

Cost Benefit Analysis in the German Public Employment Service

Bundesagentur für Arbeit, Headquarters, CF1, Robert Winter, Brussels, 3 October 2013

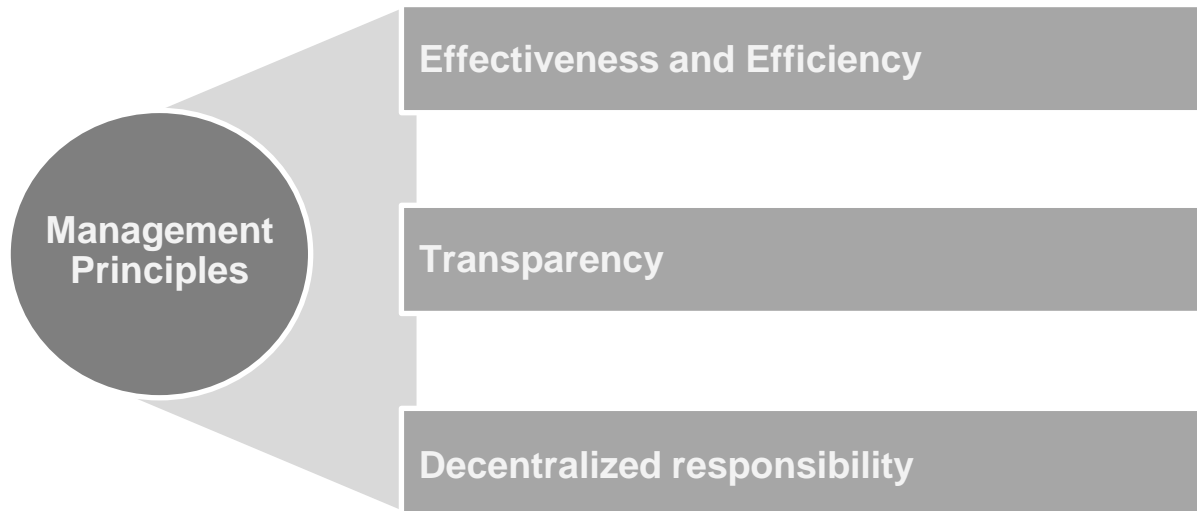


The German Approach



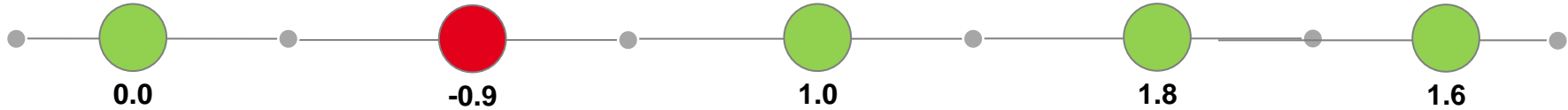
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Efficiency is a key part of the BA's management principles.

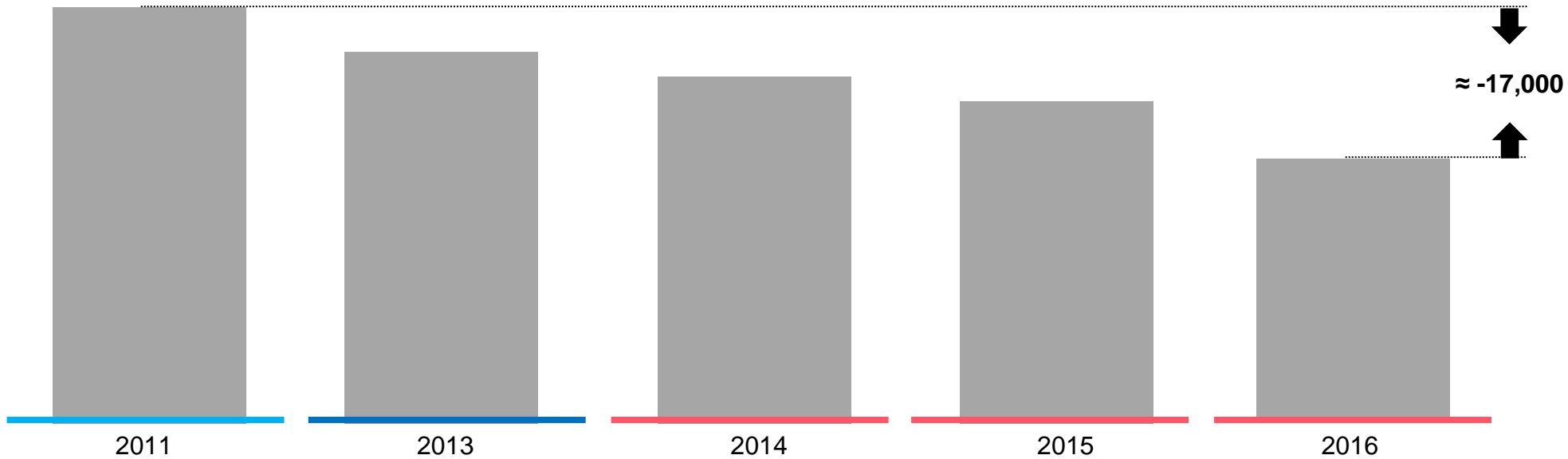
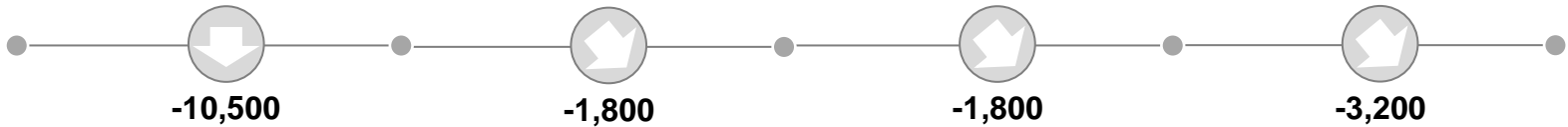


Financial and human resources will become increasingly scarce in the future.

FINANCE DEVELOPMENT (balance of income and expenditure in billion EUR)

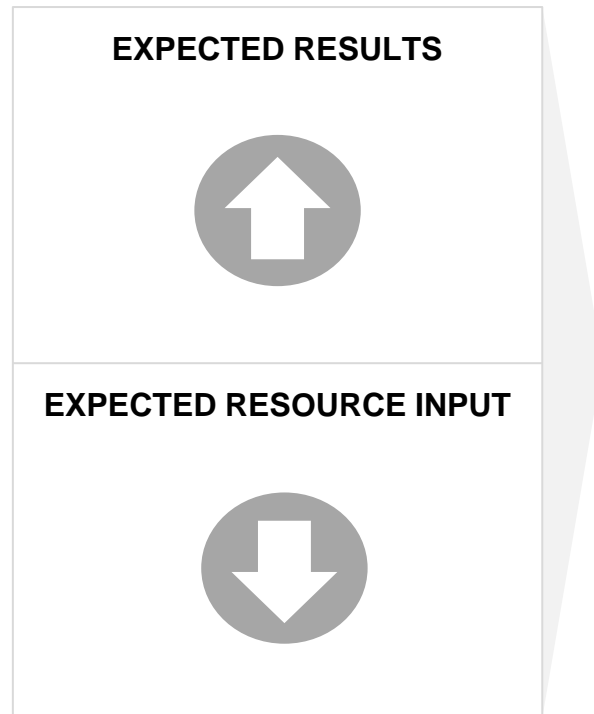


HUMAN RESOURCE DEVELOPMENT (FTE)



Due to difficult economic conditions, the BA's personnel downsizing plan was suspended for two years.

Numerous indicators enable the BA to evaluate its efficiency.



The BA aims to improve operational efficiency.

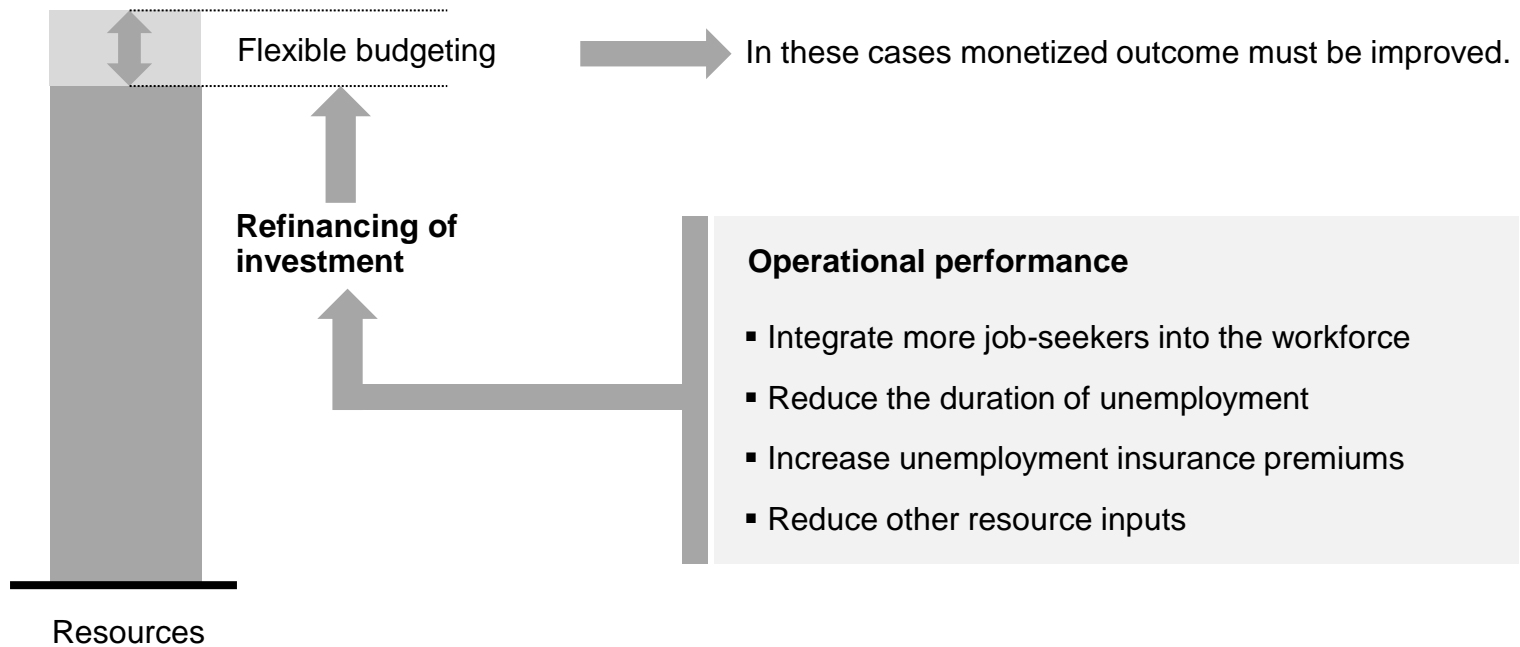
Efficiency parameters

- Costs per customer
- Costs per market integration
- Costs per market integration after job training
- ...

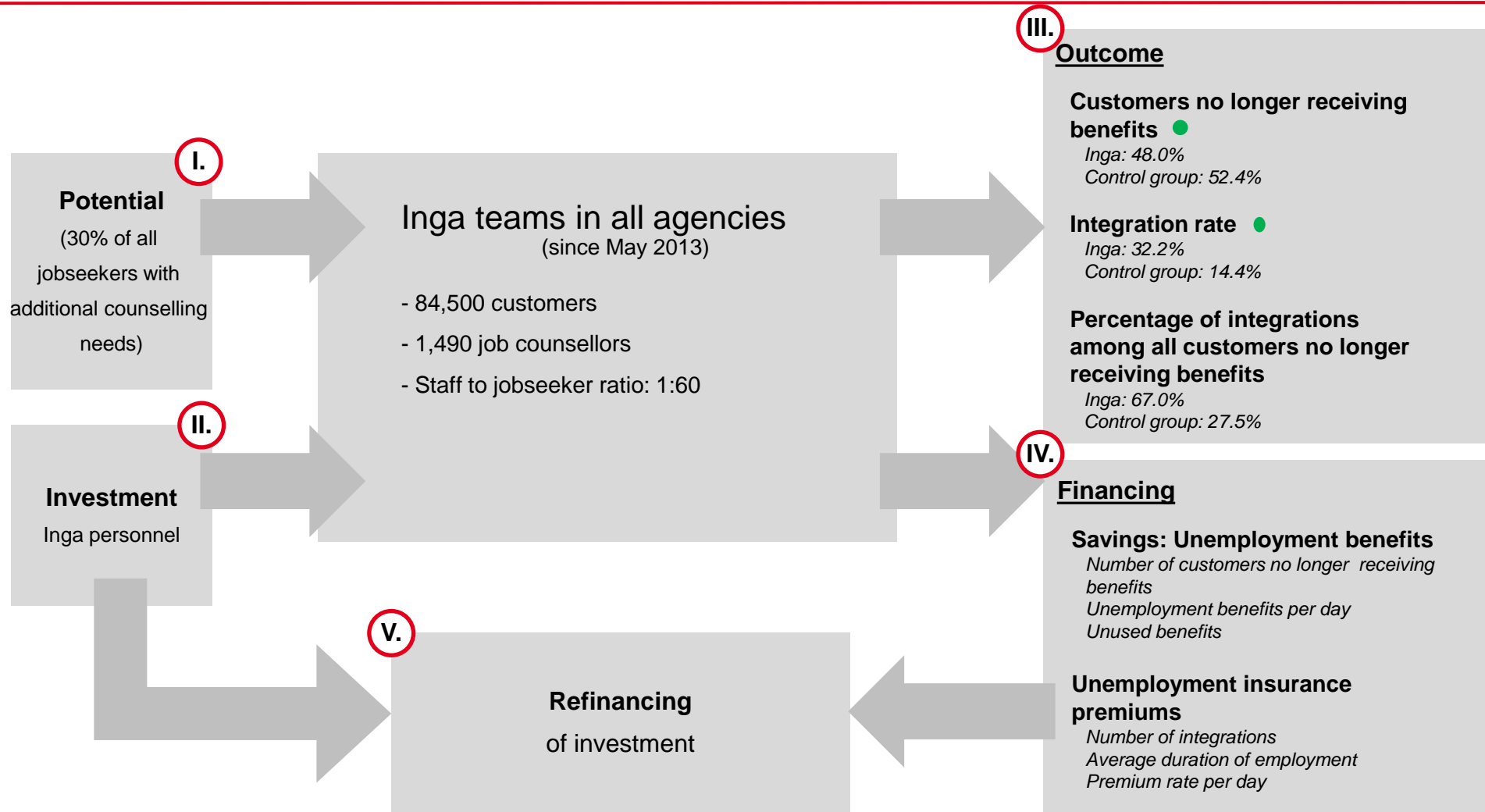
Operational parameters

- Costs per day of unemployment
- Costs per day of job training
- ...

Additional investments are made only if the expected returns will exceed the input.



“Project Inga” -- In order to integrate more customers with additional counselling needs, the ratio of staff to jobseekers was increased. However, additional staff must be refinanced.



Efficiency is an integral part of performance reviews.

Performance evaluation



Additional evaluation factors



Performance review

Target agreements



Part of a decentralized planning process

Operational quality



How ambitious are the targets?



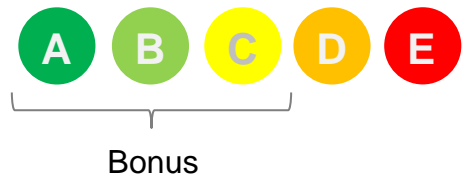
Efficiency of resource usage



Quality of task completion



Categories



Lessons learned so far

- To monetize outcomes, it is necessary to estimate numerous variables.
- The refinancing principle is a paradigm shift: Extensive communication with members of staff is necessary.
- Incorrect implementation must be dealt with; outcome remains the key priority.
- As a result of this approach, BA staff are learning a more entrepreneurial attitude to management.