour market.

And also, act more with "room to manoeuvre" at the territorial level; and act oriented on results, performance oriented on optimisation of means (more advisers at front office level, and for those most in need).

2.4. Is there any rationale behind the number of indicators set, and if so, what?

The new strategic plan, *Pôle emploi 2015*, stresses the need to relieve agencies of the burden of overly detailed reporting. As a result, the number of indicators has sharply decreased as compared with the previous performance management system: monthly dashboard now features 16 indicators as compared to 74 previously, and weekly reporting shows 7 indicators instead of 12. Core targets are mentioned in both Tripartite Agreement and Strategic Plan but there are additional indicators which provide additional information.

2.5. Are the indicators common to all the PES structures and levels (national, regional and local) or is there some degree of tailoring?

Yes

2.6. Based on your experience, what are the main challenges faced in ensuring effective target-setting?

Fewer indicators both within and outside *Pôle emploi* reporting, global understanding of the purpose, need to avoid biased indicators that can be circumvented or misleading. Good knowledge of external context.

Based on your experience, what works best in ensuring effective target-setting?

Managerial support to foster buy-in and understanding. To do so managers need to be supported.

3. Performance measurement

3.1. What are the main systems and tools in place to collect data and measure performance according to the agreed indicators?

Datawarehouse enables use of sophisticated tools for in-depth analysis. Mainly dedicated to controllers and statistics experts

Management Information System: easy to reach for managers; includes dashboard management.

Do you use a data warehouse? Which types of data are collected regularly and for which purposes?

Yes. It merges functionalities of both pre-merger business intelligence systems. It enables 4-level data access according to their level of transformation: raw administrative data, queries for control experts, cubes (cross-tab transformed data) and pre-formatted dashboard.

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

There is ongoing work on a clustering model in order to compare performance across local offices in a more relevant way, based on different labour market conditions and the geographical situation of areas.

Network contact persons help regions in their portfolio to analyse performance results through territorial comparisons. One yearly performance review is scheduled to monitor results, targets and resources. Should a region clearly underperform during the year, a second performance review would be organised in order to cross-check analysis and explanations and share practices from the best performing regions.

3.3. Please describe one of the most effective systems or tools for collecting data and measuring performance in greater detail.

Currently implemented data warehouse allows for a 4-level data access according to their level of transformation: raw administrative data, queries for control experts, cubes (cross-tab transformed data) and pre-formatted dashboard. Still fed by different containers, ongoing work aims at integrating these into a single one.

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

The time gap between implementation of new management applications and adjustment/adaptation of decision-making applications.

Poor quality of data.

3.5. Based on your experience, what works best in ensuring effective performance measurement?

4. Performance management, continuous improvement and learning

Part 1: Performance management, continuous improvement and learning within PES

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

Pôle emploi 2015 has been sent to all staff. Also, many performance indicators appear in the annual activity report.

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

As part of the strategic plan, *Pôle emploi 2015*, a system aimed at sharing good practices will be implemented in 2013.

As stated before, sharing good practices from the best performing regions is part of performance review process conducted to monitor regions where repetitive alerts appear.

4.3. Please describe what works best in giving concrete impulses for the continuous improvement and learning of the PES at all levels.

Quality indicators such as satisfaction. Measurement of service commitment will be introduced in 2013.

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

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

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

4.6. How is the wider knowledge of successful (and less successful) employment policies and measures collected?

What tools exist to gain knowledge about what works and what does not work and why?

Pôle emploi is required by law to carry out evaluations of its services. To do so, an Evaluation Committee has been set up to provide 'food for thought' to the Board of Governors. Its members are either Pôle emploi administrators (representatives from the state, social partners) or qualified individuals such as academics or national controlling bodies representatives.

A yearly evaluation program is decided by both Board of Government and Evaluation Committee, though some projects may stem from the government (for instance

evaluation of anonymous CV). Evaluation conclusions and recommendations are presented and discussed during board meetings. A steering committee is set up for every evaluation (qualitative and quantitative), with representatives of regions in which evaluation is being carried out as well as from operational departments associated in the evaluated provision of service. This committee fosters dialogue and learning between departments, and can result in new and faster developments of services.

In line with development of in-house experiments (part of the newly impeded Innovation approach), a number of evaluations are now conducted without referring to the Evaluation Committee. It may deliver results about what is working and what is not working, involving more evidence-based approach in Pôle emploi.

4.7. How is the wider knowledge of successful (and less successful) employment policies and measures shared with others (e.g. social partners and policymakers at different levels)?

See above (Evaluation Committee).

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

The stakeholders are involved in the process as they have representatives sitting at the managing board. Results are also communicated on a regional level to the social partners, who sit on the representative joint body.

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

Results concerning specific programmes or subsidised contracts (that Pôle emploi manages on behalf of the state) are shared with state partners. Presentations to the Evaluation Committee are also part of this process.

4.10. Based upon your experience what are the main challenges and what works best in ensuring the dialogue of PES with other stakeholders about results from performance management?

5. Conclusions and questions

5.1. What lessons have you drawn from your experience in performance management?

- need to go into action on real goals, not on indicators
- need to understand limits of indicators

5.2. What are key issues for the way forward in your organisation in relation to performance management?

- implementation of results-based steering
- existence of a shared steering culture at all levels
- comparability of results through cluster analysis

5.3. In the Peer Review discussions, on which of the following topics would you most like to focus and what would you most like to learn from others?

Topics	Importance of the topic (scale: 1 very unimportant, 5 = very important)	What would you most like to learn from others in the topic(s) you are most interested in? (maximum three bullet points)
Overall approach to performance management	5	
Goals and target-setting	4	
Performance measurement	4	
Performance management, continuous improvement and learning	5	5