Identification of latest trends and current developments in methods to profile jobseekers in European Public Employment Services:

Final report

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Executive Summary

This small-scale study to identify the latest trends and current developments in methods to profile jobseekers in European Public Employment Services (PES[1]) was undertaken by the Institute for Employment Research (IER) at the University of Warwick and ICF International. The study objective is to assist Member States' PES in adapting profiling systems, which can support their delivery strategies, operational delivery systems and resource deployment. This will enable them to meet their obligations under recent European regulations to support better functioning labour markets, reductions in unemployment, and increasing employment rate, for all groups including the most vulnerable.

The study comprised three elements: a literature review; case studies of six Member States and two international comparators; and a workshop with key stakeholders, profiling subject experts and representatives for Member State PES to explore findings from the literature review and case studies.

The **review of the literature** focused on jobseeker profiling, or segmentation, as a recognised procedure for identifying and allocating jobseekers to different categories, which can indicate the activation measures they can access or are entitled to. Screening, profiling and targeting particular groups of jobseekers is considered useful for assessing individual needs with the aim of supporting a quicker return or transition to the labour market. Whilst the main aim of profiling is to assess the prospects of a jobseeker returning to the labour market, by identifying those that are most likely to benefit from early intervention, active labour market programmes and interventions need to be in place to support the 'profiled' jobseeker. Overall, the evidence concerning the explanations for the use of profiling is wide. It suggests that there are significant and measureable benefits in the use of tools to profile jobseekers. It was found that the transition from soft to hard activation measures has prompted a stronger usage of beneficiaries' profiling and filtering tools. A move to, and an increase in, self-service facilities; many of which are delivered online, was also evident.

There are different approaches to jobseeker profiling, which range from statistical profiling, rules-based or administrative profiling; soft-profiling; and caseworker based profiling. It is important to note that types of profiling are not mutually exclusive and there is inconsistency in the way various authors have named and categorised the types and approaches to profiling. Profiling tools differ on whether they use administrative data or more qualitative data and the level of caseworker discretion. They also differ on whether they are used to allocate resources or categorise jobseekers where they receive different levels of support. The role of the caseworker is also a key differentiator in profiling tools; in some methodologies caseworkers have greater discretion on how profiling results are used and/or changed, and what services jobseekers can access.

Across the Member States different profiling methodologies have been implemented, whilst some have evolved and developed others have been withdrawn and in some cases new systems put in place.

Some of the latest trends presented in the literature include the increasing importance of understanding local labour markets to identify demand and likelihood of long-term unemployment and integration of profiling results with more in-depth screening or interviews undertaken by caseworkers. Recent evidence suggests that profiling models are still unable to deal with jobseekers with complex and multiple issues.

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[1] PES are defined as organisations that are responsible for implementing active labour market policies and providing employment services in the public interest being part of relevant ministries, public bodies or (non for profit) corporations falling under public law.

It is evident from the literature that there are some issues that need to be taken into consideration when looking at profiling methodologies. First, assessing the efficacy of profiling methodologies in different countries needs to take into account the respective aims and objectives behind why the profiling was introduced. The construction of profiling and targeting tools will reflect the objectives assigned to such tools. In addition to examining country contexts when assessing profiling methodologies, there are a number of other important considerations.

Second, there are significant technical challenges in designing and maintaining profiling systems. It is also important to note that profiling is based on the information provided by the jobseeker who may withhold or exaggerate key information that will impact on the accuracy of the profiling outcomes. Overall, the accuracy of the profiling tool is important to ensure the efficiency of the support system, as resources may be wasted if accuracy is low.

Third, the selection of variables to integrate into profiling tools raises ethical issues. While there is a growing trend toward the personalisation of service risks this can clash with the principle of equality of treatment in provision of public employment services. Furthermore, the role of the caseworker needs to be taken into consideration. Statistical profiling and the assessments of caseworkers should be seen as complementary. Finally, there is a concern that profiling tools need to adapt to the growing complexity of the jobseeker's journey.

The research evidence shows that profiling approaches and tools have been used in practice for some time, but their implementation has been, and continues to be, varied across Europe and internationally. It is evident that whatever profiling methodology is implemented (statistical, soft, rules-based or a combination of methodologies) the caseworker plays a vital role; their support in developing, implementing, using, interpreting and understating the profiling methodology is key to its success. However, it is evident that statistical profiling is becoming more widely accepted with a growing interest in its implementation. Although the evidence raises concerns about the accuracy of profiling tools, cost savings and reduction in periods of unemployment have been evidenced by evaluations of the established and well-developed international profiling tools. Although in its early stages, new profiling techniques using psychological and personality traits and taking account of soft skills are being tested with positive results.

Recent literature points to European PES moving to more integrated approaches to dealing with jobseekers; profiling is seen as part of that process. There is much evidence that profiling needs to be part of an integrated and coordinated system to be useful. For instance, training, career guidance and counselling support, alongside active labour market programmes have to be in place to support jobseekers who have been profiled. It is also the case that targeted policy and programmes need profiling to ensure that the right jobseekers are steered to these programmes. Profiling those that would benefit from early intervention is a key success to profiling methodologies. Nevertheless it needs to be recognised that for some jobseekers being classified as 'high risk' may have a negative impact on their approach to labour market reintegration. Others may be allocated to programmes for which they are not ready.

The second element of this study examined the **profiling systems of six EU Member States** (including Germany, France, Ireland, Netherlands, Slovakia and the United Kingdom) and provided comparative examples from two non-EU countries (namely Australia and Canada). This was achieved through a review of evidence, policies and interviews with key stakeholders and/or country experts. Case studies were selected as part of the evidence review.

The new caseworker-based profiling system in the **French PES**, introduced at the end of 2012, fits into Pôle Emploi's broader delivery system and aims to strengthen the

link between profiling and engagement pathways, encourage jobseeker autonomy, and establish a relationship of trust and cooperation between the caseworker and the client. A labour market information tool (*information sur le marche du travail*) and a job matching tool (*systeme de rapprochement des offres)* are used by caseworkers. The profiling is done at the initial registration and diagnosis interview where jobseekers are profiled into four types of engagement pathways that differ in terms of the nature (telephone, online, face-to-face) and frequency of the contact between jobseekers and caseworkers, as well as the services provided to the jobseeker. A range of measures have been put in place to secure staff buy-in for the new profiling system. Recent large-scale recruitment of new caseworkers highlighted the importance of training and support for caseworkers in using the new system. Legislation around data protection issues has also acted as a barrier to the effective use of the data collected via France's profiling system.

Profiling in the **German PES** involves a combination of information-driven profiling with caseworker assessment in order to segment jobseekers into six different client groups, where profiling constitutes the first of four phases in an end-to-end service delivery process for jobseekers, the so-called Four-Phases Model (4PM). The end-to-end 4PM system is supported by a Virtual Labour Market (VLM, *Virtueller Arbeitsmarkt*) platform consisting of three, closely-interlinked tools to support the 'human' decision-making of caseworkers. Profiling in Germany is used a part of a customised 'expert system'. The 4PM system confers PES caseworkers with a high degree of discretion. The data-assisted profiling can be revised by the caseworker and ultimately, it is the individual caseworker who has final discretion over the level of resources and the types of interventions offered to the unemployed jobseeker. This means that effectiveness largely depends on whether caseworkers are well-supported, well trained and whether the PES system is well-financed. Effectiveness is also highly dependent on the labour market and other data in the VLM being regularly updated.

The current system has the distinct advantage of having been designed to capture both generic and soft skills. It was developed with considerable input from PES caseworkers and consequently they have a high level of ownership. Significant set-up and ongoing costs are associated with this system and some concerns have been raised about the high level of administration that is required. In addition, strict data protection rules can serve as a barrier to caseworkers, particularly when they are dealing with complex cases. Provision of customised or personalised services is an expensive method of service delivery however there is some evidence to suggest that this approach can be cost effective. However, it also means that profiling is, to a large extent, dependent on the 'human element' of subjective assessment that is inextricably linked with the capabilities, knowledge and experience of the caseworkers.

Ireland's profiling system is characterised by a combination of a strong statistical profiling tool and high caseworker discretion. While its implementation was spurred on by worsening labour market statistics as well as reduced fiscal space, its development and design was the result of over a decade of research and planning. Prior to 2012, a simple rules-based profiling system with time-based segmentation was used. Rolling out of the new profiling system coincided with the introduction of local 'Intreo' centres, which act as a single point of contact for all employment and income support with the aim of ensuring a closer integration of social assistance and activation. Ireland's statistical profiling serves to manage client flows in order to prioritise jobseekers based on their risk of becoming long-term unemployed. Upon registering at their local labour office (Intreo Centre), jobseekers are asked to complete a (mandatory) profiling questionnaire in order for their benefits claim to be processed. On the basis of their answers, each jobseeker is given an individual PEX score, which determines whether they are at low, medium or high risk of exiting the unemployment register (called the Live Register) within 12 months. In addition, another new profiling model –

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the so-called labour market disadvantage model – has recently been developed to segment and profile Ireland's existing stock of long-term unemployed.

Social dialogue played an important role in acceptance of the new profiling system. Legislative change was required to accommodate the new profiling making it compulsory for jobseekers to complete the profiling questionnaire. PEX scores or results are not shared with the client in order to avoid potential negative behavioural impact. At present, two separate IT systems co-exist that leads to a duplication of work and prevents caseworkers from accessing and making full use of the data collected by the statistical profiling tool. At present, information emerging from the statistical profiling tool determines the engagement path of the jobseeker; it does not serve to orient jobseekers towards activation services. In the future, profiling data may be used to support caseworkers in directing a jobseeker towards activation programmes that match their needs.

Budget cuts in **The Netherlands** have resulted in a shift away from face-to-face service delivery to a primarily digital service delivery along with a stronger emphasis on encouraging greater self-reliance among jobseekers and focusing resources on those clients most in need of support. In recent years, various actors at different levels have been developing profiling tools in the Netherlands. Since 2014, the UWV has begun implementing a new tool called the Work Profiler (*WerkVerkenner*) which involves statistical profiling aimed at estimating a jobseeker's probability of returning to the labour market within a year. It is used in parallel to the aforementioned target group policy. Assessment is made on the basis of 'hard' and 'soft' predictors.

Since February 2015, the UWV has shifted to online employment services; after an initial face-to-face meeting, a jobseeker is directed to online services. Face-to-face services are restricted to those most vulnerable in the labour market. This has resulted in changes to the role of the caseworker. The profiling instrument will help the UWV achieve the current targets set by the government in terms of budget reduction and shift towards digital service delivery. Moreover, the instrument remains adaptable should the budget for employment services change over time. Given the current focus on strengthening the automatic linkage of profiling with the UWV employment services on offer, the Dutch PES seems to be moving towards the US and Australian models in which profiling is used as an automatic determinant of resource allocation. With the difference, however, in the current Dutch system, caseworkers can still support the jobseeker on a one-to-one basis, either face-to-face or online, by providing more in-depth advice.

In **Slovakia**, a 2009 reform involving integration of delivery of employment services and social assistance saw the introduction of a profiling system that classifies jobseekers into three broad client categories based on their level of disadvantage in the labour market. Profiling was introduced with the aim to better target PES resources at jobseekers disadvantaged in the labour market. Introduction of the profiling system resulted in re-organisation of Slovakia's labour offices into three zones. However, the most recent reform in 2015 led to the almost complete dismantling of the profiling system. It abolished the system of assigning client groups to different zones of services. Jobseekers now receive all PES services from a single PES staff member who is assigned to them upon registration. The 2015 reform has significantly increased the (already high) caseworker discretion in assigning different services to jobseekers. Effectively, services provided to individual jobseekers are left entirely to the discretion of caseworkers. After abolishing the zone system, each jobseeker works with one PES caseworker who resolves both employment and social assistance agenda issues. This reduced caseloads to approximately 200 registered unemployed individuals for each client facing staff member providing employment services. The effectiveness of the new system of PES provision has not been

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evaluated. There are currently no plans for reintroducing more substantial client profiling within the Slovak PES system.

Through a process of rules based and caseworker based profiling where caseworkers have discretion, jobseekers in the **United Kingdom** are offered individualised support to return to the labour market. Segmentation is used in the United Kingdom and although it is embedded in the PES, it is not considered to be undertaken in a systematic way. Caseworkers play a key role in identifying those jobseekers needing more intensive support and/or referral to specific interventions. They have a lot of discretion on frequency of visits to the jobcentre and what sort of services can be accessed. No statistical profiling of jobseekers has been used in the United Kingdom. Statistical profiling and segmentation has been looked at to determine whether these approaches would provide a more effective and efficient service, as well as a more equitable service. The research and piloting around statistical profiling suggests that the barriers to implementing profiling are around: the detail required from administrative data; the collection and maintenance of administrative data; and the development of a model that provides accurate results for United Kingdom jobseekers. As noted, there is currently no inclination to change the current system.

In addition to the six case studies in EU member countries, the two international case studies were undertaken in Australia and Canada.

Since its introduction in 1998, there has been considerable interest from abroad in the type of jobseeker profiling used in **Australia**. The Jobseeker Classification Instrument (JSCI) is a data-driven statistical profiling tool that is used to assess the relative likelihood of a jobseeker becoming or remaining long-term unemployed. That is, the JSCI is a 'hard' quantitative (statistical) forecasting tool. Profiling results measure a jobseeker's *relative* (not absolute) difficulty in gaining and maintaining employment. It is also used to identify those jobseekers with complex or multiple barriers to employment requiring further assessment. Mandatory profiling occurs when a jobseeker initially registers for unemployment benefits. As such, caseworkers play a very limited role in profiling. This means that profiling is not integrated with ongoing case management and caseworkers are left very little discretion to alter, customise or adapt the support they provide to jobseekers. Results from profiling are also used in resource allocation, as they are used to allocate resources to stream services and to determine the funding paid to JSA providers (private providers). The JSCI has been found to be highly predictive in forecasting jobseeker outcomes, however, it relies on jobseeker disclosure. Caseworkers were heavily involved in developing the original version of the JSCI and when it was first introduced they used it more as an assessment tool. Now, due to the timing of when it is administered and because it is primarily used by the government as a rationing tool, the JSCI is not very well integrated into case management. While a new employment services model will come into place on 1 July 2015, profiling results will continue to be used to allocate funding across the three steams of service delivery and to determine the payments made to JSA providers.

In **Canada**, administrative rules, targeting and referral systems vary by province and territory. There are two types of profiling. First, when an individual applies for income benefit their personal information and information from the Record of Employment[2] is used in the 'Targeting Referral and Feedback' process. Second, targeting can be based on local labour market demands or those needing more intensive support to return to the labour market. Within each sub-region or municipality, different criteria for screening are set, but these can be changed at any time to reflect local labour market

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[2] The Record of Employment provides the employment history (salary, length of and type of employment) of an individual and can be accessed online at anytime by the individual. This Record has to be supplied by the employer for any employee who is experiencing an 'interruption of earnings'.

conditions. Therefore, targeting is up to the province and is dependent on the local labour market conditions. The key to profiling in Canada is the administrative data collected by Service Canada at the time an individual makes a claim. This information is, used by most provinces and territories, for profiling and targeting purposes. While some provinces and territories have not taken up the data due to capacity constraints, there is now greater understanding that the data could be a useful tool, supporting and targeting the delivery of services and allocating resources. While it was piloted from 1994 to 1999, statistical profiling is not currently used in Canada.

Within Québec, there is an established and relatively effective system of identification and referral that has been in operation since 1999. The aim is to identify those at risk of exhausting their unemployment insurance[3] faster. The profiling categorised into two group: 'Rapid Re-employment' and 'Employability Development'. Training of PES staff was seen as important, but this poses a particular challenge as the use of profiling is decentralised. ICT has been a key enabler in Canada introducing self-service facilities changing the way jobs are sought and the role of the caseworker as an intermediary in the process. For caseworkers, this means that there are more resources to focus on those requiring more intensive support and those furthest from the labour market. At the municipal level community based employment service delivery organisations also provide face-to-face and online careers services. A current problem with the approach is that not all claimants at risk of a prolonged benefit period are processed by the mechanism. Identification of EI claimants using a statistical model is considered advantageous, as it would reduce the risk of mistakes and misuse of the profiling approach. Importantly, it is believed that this model would provide objective treatment of claimants providing equitable treatment.

The final element of the study was a **PES expert workshop held in Brussels** in March 2015. It included key stakeholders, profiling subject experts and PES representatives from Member States. The workshop provided an opportunity to test emerging findings and develop some general conclusions on the practical application of profiling in different institutional settings to assist Member State PES. The main objective of the workshop was to provide practical outputs to assist Member States' PES in adapting their profiling systems (where required) to support delivery strategies, operational delivery systems and resources deployment

From the discussions, it is evident that the rationale and design of the profiling approaches and tools are dependent on the county and institutional context, as well as the objective of the tool (i.e. to allocate resources, identify those at risk, etc.). This context impacts on a number of elements of the profiling system such as the design, introduction, caseworker discretion and jobseeker awareness of the profiling and/or results. Profiling systems can be used for several purposes; one design can serve to deliver several objectives, but whether this was achievable was questioned. It was noted that careful reflection on the purpose of a profiling tool and how it serves jobseekers is required.

Caseworker and management buy-in are seen as necessary to the successful implementation of profiling systems, approaches and tools. There needs to be a balance between caseworker discretion and the use of profiling. It was agreed that it was important to design profiling systems that would motivate jobseekers using a positive yet realistic approach and that profiling should be seen as a process. IT tools and multi-channelling (via various combinations of face-to-face, telephone and online services) are currently being used or considered by PES, as there is not enough time or resources to provide intensive support to all. Importantly, it was recognised that not all jobseekers will have the IT skills to navigate online tools and self-help facilities.

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[3] Support for unemployed individuals in Canada is available through a regular benefit called *Employment Insurance*. It was renamed in 1996 as part of a number of reforms to the system.

Local labour market demands are considered a key element of any profiling approach. Finally, a number of questions were raised about the ethics of designing, developing and implementing a profiling system, the role of the caseworker in the process, whether and how profiling results are communicated, and whether jobseekers have access to the administrative data.

In **conclusion**, research has shown that there are four types of profiling techniques used to categorise jobseekers, including: statistical profiling; rules-based profiling; soft profiling; and caseworker based profiling. Rules and caseworker based diagnostic systems may be better described as segmentation rather than classic profiling. The level of caseworker discretion increases respectively from statistical to caseworker based systems. Profiling is commonly thought to mean using some form of statistical model; this is only one form of profiling.

Across the European PES most of the profiling techniques are not, in practice, mutually exclusive. The in-depth case studies provided evidence on how profiling has evolved and developed in the European PES, Australia and Canada, an overview follows:

- Statistical profiling – Australia, Croatia (under development), Denmark (under development), Netherlands;
- Combination of statistical profiling and caseworker discretion (level of discretion varies) – Bulgaria, Canada (Québec), Finland, Ireland, Poland, Sweden;
- Soft-profiling (combination of eligibility rules, caseworker discretion and assessment screening tools) – Germany, Italy, United Kingdom;
- Caseworker based profiling – Austria, Czech Republic, France, Slovakia, Slovenia.

Evidence suggests that in the majority of countries all jobseekers are profiled. In practice, combining different approaches has been found to be effective.

The case studies have highlighted that political, economic and cultural contexts play a role in which technique(s) is chosen and implemented to profile jobseekers, but that they also play a more important role in determining the overall purpose of the profiling approach. It was also evident that to assess the efficacy of profiling methodologies, the aims and objectives of its implementation for both jobseekers, caseworkers and the PES need to be taken into consideration. There are also a number of privacy and ethical issues with the implementation of profiling.

The evidence notes that the success or failure of profiling approaches is influenced by caseworkers. Generally, resistance has been evidenced with the implementation of statistical profiling, which may be viewed as devaluing caseworker skills and removing the responsibility for identifying support for jobseekers.

Although the case studies have provided a better understanding of what happens with profiling tools in practice, how they are implemented, managed and understood by caseworkers, there is a gap in understanding how profiling is received and understood by jobseekers. There is no clear indication of what is best as it is very much dependent on country and cultural issues, such as how the PES is viewed by the public. More research is needed in this field. Finally, it is evident that there is a general need for on-going evaluation and transparency around the effectiveness of profiling. There is a significant gap in evidence concerning the effectiveness of profiling and targeting support and resources using this process and the overall effectiveness of creating sustainable employment.

1   Introduction

This small-scale study to identify the latest trends and current developments in methods to profile jobseekers in European Public Employment Services (PES[4]) was undertaken by the Institute for Employment Research (IER) at the University of Warwick and ICF International. This small-scale study was commissioned via the service contract to deliver the European Employment Policy Observatory (VT/2012/005). The study aims were to:

- Provide the European Commission with an assessment of the current state of development of profiling systems within PES;
- Build upon and further explore themes identified during the Dialogue Conference: 'Profiling Systems for effective labour market integration' (held in Brussels 11-12 May 2011); and
- Assess recent developments, and place these in the current PES delivery context.

The study objective was to assist Member States' PES in adapting profiling systems, which can support their delivery strategies, operational delivery systems and resource deployment. This will enable them to meet their obligations under recent European regulations to support better functioning labour markets, reductions in unemployment, and increasing employment rate, for all groups including the most vulnerable.

1.1   Background

The decision (573/2014/EU – 15th May 2014) of the European Parliament and Council on enhanced co-operation between PES has placed specific obligations on participating Member States to focus on the better integration of labour markets, specifically in supporting the most vulnerable social groups with high unemployment rates. At the same time PES are facing challenges from fiscal consolidation by their Governments resulting in increased adviser caseloads, and changing expectations from their citizens about how public services should be delivered. In some Member States, policy is to encourage greater self-reliance amongst citizens, targeting more intensive counselling support on those clients least able to help themselves to re-integrate. Profiling approaches are seen as a way to address these issues.

Profiling, or segmentation, is a recognised procedure to identifying and allocating jobseekers to different categories, which can indicate the activation measures they can access or are entitled to. Screening, profiling and targeting particular groups of jobseekers[5] is considered useful for assessing individual needs with the aim of supporting a quicker return or transition to the labour market. Profiling can be undertaken at the point of registration or later on in the unemployment insurance claim and administered by the caseworker[6] or completed online. Profiling tools have been around for a long time; implementation is varied within Europe and internationally. Profiling methodologies include:

- Statistical profiling – application of a statistical model that uses hard administrative data and a number of predictor variables;
- Rules-based profiling, where administrative or legally defined eligibility rules are applied;

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[4] PES are defined as organisations that are responsible for implementing active labour market policies and providing employment services in the public interest being part of relevant ministries, public bodies or (non for profit) corporations falling under public law.
[5] The term 'jobseeker' is used throughout this report, but terms such as client, customer or claimant may also be used.
[6] The term caseworker is used to define those that work for the PES and work face-to-face with jobseekers. Other terms used include: adviser; personal adviser; counsellor; Jobcentre Plus adviser; work coach; employment officer; case manager; PES officer; etc.

- Soft-profiling – use of a combination of eligibility rules, caseworker discretion, administrative data and more subjective, qualitative assessments and psychological screening tools;
- Caseworker based profiling – caseworker makes a subjective assessment and uses their discretion based on experience, administrative data or a range of assessment tools.

PES in Europe are using profiling as part of an integrated approach to supporting jobseekers, which also includes training, career guidance and counselling and active labour market programmes (ALMPs). Whichever profiling methodologies are implemented (statistical, soft, rules-based or a combination of methodologies), caseworkers can play a vital role; their support in using, implementing, interpreting and understating the profiling methodology is key to its success.

In reviewing the efficacy of profiling methodologies, the aims and objectives of its implementation for both the PES and jobseekers need to be taken into consideration. Tensions between organisational needs (decreasing the numbers who are long-term unemployed, targeting for specific active labour market programmes or interventions, reducing spending on unemployment insurance, etc.) and the long-term needs of jobseekers (sustainable employment, achieved via ALMPs, where appropriate) can result in tension, particularly in a 'work first' context. There is also a possible tension between offering support to those considered more employable, the short-term unemployed and the long-term unemployed.

1.2 The study

This small scale study comprised three elements: a literature review; case studies of six Member States and two international comparators; and a workshop with key stakeholders, profiling subject experts and representatives for Member State PES to explore findings from the literature review and case studies.

First, the literature review systematically sought evidence on profiling tools and systems specifically across Member States and selected other countries (as identified in the literature). The review of this evidence is presented in section 2. The literature review was undertaken using a targeted search methodology. The evidence identified provided a foundation for the next stage of the research informing the selection of countries for the in-depth case studies.

The literature review encompasses evidence from the academic and policy-relevant literature, together with evidence from previous reviews. It updates evidence submitted and presented at the Dialogue Conference: 'Profiling systems for effective labour market integration' (Brussels, 11-12 May 2011) and the publication by Bimrose and Barnes (2011). The aim of the current review was to map the profiling tools across the Member States and other countries, as well as identify changes to profiling practices. It analyses the current evidence-base on:

- How profiling tools are used (and implemented alongside wider delivery strategies and caseworker discretion);
- What are enablers or barriers to implementing tools;
- What works and does not work with different profiling tools; and
- Implications for introducing tools for PES staff, services, customers/jobseekers and caseworkers.

Recent and planned developments of profiling tools and emerging trends are also highlighted where information was available.

A search was undertaken of a selected number of databases (e.g. EBSCO, Wiley online, Springer International, JSTOR, Sage and Science Direct) and open access repositories using predefined keywords (for example statistical profiling, profiling, screening, segmentation, differentiation, allocating services, long-term unemployed,

caseworker discretion, job insertion, matching, worker profile). Keywords were combined to refine the search (such as PES, public employment services, unemployed, unemployment). In addition, known profiling tools were applied to the search (e.g. JSCI, SOMS, Kansmeter). Standard techniques were used to combine keyword searches ensuring optimum coverage of the databases. Searches were also undertaken for grey literature on relevant websites. Less systematic ways of finding sources that respond to the research questions (such as following source reference lists and personal recommendations from experts) were also used. All evidence was stored in a bibliographic software programme and reviewed for relevant evidence. The report provides a synthesis of the evidence found. Evidence that was publicly available and written in English was included in the review. It should be noted that there is sometimes a delay in publication so recent changes to PES may not have been captured in the review. In addition, what is happening in practice may be not documented and/or publicly available. The case studies and the PES workshop provided information on current profiling practices.

The second element of this study examined the profiling systems of six Member States (including Germany, France, Ireland, Netherlands, Slovakia and the United Kingdom) and provided comparative examples from two non-EU countries (namely Australia and Canada). This was achieved through a review of evidence, policies and interviews with key stakeholders and/or country experts. Case studies were selected as part of the evidence review. The aim of the case studies was to provide an in-depth understanding of what is happening in different countries.

Undertaking an in-depth analysis of a small number of EU countries allowed the research team to focus on Member States with sound experience both using and evaluating PES profiling systems. It also enabled a more thorough understanding of the Member State's political, legal and institutional context in order to clearly identify the main enablers and obstacles to the deployment and continuing development of different type of profiling systems.

Countries were selected as, according to documented evidence, they represented the implementation of a range of profiling approaches, some at different stages of implementation, development and evolution, as well as approaches that have been transformed. Two international case studies were included. First, Australia was selected as it operates an established and well regarded profiling tool that has been found to have reasonable accuracy as a predictor of long term unemployment and because it is embedded in the system used to classify clients' distance from the labour market and to determine the level of re-integration payments made to privatised welfare to work organisations, which deliver employment service. Second, Canada operates diverse profiling and targeting approaches that are determined at the local level based on local needs. The case study approach enabled the opportunity to capture what is current practice in profiling in the selected Member States PEs, some of which was not documented.

The six case studies from the EU are presented in section 3 and the two international case studies are presented in section 4.

The final element of the study was a PES expert workshop held in Brussels in March 2015. It included key stakeholders, profiling subject experts and PES representatives from Member States. The aim of the workshop was to explore the findings from the study's literature review and the series of case studies. The workshop was divided into four sessions: customer journey and assessing distance from the labour market through jobseeker profiling; design of the profiling tools and choice of variables; staff engagement and counsellor dimension; and profiling to support resource distribution and benefit savings. A summary of the discussions under each of these sessions is presented in section 5. The workshop provided an opportunity to test emerging findings and develop some general conclusions on the practical application of profiling in different institutional settings to assist Member State PES in adapting their profiling

systems (where required) to support delivery strategies, operational delivery systems and resources deployment. An overall conclusion is presented in section 6.

2 Review of evidence

Evidence on PES profiling approaches and tools are presented in this section. Whilst evidence focused on the last five years is included, older evidence has been included that is particularly pertinent or where it fills a gap in knowledge. Current information on profiling approaches from the PES experts (recorded during the PES profiling workshop) has also been used to enhance and update the review.

2.1 Overview and policy background

Jobseeker profiling, or segmentation, is a recognised procedure for identifying and allocating jobseekers to different categories, which can indicate the activation measures they can access or are entitled to. Activation measures can include: more intensive support with job applications, job seeking and preparation for job interviews; career guidance and counselling; plus skills development and training, etc. Screening, profiling and targeting particular groups of jobseekers is considered useful for assessing individual needs with the aim of supporting a quicker return or transition to the labour market. However, it can be argued to be inefficient due to 'the wide variation in the jobseekers' circumstances and needs' (Bimrose, Barnes, Brown and Hasluck, 2007). A number of countries across Europe and internationally have developed and implemented a variety of profiling systems and tools within their unemployment insurance and benefit systems (Heidenreic and Aurich-Beerheide, 2014; Minas, 2014). Profiling has (and can) become part of coordinated service provision (Berthet and Bourgeois, 2014). There are different approaches to jobseeker profiling, which range from statistical, rules-based or administrative, soft and caseworker based profiling.

Activation policies across Europe have been central to welfare reforms with a move to promoting labour market participation through various incentives, schemes, skills development and assistance (Heidenreich and Aurich-Beerheide, 2014). Thus, ensuring individuals are 'work ready' and able to engage in sustainable employment. Activation policies are not only seen as getting individuals back into work, but also about investing in human capital addressing concerns about social exclusion and poverty. In general, the transition from soft to hard activation measures has prompted a stronger usage of beneficiaries' profiling and filtering tools (Berthet and Bourgeois, 2014). 'Soft' activation measures offer financial incentives and are based on equal access to ALMPs and support services, whereas 'hard' activation measures set eligibility conditions, sanctions and legal requirements to obtain social assistance. This is operating alongside a move to, and an increase in, self-service facilities; many of which are delivered online. For instance, in the United Kingdom help with job applications, CV writing, skills profiling tools, job information and labour market information are all online and individuals wishing to make a claim for unemployment benefit can also apply online. In the United Kingdom, the job searches and applications made through *Universal Jobmatch*[7] are recorded on the system, so a claimant's progress with their reintegration to the labour market can be monitored. However, in Denmark, there has been a shift away from self-service towards more face-to-face services. From July 2015, every insured jobseeker will have at least nine face-to-face meetings with their caseworker during the first six months of unemployment (PES source, 2015). A self-service approach is argued to be cost effective, but it is also providing jobseekers with the tools to be proactive in their labour market re/integration. However, this is based on the assumption that jobseekers have IT skills and access to a computer (or an internet enabled device) and the internet. This is part of the move to more integrated approaches to dealing with jobseekers across European PES (Berthet and Bourgeois, 2012b).

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[7] This service in the United Kingdom enables jobseekers to search and apply for jobs, as well as receive job alerts.

The recent global economic and financial crisis saw a dramatic rise in the numbers of unemployed across Europe (OECD, 2013a, 2014a). The need to target services particularly for the long-term unemployed or those at risk of becoming long-term unemployed is important. Whilst the numbers of the unemployed are reducing in some countries, the impact of cuts in service delivery is still being felt. The need for cost efficiencies in response to austerity measures implemented in some countries across Europe has prompted some to review their approaches to working with jobseekers, such as in England and Ireland. Policy changes and the shift to more targeted services have meant reduced budgets for PES, the exploration of and move to new models of service delivery, marketisation, contracting out of services, and using more targeted approaches to service delivery and resource allocation. A review in 2011 suggested that across Europe the outcomes of statistical profiling systems were not considered accurate and caseworkers were resistant to their implementation, so in some countries the profiling tools were either withdrawn or adjusted (Weber, 2011). More recent work has suggested that profiling tools have become increasingly commonplace within welfare-to-work programmes both in Europe and internationally (Rees, Whitworth and Carter, 2014).

2.2 Implementation of profiling tools

2.2.1 Rationale for profiling

Whilst the main aim of profiling is to assess the prospects of a jobseeker returning to the labour market, a range of rationale and explanations for profiling jobseekers is presented.[8] This includes, for example, cost savings, more efficient or targeted delivery of services, allocation of resources, or reducing the cost of unemployment insurance or benefits, and improving the coordination of services. Profiled jobseekers are segmented accordingly to need and level of assistance, so services can be targeted at, for example, high risk groups (those as risk of long-term unemployment, commonly defined as 12 months and more). Through profiling it is possible to match individuals to instruments of public action, interventions and labour market activation programmes (Berthet and Bourgeois, 2012a). These interventions and programmes enable tailor-made services to be developed to suit the individual needs of jobseekers (Berthet and Bourgeois, 2012a; Rees, Whitworth and Carter, 2014). Services are considered to be more efficient if profiling and delivering individualised support is implemented (Georges, 2008; O'Connell, McGuiness and Kelly, 2012).

The allocation of resources and intensive support to those that are furthest from the labour market, those at risk of being long-term unemployed and/or most disadvantaged in the labour market is viewed as an efficient way to delivering services and reducing spending on benefits in the longer term (Georges, 2008; Kureková, 2014; Wandner, 2012). By identifying those that are most likely to benefit from early intervention, there is argued to be an improvement in the numbers and speed at which the unemployed return to the labour market (Wandner, 2012; Whittaker, 2013). However, active labour market programmes and interventions need to be in place to support the 'profiled' jobseeker (O'Connell, McGuiness and Kelly, 2012).

For service providers, the rationale for implementing profiling is concerned with coordinated service delivery and future planning and sequencing of interventions. Profiling can be used to pre-determine the impact of each intervention and, therefore, providers will be in a better position to plan resources and allocate funds for services effectively and efficiently in the future (Loxha and Morgandi, 2014). Some PES use the output from profiling to inform planning and resourcing. In the context of outsourced

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[8] No specific evidence of profiling tools in public employment services for young jobseekers with no previous labour market attachment was found. However, there are active labour market programmes aimed at young jobseekers and many public employment service target young people that are not in education, employment or training.

providers, the metrics from profiling can be fed into the estimation of unit costs of delivery, and in the case of outsourced delivery, then used to determine the funding paid to external providers (such as in Australia).

In the Netherlands, profiling has been found to improve coordination between various service providers. The profiling system facilitated the development of the market of private employment services, charged with supporting unemployed people furthest away from the labour market (Georges, 2008). In countries where case management is still relatively under-developed or where caseworkers have high workloads, statistical profiling could be particularly appropriate, as it is argued to improve the targeting and cost-efficiency of activation measures and social assistance (Gotcheva, Isik-Dikmelik, Morgandi, Strokova, Kelmendi, Damerau, Koro and Gashi, 2013). For others, profiling enables an equality and transparency of service delivery (Georges, 2008; Konle-Seidl, 2011; O'Connell, McGuiness and Kelly, 2012). Profiling based on rules and eligibility criteria aim to ensure equitability, as all jobseekers are supposed to be treated equally.

Loxha and Morgandi (2014) also highlighted additional rationale for using profiling. First, data from profiling jobseekers can improve labour market data and in turn improve the profiling tool itself. It was noted that macro-level skills needs assessments were possible from the data. Second, it was observed that the jobseeker data could also be used to support and improve jobseeker matching with available vacancies for the caseworkers.

Overall, the evidence concerning the explanations for the use of profiling is wide. It suggests that there are significant and measureable benefits in the use of tools to profile jobseekers.

2.2.2 Types of profiling methodologies

There are a number of profiling methodologies all with the aim to allocate, segment or differentiate jobseekers across a number of categories based on their unemployment risk. It is important to note that types of profiling are not mutually exclusive. These categories typically dictate the level, type and duration of support (both financial and personalised). Profiling methodologies include:

- Statistical profiling – application of a statistical model that uses hard administrative data and a number of predictor variables;
- Rules-based profiling, where administrative or legally defined eligibility rules are applied;
- Soft-profiling – use of a combination of eligibility rules, caseworker discretion, administrative data and more subjective, qualitative assessments and psychological screening tools (for evidence of these tools see Bimrose, Barnes, Brown and Hasluck, 2007);
- Caseworker based profiling – caseworker makes a subjective assessment and uses their discretion based on experience, administrative data or a range of assessment tools.

It is important to note that there is inconsistency in the way various authors have named and categorised the types and approaches to profiling. Profiling tools differ on whether they use administrative data or more qualitative data (gained from subjective and qualitative measures) and the level of caseworker discretion. They also differ on whether they are used to allocate resources or categorise jobseekers where they receive different levels of support. This also suggests that there needs to be an understanding of whether clients in different profiling categories are all entitled (by virtue of their belonging to this category) and eligible for a pre-determined level of service or whether an individual, customised plan is developed using profiling to help identify the jobseeker's individual needs. The role of the caseworker is also a key differentiator in profiling tools; in some methodologies caseworkers have greater

discretion on how profiling results are used and/or changed, and what services jobseekers can access.

A common profiling methodology is that of statistical profiling. Profiling and targeting systems are based on statistical regularities. In practice, the variables used are documented by the caseworker or jobseeker during initial stages of an unemployment insurance claim. They comprise the personal circumstances and characteristics of the jobseekers (i.e. gender, age, qualifications, profession, mobility, etc.) and the state of the local labour market (i.e. unemployment rates, sectorial tensions, etc.) (Georges, 2008).

Based upon a regression model or a multivariate analysis using a number of predictor variables and personal characteristics, a profiling tool is used to predict a jobseeker's probability of becoming long-term unemployed as a function of their characteristics. Two tools that measure the distance to and from the labour market include, the *Job Seeker Classification Instrument* (Australia) and *Worker Profiling Re-employment Services* (USA). Statistical models have been found to be accurate (within acceptable levels of accuracy) at predicting unemployment. For instance, the United Kingdom pilot statistical profiling model could predict duration of unemployment in 70 per cent of cases (Driskell, 2005), similar results were evidenced in Denmark and Sweden (Konle-Seidl, 2011) and higher in Ireland (O'Connell, McGuiness and Kelly, 2009). In Ireland, profiling is defined as a numerical score – calculated on the basis of multivariate regression – that segments jobseekers in terms of whether they are at low, medium or high risk of becoming long-term unemployed. Jobseekers in these three different categories will be directed towards different engagement paths. Overall, the main objective in using statistical profiling is to deliver intensive services early, to those most in need, rather than after long-term unemployment has occurred (O'Connell, McGuinness and Kelly, 2010).

Statistical profiling methodologies are sometimes negotiated and combined with caseworker based profiling, as this is seen as more accurate and/or efficient in terms of costs and reducing the unemployment duration of jobseekers. Therefore, profiling becomes part of an 'expert system' as defined by Konle-Seidl (2011).

A further approach is rules-based profiling. Jobseekers are profiled and directed to services based on administrative or eligibility rules. Where a jobseeker meets specific eligibility criteria, they are able to access support and services.

A further profiling type is known as soft-profiling; this is where caseworker based profiling is undertaken with the support of a range of qualitative assessment tools. The aim of this profiling through the implementation of qualitative tools is to identify jobseeker needs (Konle-Seidl, 2011). Screening using different psychological techniques can also be used to profile jobseekers (O'Connell, McGuinness, and Kelly, 2012). These techniques can be used in combination with statistical profiling or as an alternative.

Caseworker based profiling is based on a caseworker undertaking an in-depth interview with a jobseeker, perhaps using a guide to collect information. This is considered a subjective methodology as it is based on high caseworker discretion. The caseworker makes an assessment of how likely the jobseeker is to be able to return to work, the barriers to reemployment and what interventions or programmes would be beneficial in getting the jobseeker back into the labour market. However, it is important to note that caseworkers may over-estimate the benefits of interventions (Loxha and Morgandi, 2014). This methodology is commonly applied during the initial stage of a jobseekers' claim and alongside other profiling methodologies.

Skills assessment and screening tools are not covered in this review, but they are interesting to note as they use psychological techniques to score employability. These tools can be used alongside statistical profiling and caseworker based profiling, but they are typically used where caseworkers have higher discretion. These include:

Activity Matching Ability System; Campbell Interest and Skill Survey; Kuder Career Search and Kuder Skills Assessment; Life Skills Inventory; Expanded Skills Confidence Inventory; Barriers to Employment and Coping Efficacy Scale; Careers Future Inventory; Skills Diagnostic; Strong Interest Inventory; and Task-Specific Occupational Self-Efficacy Scale. These are covered in an earlier review (Bimrose, Barnes, Brown and Hasluck, 2007). Some recent research has explored this use of psychological techniques to predict long-term unemployment with some positive results (see below for more on the research by Houssemand and Pignault, 2014). Some PES (such as Germany) use these types of tools in conjunction with, or in addition to, profiling tools.

2.3   Profiling tools and techniques used by Member States

Across the Member States different profiling methodologies have been implemented, whilst some have evolved and developed, others have been withdrawn and in some cases new systems put in place. The following provides an overview of evidence from the literature for some selected European countries. To sum up the evidence[9]:

- Statistical profiling – Croatia (under development), Denmark (under development), Hungary, Netherlands.
- Combination of statistical profiling and caseworker discretion (level of discretion varies) – Bulgaria, Finland, Ireland, Poland, Sweden;
- Soft-profiling – Germany, Italy, United Kingdom;
- Caseworker based profiling – Austria, Czech Republic, France, Slovakia, Slovenia.

The following presents published evidence on profiling tools used in the Member States. It should be noted that recent changes may not have been evidenced or only reported in documents that are not publicly available, so some cautioned is required when reviewing this evidence.

In **Austria**, statistical profiling is not used. Jobseekers are profiled using caseworker discretion where jobseeker needs are taken into consideration (Kureková, 2014). Services are targeted at those who have been unemployed for three months or more, plus those who belong to one of the following target groups: school leavers from special schools; women with childcare responsibilities; and people with disabilities (OECD, 2002). Jobseekers are categorised into one of three groups based on their level of disadvantage (Kureková, 2014).

In **Bulgaria**, the profiling system is a mixed system of statistical profiling and caseworker discretion (PES source, 2015). It is based on three categories: highly motivated jobseekers; vulnerable groups such as people with disabilities, youth, the long-term unemployed and single parents; and people with complex issues and the furthest from the labour market.

Recently, **Croatia** has been moving towards statistical profiling (PES source, 2015).

In the **Czech Republic**, no statistical profiling tools are used (Kureková, 2014). Caseworker discretion is used to profile jobseekers, but services are determined by local labour market conditions and the probability of gaining employment within the labour market (Loxha and Morgandi, 2014). Targeted services are available for: those who have been unemployed for over six months; those who have only completed compulsory education and are no longer in education; people with children aged under 15 years; jobseekers who were made redundant due to structural change; and those over 50 years of age (OECD, 2002).

In **Denmark**, *Job Barometer*, a statistical profiling tool that was integrated into the profiling process in 2004 was withdrawn (approximately 2007/08) (Loxha and

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[9] This information has been updated with evidence presented at the PES profiling workshop.

Morgandi, 2014). A rapid return back into employment was the prime goal of the profiling methodology. Within the first six months of unemployment, the profiling system was used to predict whether a jobseeker was likely to be unemployed for more than six months from that date or not. It calculated probability using the jobseeker's CV and inputted characteristics. The caseworkers' assessment of how to treat the jobseeker was partially based upon this prediction (Rosholm, Svarer and Hammer, 2004). *Job Barometer* was part of the profiling system that included an interview with a caseworker to discuss perspectives on employment prospects, experience and qualification, personal situation and, finally, an overall assessment to determine which of the five categories the jobseeker would be placed (Loxha and Morgandi, 2014). The predictive efficiency of the Danish model was judged insufficient as an estimated one out of three jobseekers felt that were 'badly oriented' (Georges, 2008). In practice, caseworkers felt threatened by *Job Barometer* and collectively renounced it because they felt uncomfortable having to justify their decision when they went against the recommendation of the profiling tool (Georges, 2008). *Job Barometer* was abandoned and replaced by manual segmentation (Georges, 2008; Loxha and Morgandi, 2014). A 'work first' approach is applied in the Danish jobcentres with an aim to get people back into work fast (Minas, 2014). However, caseworkers were found to be resistant to this approach, as it was not considered good for jobseekers (Larsen and Bredgaard, 2008). Recently, there has been a shift from social service to job caseworkers; a transition which has been difficult for some (PES source, 2015). Profiling in Denmark in order to allocate resources is viewed as useful, so the model is currently being developed to predict the future labour market outcomes of the long-term sick (Pedersen, Gerds, Bjorner and Christensen, 2014). A statistical profiling model for unemployed young people is under-development (PES source, 2015).

Similarly in **Finland**, a statistical profiling tool was withdrawn in 2007 (Loxha and Morgandi, 2014). The profiling tool was part of an integrated IT system that calculated a risk estimate for the jobseeker at registration using administrative data. The risk estimate was used by the caseworker during the interview with the jobseeker to guide their decision on segmentation and targeting. Caseworkers did not think the tools were helpful or useful for the jobseeker, and overall results were not trusted. However, the model was found to be 90 per cent effective at estimating the likelihood of a jobseeker being unemployed for over 12 months (Kureková, 2014). A PES source (2015) noted that it was a challenge to get caseworkers to use the profiling tool, so they have now adopted caseworker profiling alongside the statistical profiling results.

France, until 2009, represented a case of negotiated statistical profiling, as the profiling by statistical indicators must be confirmed by an interview with a caseworker (Berthet and Bourgeois, 2014). The statistical profiling determined the jobseeker's distance from the labour market and their risk of long-term unemployment. Jobseekers were categorised into one of three groups (comprising simple, reinforced or social supports). This was used alongside a formalised interview procedure and caseworker evaluation, called *Entretien d'inscription et de diagnostic* (EID). The caseworker determined services based on the diagnosis. Services comprised an initial face-to-face interview and follow-ups (the frequency of which was dependent on the categorisation) and a Personalised Action Plan was drawn up to identify jobseeker needs and the risk of long-term unemployment. Caseworkers rarely used the profiling results, so it was abandoned in favour of caseworker based profiling. Activation policies are aimed at the long-term unemployed, young people, those who are disabled, senior workers and women (Berthet and Bourgeois, 2014).

In **Germany**, a standardised profiling system and the caseworker-case management distinction as originally proposed by the Hartz Commission is in operation across jobcentres, the German Federal Employment Agency (BA, *Bundesagentur für Arbeit*) (Rice and Zimmerman, 2014). The rationale for the system is to determine distance from the labour market and the level and type of support required. It is based on an extended version of the FEA's profiling system *VerBIS*. A jobseeker applying for

benefits is interviewed by a caseworker who begins by analysing their 'strengths' (*Stärkenanalyse*) and 'potentials' (*Potenzialanalyse*), which means that existing obstacles to work or activation are identified and stored in the form of 'action requirements' (*Handlungsbedarfe*) (Loxha and Morgandi, 2014; Rice and Zimmerman, 2014). A personalised plan is developed, implemented and followed up (Loxha and Morgandi, 2014). Jobseekers are categorised into one of six groups that indicate not only the prospective timeframe for activation on the basis of labour market proximity, but also the end goal of the personalised plan for activation or job-search (usually, either regular or subsidised employment, or education) (Loxha and Morgandi, 2014; Rice and Zimmerman, 2014). The category reflects their labour market prospects in terms of skills and qualifications, alongside the demand for these in the local labour market, motivation and barriers to employment (Ludwig-Mayerhofer, Behrend and Sondermann, 2014). A PES source (2015) reported that caseworkers do not want to discuss the results of the statistical profiling tools with jobseekers, despite surveys showing that jobseekers would be interested. Currently, the PES website is being updated in order to allow jobseekers to access their profiling data (PES source, 2015).

Using this profiling methodology, resources are allocated to those at greatest risk of long-term unemployment. However, caseworker discretion on placement and training measures are also taken into account (Fuertes, Jantz, Klenk and McQuaid, 2014). Those exhibiting insufficient motivation are given more help, whereas those with high motivation and good prospects receive little support. Increasing standardisation of administrative activities has been achieved through computerised profiling (Ludwig-Mayerhofer, Behrend and Sondermann, 2014). Centrally administered unemployment assistance is combined with locally administered social assistance. This means that individuals can access profiling, placement and training (Heidenreich and Aurich-Beerheide, 2014). However, in certain locations municipalities still manage jobcentres separate from the PES and have their own responsibility for administering ALMP, whilst the PES separately administer social assistance payments from benefit offices. The aim is to individualise interventions. There is a focus on older workers, young people, the long-term unemployed and immigrants (Berthet and Bourgeois, 2014). There are concerns that those from professional occupations with high-level qualifications experience poor vacancy matches due to the complexity of their professions (Ludwig-Mayerhofer, Behrend and Sondermann, 2014). Caseworker discretion is needed to provide a better match, advocate for the jobseeker, and motivate the jobseeker.

In **Hungary**, statistical profiling has been used for the last 12 years (PES source, 2015).

In **Ireland**, a new profiling model characterised by a combination of a strong statistical profiling tool (*PEX*, Probability of Exit tool) and high caseworker discretion was gradually rolled out in early 2012 and has been operating nation-wide since mid-2013. Early evidence that a statistical profiling model could work was provided by O'Connell, McGuinness and Kelly (2010). The rationale for the implementation of profiling was to vary the intensity of the support based on the level of risk of becoming long-term unemployed. Upon registering at their local labour office (Intreo Centre), jobseekers are asked to complete a (mandatory) profiling questionnaire in order for their claim to be processed. On the basis of their answers, each client is given a score which determines whether he/she is at low, medium or high risk of exiting the unemployment register (Live Register) within 12 months. The type of engagement (including whether they would benefit from early intervention) and intensity of support is determined on the basis of this profiling exercise.

In Ireland, a new profiling model, the so-called labour market disadvantage model, has recently been developed to segment and profile Ireland's existing stock of long-term unemployed (PES source, 2015). The labour market disadvantage model was developed on the basis of administrative data only, the population for whom this model is being applied have already been on the Live Register for at least 12 months.

The score of the labour market disadvantage model can be viewed as the predicted probability that the jobseeker should have already left the Live Register given their characteristics. Thus, the score is more a measure of relative labour market disadvantage as opposed to an expected probability of future exit from the Live Register. The labour market disadvantage score is used as a way of prioritising support for the existing stock of long-term unemployed.

Another study on the profiling system found that literacy and numeracy difficulties were critical factors that increased the likelihood of long-term unemployment. The study recommended that anyone that the profiling system identifies as being at high risk and having literacy and numeracy difficulties and low education attainment should be given immediate access to an education and training programme (Kelly, McGuinness and O'Connell, 2012).

In **Italy**, soft profiling is used. Jobseekers are segmented into three categories, including: ordinary unemployed; *cassa integrazione*, without suspension of the work contract; and beneficiaries of the mobility programme. Support is focused on women (Berthet and Bourgeois, 2014). Labour market interventions are delivered at the discretion of local government (Zimmermann, Aurich, Graziano and Fuertes, 2014), so services are varied.

In the **Netherlands**, the various actors that deliver services to the unemployed have been developing and experimenting with profiling tools. *Kansmeter*, a statistical tool for determining jobseekers' distance from the labour market was introduced in 1999. This distance was measured by the probability of the jobseeker finding a job within a year. Considerable dissatisfaction with the predictive capacity of the *Kansmeter*[10] meant that it was replaced in 2006 by a new profiling tool called the *ABRoutering* that categorised people into one of two groups based on their capacity for independent job search (Tergeist and Grubb, 2006). More recently, in 2009, the Dutch PES UWV has developed two profiling tools under their *Werkformule* approach to delivering services to jobseekers: (1) the Personal Explorer (*Persoonsverkenner*) which seeks to determine a jobseeker's length of unemployment and provides an evaluation of their needs; and (2) the Work Explorer (*Werkverkenner*) that aims to detect job opportunities based on regional labour market data. The Personal Explorer has been further developed in recent years and has recently been renamed *Work Profiler*. The *Work Profiler* is a statistical profiling instrument that calculates a jobseeker's probability of returning to the labour market within a year. In order to achieve this, an assessment is made on the basis of 'hard' and 'soft' predictors. The instrument is based on 20 questions reflecting 11 factors, which correspond to potential obstacles for the jobseeker's reintegration into the labour market. These identified obstacles help determine what type of services are needed to increase the chances of the person finding employment. The *Work Profiler* has a predictability strength of 70 per cent, i.e. it is able, in the first few months of unemployment, to predict correctly for seven out of 10 jobseekers who will resume work within one year (Wijnhoven and Havinga, 2014). At present, the *Work Profiler* is operational in 11 out of the 35 UWV offices and will be rolled out to all of the UWV offices.

Other providers of employment services, such as the municipalities, have also made use of profiling systems in recent years. In 2010, the city of Amsterdam established a subjective profiling system to target their Welfare-to-Work services. This system distinguishes between five categories of jobseekers; three of which consist of individuals that are not expected to find a job without long-lasting interventions, whilst mediation and job search services are provided to the other two categories (Koning, 2013).

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[10] The Kansmeter accurately predicted the timing of exit from unemployment in only 3 out of 5 cases (O'Connell, McGuinness, Kelly and Walsh 2009).

In **Poland**, since 2014, a combination of statistical profiling and caseworker based profiling is used by the Polish PES as part of their assistance programme (Polish Minister of Labour and Social Policy, 2014). The aim of jobseeker profiling is to determine a jobseekers' distance from the labour market and readiness or willingness to enter or return to the labour market. Profiling is undertaken at the point of registration. The jobseeker's situation and their chances in the labour market are examined. The profiling tool takes into account the factors that may hinder entry or return to the labour market, including: age; gender; level of education; skills; professional experience; disability; length of unemployment; and place of residence in terms of distance from potential jobs. The caseworker determines the readiness and willingness of the jobseeker to enter or return to the labour market, by assessing a jobseeker's: need and desire to work; involvement in independent job search; readiness to adapt to the requirements of the labour market; availability; reasons for leaving work; plus previous and current readiness to cooperate with the PES, other labour market institutions and employers. Jobseekers are profiled in to one of three categories (I fixed, II settled, or III established), which determines the range of support available that meets their needs. The profiles and assistance available includes:

- Category I receives support with job placement, vocational guidance or forms of assistance with, for example, training, the cost of examinations, reimbursement of travel costs or support with starting a business;
- Category II receives services and labour market instruments, activation actions commissioned by the labour office and other forms of support;
- Category III may enter the Activation and Integration Program or receives activation activities commissioned by the labour office, special programs, referral to supported employment and vocational guidance (Polish Minister of Labour and Social Policy, 2014).

Individual Action Plans (*indywidualnego planu działania*, IPD) are prepared by the caseworker with the jobseeker. Jobseekers meet with their caseworkers on a regular basis (every 60 days) in order to review their situation and progress with their action plan. If there is a change in the jobseeker's situation then they are re-profiled. Sanctions are applied to those that do not meet the requirements to engage with the programme of assistance (Polish Minister of Labour and Social Policy, 2014). Service and support for jobseekers is focused on: those under 25 years and older than 50 years; the long-term unemployed; the unemployed with social assistance; women returners; those without professional qualifications, professional experience or without secondary education; single parents; ex-offenders; and those who are disabled (Berthet and Bourgeois, 2014).

In **Portugal**, a *Forecast Guide to the Difficulties of Insertion* (attitudinal screening) was reported to be used (see Bimrose, Barnes, Brown and Hasluck, 2007), but there is no information found on whether these or other profiling tools are used.

In **Slovakia**, soft profiling was introduced in 2009. It took into account jobseeker motivation, but in a procedural manner (Kureková, 2014). Changes to the system implemented in 2013 moved it away from international approaches (such as those adopted in Australia, German and Finland), as it became more rigid in defining jobseekers into four categories ignoring a number of factors known to impact on a jobseekers' opportunities in the labour market (Kureková, 2014). However, the profiling approach was criticised as it did not take into account barriers to employment, such as psychological or socio-economic barriers. Since 1 January 2015, the profiling system has been almost completely dismantled in Slovakia.

In **Slovenia**, caseworker profiling is in place and qualitative methods are used (Loxha and Morgandi, 2014). Jobseekers are categorised into one of three groups, comprising: low risk, the newly registered jobseeker who can find employment unaided; high risk, inactive, disabled; and those reregistering following participation in

an activation programme after less than one year of unemployment (Loxha and Morgandi, 2014).

In **Spain**, the PES are currently in the developmental stage of designing a profiling system (PES source, 2015). It was reported that there is a wealth of basic data, but the PES has a poor image and viewed as passive. However, it is mandatory for the jobseeker to attend a PES office. It was seen as important to change the public image and perception of the PES, so that it could play a more active role in the matching process.

In **Sweden**, statistical profiling is used based on longitudinal administrative data and caseworker assessments (Loxha and Morgandi, 2014) within a 'work first' model (Bengtsson, 2014). The tool is called the *Assessment Support Tool* (AST) and it is designed to determine the risk of long-term unemployment. Equal treatment in the allocation of funds is seen as paramount. The profiling tool is based on administrative data and information from a questionnaire (PES source, 2015). Jobseekers are categorised into one of four risk groups to determine the most appropriate support services. Services are adapted to the needs of groups at high risk and are targeted at the long-term sick, youth and immigrants (Berthet and Bourgeois, 2014). The jobseekers undertake an interview with the caseworker to create individualised action plans (Heidenreich and Aurich-Beerheide, 2014). Profiling was implemented in Sweden due to, what was considered, unnecessarily long waiting times for support, so profiling helps identify those that would benefit from early intervention (PES source, 2015). Early intervention is to be provided to 30,000 people. Piloting of the profiling tool showed that buy-in from the caseworkers was essential (Loxha and Morgandi, 2014) with only 30-40 per cent of caseworkers using the tool (PES source, 2015). However, caseworkers are required to use the results of the assessment tool to base their decisions on what support a jobseeker will receive. Overall, it has been suggested that better results could be achieved through improved implementation of the tool, which would comprise better communication with and training of caseworkers (PES source, 2015).

In the **United Kingdom**, different systems and types of support are available to jobseekers. All jobseekers are profiled into one of four categories to determine level of support, including: full conditionality requiring active engagement in support services; work preparation and work focussed interviews; keeping in touch with labour market; and no conditionality (Employment and Support Allowance (ESA[11]) claimants and lone parents with children under 1 year old) (Berthet and Bourgeois, 2014).

The Work Programme was launched in 2011 as part of the Government's programme of welfare reform (DWP, 2012; OECD, 2014a). It is aimed at those who have been unemployed for 52 weeks or more, those aged 18-24 years and those considered at risk of becoming long-term unemployed will be referred to the programme earlier. Part of the process is a work focused interview, which opens up individualisation and personalisation of support (Heidenreich and Aurich-Beerheide, 2014). This is seen as key to the delivery of the programme. It is being delivered by a range of private and voluntary sector organisations known as Prime providers which are adopting a whole range of approaches to profiling and using results to guide and target interventions (Minas 2014; Rees, Whitworth and Carter, 2014). However, caseworker discretion is mainly used (Fuertes, Jantz, Klenk and McQuaid, 2014). The programme has been criticised as different providers may have varying views on a jobseekers' distance to the labour market and operational discretion leads to differing services being offered (Heidenreich and Aurich-Beerheide, 2014). Concerns have also been raised about 'the 'creaming' of clients, the level of personalisation of programmes based on payment-by-results and competitive tendering' (Fuertes, Jantz, Klenk and McQuaid, 2014, p.S81).

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[11] ESA provides financial support to those unable to work due to a disability and personalised help to those who able to work, which is assessed by the Work Capability Assessment.

Recent research has looked at whether the development of a profiling model based on the Australian JSCI could predict the likelihood of a jobseeker in the United Kingdom becoming long-term unemployed (Matty, 2013). A combination of administrative, attribute and attitudinal data were used in the development of the profiling model. The results of the model were positive and it was concluded that they would be used to inform future approaches of profiling jobseekers (Matty, 2013).

The literature search revealed no evidence written in English about profiling in the following European countries: Belgium; Cyprus; Estonia; Greece; Latvia; Lithuania; Luxembourg; Malta; Portugal; and Romania. Information has been included from PES experts on Bulgaria, Hungary, Poland and Spain.

2.4   Profiling in non-European countries

Some international evidence on profiling systems and the exploration or piloting of tools is presented from Australia, Canada, New Zealand, Switzerland, the USA and the Western Balkans.

In **Australia**, the *Job Seeker Classification Instrument* (JSCI) was implemented in 1998 to categorise jobseekers into different services so that those at greater risk could be provided with more intensive assistance. Australia is seen as a leader in the development of profiling methodologies. The profiling methodology was developed further to identify those at risk and requiring early intervention (Lipp, 2005). The model uses a number of variables associated with a jobseeker's probability and risk of long-term unemployment; those with high scores are streamed into service levels where the jobseekers are entitled to receive more intensive support. The Australian profiling tool is seen as having a robust track record.

In **Canada**, the *Service Outcome Measurement System* (SOMS) was implemented on a pilot basis in 1999. It failed due to frontline staff (or caseworker) resistance, difficulties with the technology's statistical equations and the concern that it violated data privacy regulations. It was intended to be used by caseworkers. The profiling tool was used to predict the employment outcomes of different service options using the personal data of unemployed service users. Currently, a variety of approaches to profiling jobseekers are used across Canada in the provinces. Each province is able to determine and set their own targets, as well as how they profile their jobseekers. Jobseekers are segmented by caseworker using different approaches, such as identifying those at risk of long-term unemployment, targeting of specific groups and local labour market needs.

In **New Zealand**, a *Needs-based assessment* (NBA) was developed and piloted over 10 years ago. It profiled jobseekers' capacity, willingness, and opportunity to find work. It was never implemented. In 2002, a logit model was tested with New Zealand administrative data and results were positive in profiling the long-term unemployed (Obben, 2002). It is suggested that it may be timely to review the NBA to help with allocation of resources and high unemployment levels (Englert, Doczi and Jackson, 2014).

In **Switzerland**, targeting systems are used to ensure a better match between the characteristics of the jobseeker and the services offered by the PES. Targeting instruments aim to orient jobseekers towards services that are most adapted to their needs and would benefit them the most (Georges, 2008). An evaluation in 2010 found that caseworkers generally ignored the statistical profiling results and concluded that, with the support of the caseworkers, the profiling could increase numbers returning to the labour market (Behncke, Frölich and Lechner, 2010).

In the **USA**, statistical profiling based on administrative data is common practice. The profiling system *Worker Profiling and Reemployment Services* (WPRS) was launched in 1994. Early evaluations evidenced positive results on reducing unemployment insurance costs and reducing the period of unemployment for jobseekers (Wandner,

2012). A recent study found that 17 States still use WPRS to profile jobseekers (Smith, 2013). The aim was to identify the five per cent of jobseekers (claiming unemployment benefits) who will use up the 26 weeks of unemployment benefits entitlement. The results determine access to the type of work replacement services. The objective is to provide those at risk with targeted job search assistance during the early stages of unemployment (Loxha and Morgandi, 2014). This early intervention is seen as key to the success of the WPRS (Wandner, 2012).

In the Western Balkans (**Kosovo, the Former Yugoslav Republic of Macedonia and Serbia**), recent research suggests that no profiling is implemented, but proposes that statistical profiling would be helpful in these countries due to the labour market conditions and limited resources. However, administrative data were found not to be comprehensive and/or complete and that there were large numbers of jobseekers with complex, multiple problems that put them at risk of long-term unemployment (Gotcheva, Isik-Dikmelik, Morgandi, Strokova, Damerau, Jasarevie, Petrovic and Stoyanova-Rozenova, 2013; Gotcheva, Isik-Dikmelik, Morgandi, Strokova, Damerau, Naceva, Nikoloski and Mojsoska-Blazevski, 2013; Gotcheva, Isik-Dikmelik, Morgandi, Strokova, Kelmendi, Damerau, Koro and Gashi, 2013). The research did not highlight any plans for PES to progress with profiling.

2.5 Latest trends and developments in profiling methodologies

Some of the latest trends presented include:

- Increasing importance of understanding local labour markets to identify demand and likelihood of long-term unemployment. There is a need for this to be used alongside profiling and local labour market data to be included in statistical profiling models (see Fuertes, Jantz, Klenk and McQuaid, 2014; Heidenreich and Aurich-Beerheide, 2014; Ludwig-Mayerhofer, Behrend and Sondermann, 2014; Zimmermann, Aurich, Graziano and Fuertes, 2014). However, not all PES have access to detailed local labour market information.
- There is a trend to integrate profiling results with more in-depth screening or interviews undertaken by caseworkers. For instance, a study examining the use of a profiling tool with those unemployed and over 50 years was found to be ineffective. Intensive person-to-person services were found to be costly, but were more cost-efficient than the large-scale referral of jobseekers to standardised programmes where profiling and activation were implemented (Knuth, 2014).
- Recent evidence suggests that profiling models are still unable to deal with jobseekers with complex and multiple issues (van Berkel, 2014). Jobseekers are not simply defined by age, gender, skills and qualifications, but tend to be defined by more complex characteristics in terms of their distance from the labour market, employability and motivation (van Berkel, 2014). The Australian JSCI profiling tool has been designed to recognise those with multiple and complex barriers so they can be referred for additional assessment and support (Loxha and Morgandi, 2014). However, caseworkers in Australia still do not believe the JSCI fully takes into account the interaction of complex multiple barriers.
- An alternative model has been proposed based on psychological profiling for the newly unemployed. This typology has been developed on personality traits and dimensions to determine job search strategies and unemployment duration (Houssemand and Pignault, 2014). Jobseekers were differentiated into one of five groups: the integrated; willing; outsider; anxious; and dispossessed. The employment status of the jobseeker after 12 months could be positively predicted. It is a positive step forward in taking account of the soft skills of a jobseeker. This typology offers a new way for caseworkers and PES to profile jobseekers (Houssemand and Pignault, 2014).

2.6   Assessing the implementation of profiling methodologies

It is evident from the literature that there are some issues that need to be taken into consideration when looking at profiling methodologies. First, assessing the efficacy of profiling methodologies in different countries needs to take into account the respective aims and objectives behind why the profiling was introduced. The construction of profiling and targeting tools will reflect the objectives assigned to such tools (Georges, 2008). For example, in the USA, the goal was to limit public expenditure, hence, only unemployed persons claiming unemployed benefits (which have a direct cost for PES) are profiled. Evaluations of the US profiling tool showed that the period of unemployment was reduced and spending on unemployment benefits reduced (Wandner, 2012). In addition to examining country contexts when assessing profiling methodologies, there are a number of other important considerations.

Second, there are significant technical challenges in designing and maintaining profiling systems (Georges, 2008; Loxha and Morgandi, 2014; Matty, 2013; O'Connell, McGuinness and Kelly, 2012; Soukup, 2011). Statistical tools need to integrate the maximum relevant information; this includes objective variables (such as age and gender) and subjective variables (such as selection criteria of employers, motivation of the jobseekers, and efficiency of the jobseekers' job-search techniques). While these subjective parameters can be observed by a caseworker, it is more difficult to transform them into measurable variables. The selection of these variables in the model is also key (Arni, Caliendo, Kunn and Mahlstedt, 2014; Kureková, 2014; Soukup, 2014). Berthet and Bourgeois (2014) note that categorising jobseekers requires several variables to be analysed regarding the individual, but that the main variable is the measure of the 'distance to and from employment'. It is also important to note that profiling is based on the information provided by the jobseeker who may withhold or exaggerate key information that will impact on the accuracy of the profiling outcomes (Loxha and Morgandi, 2014; Soukup, 2011). Overall, the accuracy of the profiling tool is important to ensure the efficiency of the support system, as resources may be wasted if accuracy is low (Tergeist and Grubb, 2006).

Third, the selection of variables to integrate into profiling tools raises ethical issues (Georges, 2008). Individual variables can be used to differentiate between jobseekers and determine which active labour market programmes they should be directed to. In order to do this, specific variables in the profiling model can be weighted to support 'positive discrimination' towards categories of workers considered to be 'disadvantaged' (women, young people, old persons). There is an issue as to whether it is legitimate to attribute state support based on individual criteria. More generally, growing trends toward the personalisation of services risks clashing with the principle of equality of treatment in provision of PES. Moreover, certain characteristics may be given undue weight (such as target groups) at the expense of other less visible characteristics (such as presentation of oneself, previous experience of job-search, etc.). For instance, in the USA, it is illegal to use variables of age, gender, and ethnic origin in statistical profiling models. Conversely, in Australia, 'Indigenous status' is given considerable weight in the statistical model. In the Netherlands, the issue of whether it was ethical to pay more money to private employment services to support a young person or a woman has been questioned.

Furthermore, the role of the caseworker needs to be taken into consideration. To optimise the delivery of services, it is suggested that initial profiling or orientation is undertaken by caseworkers. Georges (2008) argues that caseworker involvement in the initial stages can both improve the reliability of diagnosis from profiling and save time. Statistical profiling and the assessments of caseworkers should be seen as complementary. This would address the problem that tools do not take account of the services already received by the jobseeker during a previous spell of unemployment and the impact of those services as highlighted by Georges (2008). A caseworker would be able to record this information and apply this knowledge when considering the results of a profiling tool. For instance, in the USA, the profiling tool provides the

orientation for the jobseeker, the caseworker only intervenes at a later stage to determine the services which the jobseeker will receive. In Denmark, the use of the statistical profiling tool was optional; where each caseworker could opt to use the tool or not. Controversially, in Switzerland, a 2007 study sought to compare the performance of caseworkers versus the profiling tool (Behncke, Frölich and Lechner, 2010). It concluded that the statistical model delivered better results.

Finally, there is a concern that profiling tools need to adapt to the growing complexity of the jobseeker's journey. Profiling can support individualised, personalised support and services (Fuertes, Jantz, Klenk and McQuaid, 2014), which is welcomed in the current climate. However, profiling does not necessarily mean strong individualised support for jobseekers (Berthet and Bourgeois, 2014; Heidenreich and Aurich-Beerheide, 2014). Support is very much dependent on what is available. This also raises questions for those adopting a 'work-first' approach about whether this is effective with jobseekers with complex journeys and multi-barriers to employment (Larsen and Bredgaard, 2008; Smith, 2006). Some research suggests that the 'work-first' approach is suited to low skilled adults and those unmotivated to train, and in locations were training support is not available (Murray and Tubb, 2013). However, more recent research on creating sustainable employment for the long-term unemployed states that this approach is ineffective at raising skill levels, supporting future progression or job sustainability (McQuaid and Fuertes, 2014). This suggests that a different approach to supporting jobseekers into the labour market is needed.

2.7 Summary of evidence

The research evidence shows that profiling approaches and tools have been used in practice for some time, but their implementation has been, and continues to be, varied across Europe and internationally. It is evident that whatever profiling methodology is implemented (statistical, soft, rules-based or a combination of methodologies) the caseworker plays a fundamental role; their support in developing, implementing, using, interpreting and understating the profiling methodology is crucial to its success. However, it is evident that statistical profiling is becoming more widely accepted with a growing interest in its implementation. This is probably in response to the positive evaluations from the USA and Australia on how they are thought to have reduced unemployment insurance costs and reduced periods of unemployment for jobseekers; this is particularly attractive in the current climate of austerity measures. Although the evidence raises concerns about the accuracy of profiling tools, cost savings and reduction in periods of unemployment have been evidenced by evaluations of the established and well-developed international profiling tools. Although in its early stages, new profiling techniques using psychological and personality traits and taking account of soft skills are being tested with positive results.

Recent literature points to European PES moving to more integrated approaches to dealing with jobseekers; profiling is seen as part of that process. There is much evidence that profiling needs to be part of an integrated and coordinated system to be useful. For instance, training, career guidance and counselling support, alongside active labour market programmes have to be in place to support jobseekers who have been profiled. It is also the case that targeted policy and programmes need profiling to ensure that the right jobseekers are steered to these programmes. Profiling those that would benefit from early intervention is a key success to profiling methodologies. Nevertheless it needs to be recognised that for some jobseekers being classified as 'high risk' may have a negative impact on their approach to labour market reintegration. Others may be allocated to programmes for which they are not ready.

3 Member State case studies

The six case studies undertaken across the EU are presented in this section.

3.1 France

3.1.1 Background

Prior to 2009, the unemployment insurance organisation *Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce* (UNEDIC, National Professional Union for Employment in Industry and Trade), responsible the management and disbursement of unemployment benefits, was separate from the French PES, the *Agence nationale pour l'emploi* (A*NPE,* National Agency for Employment), which was exclusively responsible for placement and support to jobseekers. A newly unemployed person has to register with both organisations.

In 2009, on the basis of a new policy consensus emerging within the international arena and propagated by international organisations (such as the OECD and the European Commission), the UNEDIC and the ANPE were merged to form Pôle Emploi, a single institution and contact point for jobseekers. As in other countries, which carried out similar institutional reforms, the aim was to integrate the provision of income support, job-matching and job-placement, as well as ALMPs for jobseekers within one organisation. Pôle Emploi functions as a one-stop-shop of benefit administration and employment services.

Pôle Emploi is composed of 900 local offices, of which 146 are specialised offices, staffed by some 53,000 personnel. In practice, Pôle Emploi is administered by a tripartite Board of Directors, whose 18 members include five representatives of the State (of which one represents the Ministry of Labour), five representatives of trade unions, five representatives of employers' organisations, a representative of local authorities, and two qualified persons designated by the Minister of Labour.

As outlined in the Law n° 2008-126 of 13 February 2008 establishing Pôle Emploi[12], a tripartite convention (renewed every 3-4 years) between the State, UNEDIC and Pôle Emploi establishes the strategic direction of Pôle Emploi. The 3rd tripartite convention for the period 2015-2018 was signed in December 2014[13]. This convention explicitly emphasises the importance of improving the quality of profiling carried out by the caseworkers; a key objective of this convention is to 'Improve the quality of diagnosis of the situation and needs of the jobseekers with a view to further personalising and guaranteeing an adapted orientation towards the different types of engagement pathways' (author's translation).

3.1.2 Current state of profiling systems and tools

Prior to 2009, statistical profiling was carried out by the UNEDIC with a view to assessing the probability of a newly registered jobseeker becoming long-term unemployed; this tool was called the Calculation of Statistical Risk (*calcul de risque statistique*[14]). This information was subsequently communicated by the UNEDIC (the benefit administration authority) to the ANPE (the employment services authority). In theory, France used to operate under a situation of negotiated statistical profiling, where the profiling by statistical indicators must be confirmed by an interview with a caseworker. However, in practice the Pôle Emploi caseworkers rarely used results of this statistical profiling tool. Two factors can serve to explain this low take-up of the UNEDIC statistical profiling tool among caseworkers: first, the tool was designed and implemented by the UNEDIC (the benefit administration authority), whereas

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[12] See: http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000018117826
[13] See: http://www.pole-emploi.org/actualites/convention-tripartite-2015-2018-@/409/view-article-94308.html
[14] This statistical profiling tool was used during the period 2006-2009.

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caseworkers were part of the ANPE (the PES), and a low level of trust existed between the two institutions; second, caseworkers had not been involved in the design of this statistical tool and did not feel any ownership.

Similarly, under this system of negotiated statistical profiling, the different categories of jobseekers were subject to a 'blanket' system of jobseeker engagement (contrary to the new system which links different profiles to four distinct engagement paths – see below). Indeed, jobseeker engagement was built around a system of personalised monthly follow-up (*suivi mensuel personnalisé*) in a face-to-face interview, which did not allow resources to be targeted to those most in need of support and afforded very little autonomy to caseworkers.

In 2009, when the UNEDIC and the ANPE were merged to form Pôle Emploi, statistical profiling was abandoned in favour of caseworker-based profiling.

3.1.3 Purpose and operation of profiling

Purpose

France's caseworker-based profiling system, as introduced at the end of 2012, aims to capitalise on the expertise and autonomy of caseworkers in order to personalise support and target resources towards those most in need of intensive support. The new profiling system fits into Pôle Emploi's broader delivery system and aims to strengthen the link between profiling and engagement pathways, encourage jobseeker autonomy, and establish a relationship of trust and cooperation between the caseworker and the jobseeker.

Operation

The 'registration and diagnosis interview' (*entretien d'inscription et de diagnostic, EID*) takes place within 2 weeks of a jobseeker registering at the PES. The overarching objective of this interview is to *gauge the autonomy of the jobseeker in their job-search*, but also to orient them towards the most suitable modality of support, to assess the jobseeker's current needs in order to determine their personal 'area of work' (*axe de travail*), and to determine if there are any (online) self-help services available that can support jobseekers' in their job-search.

The 'registration and diagnosis interview' leads to two outcomes. First, the initial interview will lead to a 'shared' diagnosis and the construction of a jointly agreed individual action plan (IAP). The 'shared' diagnosis will address the industry, geographical zone and salary range, which together forms a reasonable job offer. The IAP will outline the aforementioned personal 'areas of work' which will be the focus of support and intervention for the jobseeker. This IAP will be based on the review of 3 elements: the jobseekers needs, strengths and level of autonomy. Second, the interview will lead to the jobseeker being assigned to one of four engagement pathways (Step 3 in Figure 1 below), characterised by different types and intensity of support.

Figure 1. A three-step process of registration, profiling and engagement

The profiling is undertaken by the caseworker at the initial registration and diagnosis interview. It determines the journey of the jobseeker and the engagement pathway that they will follow. The four types of engagement pathways (see figure 2, below) differ in terms of the nature (phone, online, face-to-face) and frequency of the contact between jobseekers and caseworkers, as well as the services provided to the jobseeker:

- Follow-up (*suivie*): This engagement path is available to autonomous and work-ready jobseekers. Main services offered to jobseekers are online and comprise job-matching services. Contact between the caseworker and the jobseeker is less frequent than in other engagement paths and will typically be multichannel. The caseworker will work with a maximum of 250 jobseekers at any one time.
- Guided (*accompagnement*): This engagement path is available to jobseekers who require regular assistance. Main services offered to jobseekers include job-matching services and short job-search programmes. Contact between the caseworker and the jobseeker is regular and will be face-to-face or multichannel. Since 2014, the caseworker will work with a maximum of 150 jobseekers.
- Intensive (*intensif*): This engagement path is available to jobseekers who are furthest from the labour market and face barriers in re-entry. Main services offered to jobseekers include long-term job search support programmes and assisted job-matching. Contact between the caseworker and the jobseeker is frequent and mostly face-to-face. Each caseworker will work with a maximum of 70 jobseekers.
- Global Support (*globale*): This fourth type of engagement path was introduced in 2014. The caseworker will work with social services to support jobseekers with complex multi-dimensional problems. Jobseekers are expected to meet with the caseworker every six weeks. The caseworker will work with a maximum of 50 jobseekers.

Figure 2. Four types of engagement paths

The French PES profiling system is based on caseworker assessment. In order to support the caseworker's appraisal, two tools are available. First, a labour market information tool (*information sur le marche du travail*), which is a statistical tool providing information on the local labour market situation (for instance, by identifying professional categories where there is a high level of demand). Second, a job matching tool (*systeme de rapprochement des offres*), based on a French national classification, allows the caseworker to match job offers with jobseekers' profiles, established on the basis of information given during the initial registration and diagnostic interview.

Following the initial registration and diagnostic interview, a jobseeker will have a period of three months before their first meeting with a dedicated caseworker. During this period, the jobseeker is expected to make use of self-help tools and use thier own initiative to support thier job search. After this three month period has elapsed, the jobseeker will be assigned a personal caseworker (which may not be the same caseworker who carried out the initial registration and diagnostic interview). However, once assigned, the caseworker will remain the same during the jobseeker's entire period of unemployment.

3.1.4 Enablers and barriers to the implementation and use of profiling

A range of measures have been put in place to secure staff buy-in for the new profiling system; these have acted as an enabler to the implementation and use of profiling. First, caseworkers and local agencies were involved in the design of the profiling tool. It emerged as a result of consultation with caseworkers (through a questionnaire and focus groups), that they wanted the newly created Pôle Emploi to recognise their expertise and competencies. Second, since the roll-oout of the new caseworker-based profiling system in 2012, Pôle Emploi has invested in training caseworkers and awareness-raising activities to promote knowledge of the new instruments at their disposal to profile the jobseeker and orient them towards the most appropriate engagement path. Third, in recent years, Pôle Emploi has taken account of feedback from caseworkers on the implementation of the new profiling system. This has been gained from a combination of focus groups and an 'innovation lab'.

One barrier to the implementation of Pôle Emploi caseworker-based profiling system has been the recent recruitment of new staff. Some 3,000 new caseworkers have been recruitment in the past three years (2012-2014); these new staff lack the expertise and experience of the longer serving caseworkers. The aforementioned training programmes have helped to diffuse this barrier. The updated profiling system due to be rolled out during 2015-2020 will comprise supportive tools to guide caseworkers in the profiling process in the step-by-step manner (see Section Current Developments and Future Trends in the Use of Profiling)

Legislation around data protection issues has also acted as a barrier to the effective use of the data collected via France's profiling system. Data concerning the jobseekers' housing, financial situation, heath and substance abuse collected by the caseworker during the initial meeting cannot be recorded, stored or used by the French PES. Those jobseekers that face multiple and complex barriers to returning the labour market are usually following the global support engagement path and are typically redirected to the appropriate social services by their caseworker.

3.1.5 Advantages and disadvantages to profiling

One advantage of the French caseworker-based profiling system is that it allows for specialisation among caseworkers. Caseworkers work exclusively with jobseekers of a specific profile-type (associated with one of the four engagement pathways), which allows them to specialise and develop a strong expertise in supporting the needs of a specific category of jobseeker.

Similarly, France's profiling system supports and guides caseworkers. It provides them with practical tools to carry out the profiling and direct the jobseekers towards programmes and services most aligned to their needs. At the same time, these tools are not prescriptive, but support the caseworker and afford them sufficient discretion to personalise the nature (such as telephone, online and face-to-face) and frequency of contact as well as the type of services provided to the jobseeker. This capitalises on the expertise of the caseworker. The four engagement pathways provide different ranges of contact (less frequent, regular and frequent) and a menu of possible services that allow the caseworker to determine the regularity of contact and the specific services for each individual jobseeker

A disadvantage of the current profiling system is its blanket approach to early intervention. As noted above, all jobseekers are obliged to wait three months following their initial registration and diagnosis interview before meeting with a their personal caseworker. It is argued that while this period might be adequate for most jobseekers, those needing help with their job-search, face multiple barriers to the labour market and at high risk of long-term unemployment would benefit from receiving support at an earlier stage. This will be addressed in the new profiling system announced on 11 February 2015 as an element of 'Pôle Emploi 2020' strategy (see below).

3.1.6 Current development and future trends in the use of profiling

'Pôle Emploi 2020', a strategy for the period 2015-2020, was announced by the Director General of Pôle Emploi on 11 February 2015. It features the implementation of a new profiling system that will integrate a new process of registration. A key objective of this new strategy is, by 2016, to entirely automate the jobseeker's registration with the PES (and application for unemployment benefits) before the first interview. A number of advantages are expected to flow from this new system including: accelerating and simplifying registration and application for benefits; generating more time during the first face-to-face interview for profiling and building an individual action plan; starting jobseeker support earlier; and allowing caseworkers to offer a more personalised array of services.

In practice, the 'registration and diagnosis interview' (*entretien d'inscription et de diagnostic EID*), which currently takes place within two weeks of a jobseekers' registering at the PES, will be replaced by a new interview called 'jobseeker situation

interview' (*entretien de situation*). This interview will be carried out within the first month of registration and will focus on diagnosis and profiling of the jobseeker.

Under this new profiling system, two new tools will be made available to support and facilitate profiling, one aimed at caseworkers and the other targeting jobseekers. First, in 2015, a new tool will be rolled-out to support the caseworker during the first jobseeker situation interview. This multi-pronged, semi-guided tool will include:

1. An interview guide to ensure that all aspects of profiling is investigated (including, the jobseeker's mobility, the match between the jobseeker's profile and the local labour market, jobseekers' autonomy in orienting themself, autonomy in their job search and potential obstacles to the labour market);
2. Step-by-step software which guides the caseworker through the various dimensions of the profiling exercise (providing a set of questions to ask the jobseeker);
3. A big data approach that will simplify access to local labour market information and seek to streamline multiple sources of data into a single user-friend tool; and
4. A more detailed jobseekers' profile containing all information on the jobseekers' journey.

Second, jobseekers will be provided with a new self-help tool in advance of the first interview. This tool is due to be rolled-out in 2016. It is designed to be an online tool, where jobseekers fill in information about themselves before the first interview. These data will help pre-select an engagement pathway (out of the four presented above) based on their needs. It will also allow Pôle Emploi to assign a caseworker to the jobseeker before the first interview. Finally, these new self-help tools seek to ensure a better user understanding of the tailored support offered by Pôle Emploi and to improve jobseekers activation through empowerment and individual accountability. Empowerment is made possible by focusing on the strengths of the jobseekers and identifying steps that can be taken by the jobseeker.

3.1.7 Conclusion and assessment

Since 2012, France's new profiling system places the caseworker at its very centre. It seeks to capitalise on the expertise and autonomy of caseworkers in order to personalise support and target resources towards those most in need of intensive support. It also aims to strengthen the link between profiling and engagement pathways, encourage jobseeker autonomy and establish trust and a rapport between the caseworker and the jobseeker. As elaborated above, these multiple aims have clearly fed into the design of the profiling system through involvement and consultation with caseworkers. Given the centrality of caseworkers, an important enabler for the effective implementation and use of the profiling system has been the importance placed on securing staff buy-in (though caseworker involvement in the design, dedicated training in the use of profiling tools, and taking on board caseworker feedback and experience).

'Pôle Emploi 2020', a strategy for the period 2015-2020, seeks to follow in the same direction. The revamped profiling system which will be rolled out during this period will seek to support caseworkers through the development of a multi-pronged, semi-guided tool to support them in their profiling (comprising an interview guide, new IT software, better access to local labour market data and improved access to the jobseeker's detailed profile).

3.2 Germany

3.2.1 Background

The profiling system and tools in Germany need to be understood in the context of the policy background, particularly the Hartz reforms (Hartz I to V) and how these reforms have changed the structure and operation of the PES in Germany.

Historically, the German Federal Employment Agency (BA, *Bundesagentur für Arbeit*) has always been a powerful national institution (Tergeist and Grubb, 2006). Overseen by the Ministry of Labour and Social Affairs, BA is a separate agency that is self-managed by the social partners under a framework of national legislation. It combines the functions of benefit administration, job brokering and referral to active measures (Knuth, 2014). A number of regionally decentralised PES bodies purchase private sector services (Tergeist and Grubb, 2006).

Germany used to have two labour market activation and benefits streams. The first was administered by the PES for unemployment insurance and unemployment assistance recipients (UI and UA), and the other was administered by municipal social assistance offices (SA) (Tergeist and Grubb, 2006). Since 1998, a series of reforms that started with *Job-Aqtiv Act* and was followed by the *Hartz I to IV Acts* between 2003 and 2005. The Hartz Acts were introduced at a time of high unemployment, particularly long-term unemployment. The Hartz Acts contained a comprehensive set of specific policy measures that were, when taken together, aimed at improving services and policy measures, activating the unemployed and fostering employment demand by deregulating the labour market (Jacobi and Kluve, 2006).

One of the most significant changes that arose from the Hartz IV reforms, was the merging of unemployment assistance with social assistance into a new, universal, tax-funded, means tested and flat-rate minimum income benefit (Unemployment Benefit II, UB II) (Caliendo and Hogenhacker, 2012). A new institutional infrastructure drawing staff and funding from both federal and municipal layers was also established (Tergeist and Grubb, 2006).[15] Outsourcing of PES services through a process of quasi-marketization to external, non-public providers was introduced, where local PES could decide if they wanted to provide placement services in-house or outsource them (Knuth, 2014; Tergeist and Grubb, 2006). The reforms were designed to 'activate' groups who were not previously participating in the labour market, including recipients of other types of non-employment benefits (Zimmermann et al., 2014, Tergeist and Grubb, 2006).

At the same time, the German PES has experienced an evolvement of eligibility criteria for benefits, the tightening of suitable job requirements[16] and a strengthening of sanctions during the benefits period[17] (Berthet and Bourgeois, 2014; Tergeist and Grubb, 2006).

While the intention of the Hartz reforms was to give responsibility for all jobseekers to one institution, highly complex and fragmented structures were created (Tergeist and

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[15]In effect, these hybrid organisations are made up of two separate employers, they are legally constituted as a unitary authority and jobseekers may not necessarily know they are dealing with two different categories of frontline staff (Knuth, 2014, p. 243). In contrast to the original rationale behind the Hartz reforms, fragmentation is now an embedded feature of the German PES. Restructuring of BA also resulted in the shifting of a large number of staff into placement and counselling services where PES intervention strategies are increasingly based on profiling of jobseekers.

[16]Up until the late 1990s, a principle of 'occupational protection' applied for UI recipients. In principle, UB II recipients may now be expected to accept any job corresponding to their work capacities as long as there are no general or personal reasons that are incompatible with the nature of the job. However, a principle of 'earnings protection' continues to apply, but there are different criteria for recipients of UB I and UB II (Tergeist and Grubb, 2006, p. 28).

[17]While different types of sanctions exist, employment counsellors have discretion on whether and if so, what type of sanction they imposed. There is an extensive appeals process, with one study showing that half of all sanctions were lifted within one week (Wilkes 2003 cited in Tergeist and Grubb, 2006, p. 29).

Grubb, 2006). The German PES still has two-tiers. The first tier UB I, *Arbeitslosengeld I*, is administered by local employment agencies and the second tier UB II, *Arbeitslosengeld II,* is administered by JobCentres (*ARGEN*)[18], which are mostly a cooperation between municipalities and the BA (Zimmermann et al., 2014). After the reforms, local municipalities continue to administer around one-quarter of UB II and the new hybrid JobCentres (*ARGEN*) now administers around three-quarters of UB II (Knuth, 2014).[19]

The extent of 'marketization' to date has been modest as outsourcing of services remains largely confined to training (Knuth, 2014; Zimmermann et al., 2014). While the Hartz reforms fundamentally changed the institutional and legal framework that determines the rights and obligations of the unemployed (via the principle of 'mutual obligation') and the benefits system (Jacobi and Kluve, 2006; Caliendo and Hockenacker, 2012), the envisaged efficiency gains have not yet been fully realised.

Relevantly, during the same time that major reforms were underway, PES intervention strategies became increasingly based on profiling of jobseekers. A major project involving development of a Virtual Labour Market (VLM) began in 2003. The VLM operates as a common platform that is used by all labour market actors including PES staff and caseworkers, jobseekers, employers, training institutions, public organisations and private recruiters. The VLM platform supports the profiling of jobseekers in the German PES system.

3.2.2 Current state of profiling systems and tools

Profiling in the German PES involves a combination of information-driven profiling with caseworker assessment in order to segment jobseekers into six different client groups, where profiling constitutes the first of four phases in an end-to-end service delivery process for jobseekers, the so-called Four-Phases Model (4PM). The other three phases are goal definition, selection of intervention strategy and implementation and monitoring (GHK Consulting, 2011). In this respect, the 4PM is an integrated model that is used for the multiple purposes of careers advice, job matching, placement and counselling (Loxha and Morgandi, 2014). The 4PM has been described as employee-oriented, as it involves a circular process aimed at helping the unemployed jobseeker get back into the labour market by setting targets, matching their profiles to job vacancies and measuring results.

The end-to-end 4PM system is supported by a Virtual Labour Market (VLM, *Virtueller Arbeitsmarkt*) platform consisting of three, closely-interlinked tools:

- *Jobboerse* – an online job portal for jobseekers (who register online and create their personal profile) and employers;
- *VerBIS* – the internal IT-system supporting PES employment services and vocational counselling; and
- *JobRobot* – an online 'job-crawler' that collects job vacancies from company websites and posts them to the PES intranet (GHK Consulting, 2011).

There are a number of additional software-supported tools that sit within the VLM to assist caseworkers in profiling and assigning jobseekers to profile groups, such as Calculating Labour Market Changes (*Berechnungshilfe Arbeitsmarktchancen,* BAC) and the Profiling Criteria Catalogue (GHK Consulting, 2011).

The VLM brings together information about jobseekers' profiles with systematic and regularly updated occupational and qualifications databases, local and regional labour market data and an evidence-based catalogue of measures. All of these tools support

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[18] German job centres are called *ARGEN*, however the generic, Anglicised term of *JobCentre* is typically used for both the municipal and joint facilities, now forming a second tier of Germany's PES (UB II).
[19]The newly created UB II was supposed to increase incentives to work for the long-term unemployed, but it led to large cost overruns and relaxed eligibility rules resulting in a large influx of people registering for the new benefit (Tergeist and Grubb, 2006, p.16).

the 'human' decision-making of caseworkers (GHK Consulting, 2011). Taken together, the tools in the VLM interact in order to profile jobseekers, develop intervention plans and to match jobseekers with job vacancies.

The profiling component of 4PM is used by caseworkers to assist them in identifying labour market support needs and determine the objective for the integration agreement. That is, profiling is used in determining the appropriate level, timing and nature of interventions (Konle-Seidl, 2011).

In terms of sequencing the process, initial registration for placement is typically a pre-condition for benefit payment, where entitlement to benefit usually starts on the day of registration for placement and registration is required immediately after dismissal is notified (Tergeist and Grubb, 2006). After clients have been unemployed for twelve months or longer, they get transferred from UB I (*Arbeitslosengeld I*) to the much lower UB II *(Arbeitslosengeld II)*, and with this transfer, there is a change of caseworkers as responsibility shifts from BA to the *JobCentre*, which is either run by the local municipality or the 'hybrid' organisation.

After the jobseeker registers with the PES, they are required to enter their personal profile online into the *Jobboerse* portal. Their personal profile is then transferred into *VerBIS*, where is can be accessed and examined by the caseworker and an integration plan is developed (GHK Consulting, 2011). A detailed interview then takes place, which is usually within one week of initial registration. At this point, the PES caseworker draws on results from the initial profiling to develop a joint agreement (Integration Agreement) with the jobseeker. During the initial interview, the caseworker will document the client's vocational and soft skills with regards to a target occupation. Caseworkers can additionally use a software tool (*Berechnungshilfe Arbeitsmarktchancen* BAC) to help assess the labour market prospects of the jobseeker in order to determine the target occupation. They also record the jobseeker's vocational qualifications and soft skills in *VerBIS*. The target occupation will be identified on the basis of the jobseekers previous work experience and their occupational qualification. The caseworker then prepares an analysis of strength (*Stärkenanalyse)* and an analysis of potential *(Potenzialanalyse)* to identify the potential barriers faced by the jobseeker (such as training needs, motivational problems and local labour market conditions) and to identify appropriate types of interventions (such as support, counselling, training, etc.).

Using information from both the analysis of strength (*Stärkenanalyse*) and the analysis of potential (*Potenzialanalyse*), *VerBIS* then classifies the jobseeker into one of the six profiling identities (see next section for further details of the six identities). The outcomes of profiling are used to determine how services are set-up and affect the frequency of client contact, interviews and access to reintegration services (Kureková, 2014). Based on any identified 'gaps' (*Handlungsbedarf*), *VerBIS* suggests a number of 'service strategies' to the caseworker and for each of these strategies, a number of concrete strategy options and the steps and timeframe they entail in terms of the counselling process. A product catalogue also provides caseworkers with guidelines on what programmes are recommended for each service strategy. Ultimately, the caseworker has final discretion over the level of resources and the types of interventions (Konle-Seidl, 2011).

In parallel, companies post their vacancies in *Jobboerse*, equally followed by a personal review through PES. The matching process is based on over 40 criteria, which consider the initial qualifications of the jobseekers and the competencies and learning outcomes acquired via non-formal, informal and on-the-job learning (GHK Consulting, 2011). PES staff use *VerBIS* to review vacancy details and the system runs a search process using specific auto-matching technology looking for jobseekers with matching profiles (GHK Consulting, 2011).

3.2.3 Purpose and operation of profiling

Profiling in Germany is used a part of a customised 'expert system'. The idea behind customised or 'personalised' services is that individuals differ in their employability and that such employability declines as the duration of non-employment increases. Caseworkers make the final decision on the services provided to clients. This 'soft' or qualitative approach to profiling stands in contrast to other profiling systems (such as the US and Australia) where 'hard' statistical profiling is compulsory and where the results of statistical profiling are the only factor in determining the level of support given to the client (Konle-Seidl, 2011). With this in mind, the main rationale for the profiling system and tools is to assist in early, systematic intervention for jobseekers in order to reintegrate them back into the labour market. Profiling diagnoses the client's distance from the labour market and probable duration of job search according to six identities. It is also used to identify individual support needs. Profiling data are also used as an input into computer-assisted 'matching' of jobseekers to job vacancies.

The current system was designed as an instrument to match jobseeker profiles with job vacancies and to help PES staff to administer client data. The current system was introduced because it was felt that the profiling tool available before implementation of the VLM required improvement in terms of how information about jobseekers' profiles was brought together with systematic and regularly updated databases, local and regional labour market data and an evidence-based catalogue of measures (European Commission website, 2015[20]).

The key vulnerable group identified in labour market policy is the long-term unemployed, but activation policy focuses on older workers, youth, long-term unemployed and foreigners (Berthet and Bourgeois, 2014, p. S23). While all clients are treated the same during the 4PM regardless of whether they are in receipt of UB I or UB II, the profiling system segments the customer base into six profiling identities (*Profillagen*).

Jobseekers are categorised into one of six profiling identities that indicate not only the prospective timeframe of activation on the basis of market proximity, but also an end goal of plan for activation or job-search (usually, either regular or subsidised employment, or education) (Loxha and Morgandi, 2014; Rice and Zimmerman, 2014; Tergeist and Grubb, 2006). The category reflects jobseekers' labour market prospects in terms of skills and qualifications, alongside the demand for these in the local labour market, motivation, and barriers to employment (Ludwig-Mayerhofer, Behrend and Sondermann, 2014). So, profiling enables caseworkers to distinguish between those jobseekers who require more intensive support (such as the long-term unemployed and people disadvantaged in the labour market) and others who are deemed 'job ready'. Those in categories 1 to 3 are deemed close to the labour market whereas those in categories 4 to 6 are considered complex (see Table 1 below).

Table 1.   Profiling identities of jobseekers

Client profiles	1. Market profile	2. Activation profile	3. Promotion profile	4. Development profile	5. Stabilisation profile	6. Support profile
Exit information	Regular LM ≤ 6 months	Regular LM ≤ 6 months	Regular LM ≤ 12 months	Regular LM >12 months	Improve employability >12 months	Improve employability >12 months
Prognosis	Close to the labour market			Complex profiles		

Source: Konle-Seidl (2011, p. 10)

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[20] See http://ec.europa.eu/social/main.jsp?catId=1080&langId=en&practiceId=12

Re-employment chances of jobseekers in the middle profiling groups are expected to be higher, so, in theory, a higher level of resourcing should be allocated to jobseekers in these groups.

If the caseworker does not agree with the profiling of a jobseeker they can amend the profile. However, they are obliged to identify, explain and document the reasons for any change. The jobseeker's profile identity (*Profillagen)* can be adapted at later stages (known as dynamic profiling) with a statutory requirement for it to be reviewed every six months (Konle-Seidl, 2011).

Because profiling does not operate in isolation from the other components of the PES system such as the 4PM and the VLM, it is difficult to make an assessment about its individual effectiveness. It is clear that the 4PM system confers PES caseworkers with a high degree of discretion. The data-assisted profiling can be revised by the caseworker and ultimately, it is the individual caseworker who has final discretion over the level of resources and the types of interventions offered to the unemployed jobseeker (Kureková, 2014). This means that effectiveness largely depends on whether caseworkers are well-supported, well trained and whether the PES system is well-financed. Effectiveness is also highly dependent on the labour market and other data in the VLM being regularly updated.

In terms of the allocation of resources, BA provides recommendations about the minimum frequency for different profiles among UB II jobseekers. However, the distribution of client profiles is only a minor determinant within the budget planning process of BA. Other factors such as the regional unemployment rate play a major role in the dialogue that occurs between BA at the federal and local levels (Konle-Seidl, 2011).

In terms of whether any legal or data protection issues have been found to have an impact on the use of profiling systems, as personal information is stored on the centralised server and because the server contains a large body of data, it may be more prone to hacking (GHK Consulting, 2011). In addition, Germany has very strict rules of data protection. Access to personal data are restricted to the specific user groups that need to work with them (for example, for registration, grant of benefits, etc.).

3.2.4 Enablers and barriers to the implementation and use of profiling

The current system builds upon the previous system. It was developed with considerable input from PES caseworkers and consequently they have a high level of ownership. In comparison to the previous system, the 4PM supported via the VLM and profiling tools is more comprehensive. It is also easy for jobseekers to use and understand. This being so, the initial development costs for the VLM is estimated to have cost around €165 million (GHK Consulting, 2011). There are also significant costs associated with its administration and further development. In 2011, there was five to six staff at the BA involved in administration and development and around 20 additional staff engaged in user support (GHK Consulting, 2011).

Prior to the introduction of the current system, PES caseworkers had already undergone extensive training related to the previous PES system of electronic data management and job placement, so training for the new VLM did not present itself as a major barrier to implementation. Overall, profiling is highly integrated into the PES. Caseworkers appear to be well supported and the level of customer satisfaction is higher under the current service delivery model than it was under the previous arrangements (Konle-Seidl, 2011).

One potential barrier to the effective implementation and use of profiling concerns the high level of administration that is required for the system to operate as intended. Results from a survey conducted with PES caseworkers and managers in 2011 were mixed. On the one hand, caseworkers generally believe that the profiles generated by the system are valid, that *VerBIS* makes it easier for them to share information and

that standardisation of processes is useful. On the other hand, caseworkers also complain about an increase in their workloads because they are required to enter a large amount of information into *VerBIS* (Konle-Seidl, 2011).

Another potential barrier to the effectiveness of the profiling system is that employers are not obliged to provide details of reasons for not hiring jobseekers who have been referred to them by PES. In this respect, it makes it difficult to establish whether the matching process – that draws on data from profiling – is helpful for employers. Relevantly, external evaluation data gathered shortly after the VLM was launched in 2006 showed that *Jobboerse* had become the market leader in the field of online job portals, with 18,500 new registered jobseekers and 1,600 new registered companies per week. In 2011, it remained the most popular job portal in Germany (GHK Consulting, 2011).

As already mentioned above, strict rules of data protection apply in Germany. Some caseworkers have expressed concerns with respect to data protection, especially with jobseekers in UB II, as data protection rules can serve as a barrier to caseworkers, particularly when they are dealing with complex cases.

3.2.5 Advantages and disadvantages to profiling

There are a number of advantages to the current system of profiling in Germany beginning with it being used as a common framework for jobseekers in both the insured stream (UB I) and non-insured stream (UB II)(Kureková, 2014). This is a particularly important feature because unemployed jobseekers in the UB I stream of benefits are automatically transferred into the lower UB II stream of benefits after they have been unemployed for 12 months. This is, however, aged-dependent as, for example, older workers can receive unemployment benefits (UB I) for up to 24 months. As UB I and UB II fall under the responsibility of different authorities, there is a change in the caseworker. This change in caseworker is problematic for some, but both the jobseeker and the new caseworker are able to access all of the information in *VerBIS* including information that has been entered by the jobseeker and the previous caseworker's notes.

Using *VerBIS* to case manage helps caseworkers to standardise, monitor and direct service delivery. A particular strength of the profiling system relates to how *VerBIS* allows the caseworker to link information on regional labour market opportunities to the jobseeker's profile based on their competencies (Konle-Seidl, 2011). Unlike hard or objective statistical profiling tools, profiling in Germany has the distinct advantage of having been designed to capture generic and soft skills in the assessment process. This is often important for jobseekers who do not have formal qualifications. *Jobboerse* and *VerBIS* are connected to a database via the VLM that contains a catalogue of more than 300 vocations. The platform also looks for possible matches between knowledge, skills and competencies that are acquired through non-traditional pathways including previous work experience (GHK Consulting, 2011).

Another important advantage of the profiling system is that it facilitates a two-way 'matching' of jobseekers to job vacancies via the tools in the VLM platform (*VerBIS*, *Jobboerse* and JobRobot) (Kureková, 2014).

As outlined above, the use of profiling in the German PES is based on the idea of customised or personalised services. This is an expensive method of service delivery, however, there is some evidence to suggest that this approach can be cost effective (Konle-Seidl, 2011). Caseworkers make the final decision on the services provided to jobseekers. The high level of discretion given to caseworkers in the process of profiling means that interventions can be customised to the specific needs of the jobseeker (Kureková, 2014). However, it also means that profiling is, to a large extent, dependent on the 'human element' of subjective assessment that is inextricably linked with the capabilities, knowledge and experience of the caseworkers. While this can be

viewed as a strength of the German system of profiling, it means that caseworkers need to be highly skilled and that they will require a high level of training and support.

Another advantage is that potential employers do not know about the specific profile (*Profillage*) of a jobseeker that has been matched to their job vacancy. However, potential employers will be aware that if a jobseeker has been referred to them by PES under UB II, they have been unemployed for more than 12 months. This can have a labelling effect, which may be prejudicial to the jobseeker.

While not specifically a disadvantage of profiling itself, in the past BA has been criticised for concentrating its efforts on jobseekers in categories 2 and 3 at the expense of those in category 4 (i.e. the most disadvantaged and/or the long-term unemployed). Now, there are INGA teams in each employment agency for UB I insurance clients providing intensive services to complex profiles. Further, there is the concern that those from professional occupations with high level qualifications experience poor vacancy matches due to the complexity of their professions (Ludwig-Mayerhofer, Behrend and Sondermann, 2014).

3.2.6 Current development and future trends in the use of profiling

The profiling system has undergone a number of refinements including improvements in terms of comprehensibility, the documentation process, and the support available for the caseworker. The introduction of the 'active' 4PM model has meant that funding of 'passive' labour market programmes has been significantly reduced (BA, 2010).

In January 2006, the federal government published an evaluation of the Hartz I to III reforms.[21] The allocation of resources to four different types of jobseekers was considered insufficiently differentiated and the *de facto* exclusion of the hardest-to-place from counselling and placement services was considered potentially counterproductive (Tergeist and Grubb, 2006). This has since reformed as a result of changes in the financial incentive structure. For example, up until 2006 the BA had to pay a penalty fee, called *Aussteuerungsbetrag* for each jobseeker being transferred to the UB II system, which has now been abolished. The challenge of balancing intensive support with self-help will continue to be a challenge, particularly in the context of the already stretched government budget for PES.

In terms of changes to the client base, new themes have been included in the analysis of potential (*Potenzialanalyse*), so they are now factored in profiling. Newly introduced themes include the availability of childcare, mobility and a range of other personal factors that may pose as barriers to employment. These new themes appear consistent with the current focus of activation policy.

3.2.7 Conclusion and assessment

The profiling system and tools in place in the German PES are heavily embedded in the model of service delivery (4PM) and are supported by a well-resourced, highly sophisticated IT system (VerBIS)

Complexities exist in the PES system arising from the fragmentation that exists because of the two different streams of benefits (UB I and UB II) and two different delivery agencies (municipal and hybrid offices). Nevertheless, all jobseekers who register for unemployment benefits undergo profiling as part of the four-phase system of delivery, the 4PM.

The 'soft' profiling system in Germany is consistent with the idea behind customised or personalised services. Despite caseworkers having access to a wealth of data via the VLM, there remains a high 'human element' in profiling. Along with the fact that PES

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[21]This evaluation did not cover the Hartz IV Act where reforms included the merging of unemployment assistance and social assistance streams (p. 39). A number of other findings were published, however only those specifically related to profiling is discussed. For details on other findings, see Tergeist and Grubb, 2006.

caseworkers were heavily involved in developing the current suite of profiling tools, a key reason for why PES caseworkers in Germany have embraced profiling is likely due to the high degree of discretion they are given in terms of what happens with the output for results from profiling. In this respect, profiling is used as a starting point for the caseworkers to develop individual, customised action plans. One criticism of the system may be that the procedure (4PM) is too standardised. The initial, computer-generated profiling results can be changed by the caseworkers. Unlike in a number of other countries, profiling does not appear to play a central role as a rationing tool for centralised decision-making about resource allocation.

Profiling was originally introduced to assist caseworkers and its original purpose appears to have largely remained unchanged. That is, it does not appear to be used centrally as a 'hard' rationing tool. While profiling is used to classify unemployed jobseekers into six categories based on their proximity to the labour market and length of unemployment, there appears to be additional scope for further refining of the profiling system to target funds towards the most disadvantaged and the long-term unemployed. However, the majority of funds are targeted at these groups. Balancing intensive support with self-help will continue to be a challenge, particularly in the context of the austerity.

3.3 Ireland

3.3.1 Background

Ireland's economy was hit hard by the global economic crisis of the late 2000s. Unemployment more than trebled during the 5-year period between 2007 and 2012. Since then, the labour market started to recover in 2013 and has continued to grow.

As a result of the rise in unemployment, recommendations from the OECD and a number of reports identifying the need for more intensive activation and employment support to help unemployed jobseekers prepare for and secure employment, the Programme for Government (March 2011) made a commitment to introduce reforms. These led to a shift from a passive welfare system to one that integrated the receipt of payments to the uptake of active labour market services. It was for this reason that the National Employment and Entitlement Service (known as *Intreo*) was officially launched in October 2012.[22] The aim was to integrate the provision of income support, job-matching and job-placement, and the design and supervision of ALMPs for jobseekers within one organisation, as a one-stop-shop of benefit administration and employment services.

Until 2012, responsibility for Ireland's Public Employment Service was held by the National Training and Employment Authority (FÁS) along with its parent department, the Department of Jobs, Enterprise and Innovation (DJEI). The PES was independent of the system of benefit administration, which was the responsibility of the Department of Social Protection (DSP).

The Department of Social Protection (DSP) issued a project plan for Intreo's establishment in 2011, which was subsequently endorsed by the government in a policy statement entitled *Pathways to Work*, published in 2012. The approach focussed on the provision of activation and employment support services to the newly unemployed in order to reduce the rate at which such people move into long-term unemployment. It was recognised that more intensive support should be provided to the existing stock of unemployed, in particular those who were already long-term unemployed.

In 2011, the DSP drew up a Transformation Agenda and since January 2012, three types of services (the provision of income support, job placement and job matching,

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and the design and supervision of active labour market policies), which had previously been spread across three government departments, have been made the responsibility of the Department of Social Protection (DSP).

The DSP's social welfare offices have since been transformed into Intreo centres where clients can access or be referred to income support and employment services at these new one-stop shops.

It was in this context of crisis-induced institutional change that a new profiling system was introduced by the DSP.

3.3.2 Current state of profiling systems and tools

Prior to 2012, Ireland used a simple rules-based profiling system with time-based segmentation. In practice, jobseekers who signed up with the Social Protection Department (DSP) in order to claim welfare benefits would only be referred to the PES after having been unemployed for six months. While this system was simple to implement and directed resources towards a segment of the unemployed, it presented a number of disadvantages; namely, it did not allow for early intervention for those most at risk of long-term unemployment and wasted resources on those capable of finding employment without assistance (O'Connell, McGuinness, Kelly and Walsh, 2009). In order to address the weaknesses of the previous time-based segmentation approach, a new profiling system was gradually rolled out in early 2012 and is implemented nation-wide since mid-2013. This new system is characterised by a combination of a strong statistical profiling tool (*PEX*, Probability of Exit tool) and high caseworker discretion (see Section 'Purpose and operation of profiling').

The crisis fast-tracked the introduction of the new profiling system in Ireland. Worsening labour market conditions and the marked increase in the number of people registered long-term unemployed provided a political imperative for policy makers to adopt an enhanced diagnostics tool that would focus assistance (and scare resources) and provide early intervention to those most in need of support.

Moreover, the new profiling system was introduced within a broader context of crisis-induced institutional change (see section 'Background'). Its implementation coincided with the introduction of local Intreo centres, which act as a single point of contact for all employment and income support and aimed to ensure a closer integration of social assistance and activation. Within this new institutional framework, which the profiling system is an integral part of, most benefits are explicitly linked to the jobseeker's commitment to activation.

While implementation was spurred on by worsening labour market statistics (especially the exponential increase in the number of long-term unemployed), its development and design was the result of over a decade of research and planning by the Department of Social Protection (DSP)[23] in cooperation with the Economic and Social Research Institute (ESRI)[24].

A first survey was conducted with 15,000 jobseekers by the DSP in Galway. In parallel to this initiative, the ESRI has published a study examining factors that can reduce a individual's employability (Barrett, Whelan and Sexton, 2001). Building on this original research, in 2005, the ESRI produced a first study on a possible profiling model for Ireland (Layte and O'Connell, 2005). This research formed the basis for a national survey managed by the DSP conducted over an 18 month period (2006-2008), which gathered profile data through a unique questionnaire (on approximately 120 characteristics) covering all jobseekers on the Live Register during the period September-December 2006[25]. In order to ensure the validity of the data, sensitivity

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[23] See http://www.welfare.ie/en/Pages/home.aspx
[24] See http://www.esri.ie/
[25] Over a three month period, every single person registering on the Live Register was asked to complete a survey. Data was provided by the sample population on a voluntary basis; all participants were guaranteed

checks were carried out among non-respondents based on DSP administrative data. It was concluded that there was no selection bias among those jobseekers who had voluntarily given the information. The sample population was tracked for 18 months and all exits from the Live Register were recoded. In 20 per cent of the cases, exits from the Live Register were not directly reported and individuals failed to turn up and benefit payment were discontinued. In all cases a follow-up exercise was carried out via email, post and telephone to determine the reason for the individual exiting the Live Register. These data were subsequently communicated to the ESRI and used (in addition to the administrative data available from the Live Register) to develop a statistical profiling model. After having controlled for the predictive capacity of over 120 explanatory variables, the final model was based on 26 characteristics. In July 2009, a final ESRI report was published outlining the architecture of the statistical profiling model in current use (O'Connell, McGuinness, Kelly and Walsh, 2009). Key variables that significantly affected the likelihood of becoming long-term unemployed were identified and integrated into Ireland statistical profiling model:

> *We find that factors such as a recent history of long-term unemployment, advanced age, number of children, relatively low levels of education, literacy/numeracy problems, location in urban areas, lack of personal transport, low rates of recent labour market engagement, spousal earnings and geographic location all significantly affect the likelihood of remaining unemployed for twelve months or more. While the predicted probability distribution for males was found to be relatively normal, the female distribution was bimodal, indicating that larger proportions of females were at risk of falling into long-term unemployment.* (O'Connell, McGuinness and Kelly, 2012, p.135)

The labour market demand-side is computed in the statistical profiling model using two variables: geographical location; and size of location. Therefore, two individuals with identical characteristics, but living in different geographical locations may have a different overall score. Due to data protection concerns, certain indicators, that were found to have predictive capacity, such as ethnicity (for instance, belonging to the Roma minority), criminal record and health record have not been included in the profiling model. The *PEX score* emerging from this model refers a jobseeker's 'probability of exiting' the Live Register (the unemployment register) within 12 months.

3.3.3 Purpose and operation of profiling

PEX, Probability of Exit tool

Ireland's statistical profiling serves to manage client flows in order to prioritise jobseekers based on their risk of becoming long-term unemployed. The aims are: to calibrate the intensity of support based on the level of long-term unemployment risk; to provide individualised support; to treat all jobseekers equally ex ante; and to use public resources more cost-effectively, particularly to contain leakage to individuals capable of self-help[26].

Upon registering at their local labour office (Intreo Centre), jobseekers are asked to complete a (mandatory) profiling questionnaire in order for their benefits claim to be processed. On the basis of their answers, each jobseeker is given an individual PEX score which determines whether they are at low, medium or high risk of exiting the unemployment register (Live Register) within 12 months[27]. The type of engagement

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strict anonymity. Participants received a leaflet explaining the purpose of the research. The total number of records contained within the initial population database was 60,189; the survey questionnaire was successfully administered to 33,754 individuals giving a response rate of just over 75 per cent.

[26] This information was cited in the World Bank report (Loxha and Morgandi, 2014) and is based on the Irish Department of Social Protection 2013, Irish Proofing System powerpoint presentation, DSP, Ireland.

[27] In practice, an Intreo officer will ask a fixed set of questions orally to the client. Once the claim has been approved, this data will be input manually by the officer into a specifically designed IT system (Pomi2). The

(including whether they would benefit from early intervention) and the intensity of support is determined on the basis of this profiling exercise. Jobseekers in these three different categories (risk groups) will be directed towards different engagement paths.

Typically within 3 weeks of an individual registering at an Intreo centre, jobseekers will be invited to attend a mandatory group engagement session. Group engagement sessions last one hour and are organised among groups of individuals with similar PEX scores. Jobseekers will be informed of the conditions of their payments (such as. attending one-to-one sessions with caseworkers).

As noted above, a jobseeker's PEX score drives the engagement path.

- Low-risk jobseekers (approximately 20 per cent of the client base): will be directed towards self-help tools ruring their initial engagement session. If they remain unemployed after four months following their registration, they will be invited to meet a caseworker and develop and personalised progression plan.
- Medium-risk jobseekers (approximately 60 per cent of the client base) will meet with a caseworker within one week following the group engagement sessions and subsequently every three months to review progress.
- High-risk jobseekers (approximately 20 per cent of the client base) will meet with a caseworker within one week following the group engagement sessions and subsequently every two months to review progress.

During the first meeting between the caseworker and the jobseeker, both parties will develop a mutual engagement contract (based on the principle of mutual obligation) and establish a personalised progression plan (PPP). The PPP is printed and signed by both parties and the jobseeker is given a paper copy. During each subsequent meeting, there will be an opportunity to review progress against the jobseeker's PPP.

In addition to caseworkers, activation support teams also support medium-risk and high-risk jobseekers. Activation support teams have a number of roles: scheduling group engagement sessions (186,000 in 2014); following-up jobseekers who do not attend group engagement sessions and compulsory 1-to-1 meetings with caseworkers (though email, postal mail, mobile phone, text messages) and assessing the validity of the reasons for non-attendance; and applying sanctions to jobseekers who fail to comply in the form of reduced payments (5,000 sanctions were applied in 2014).

Profiling the existing stock of long-term unemployed – the Labour Market Disadvantage Model

A new profiling model – the so-called labour market disadvantage model – has recently been developed to segment and profile Ireland's existing stock of long-term unemployed. As in the case of the PEX tool, the labour-market disadvantage model was developed by the ESRI in collaboration with and at the request of the DSP (McGuinness, Kelly and Walsh, 2014).

The labour market disadvantage model was developed on the basis of DSP administrative data only, whereas the PEX model was developed using a combination of administrative and profiling survey data. Accordingly, the range of explanatory variables included within the labour market disadvantage model is more restricted. The population for which this model is being used have already been on the Live Register for at least 12 months. Hence, unlike the PEX tool where the score indicates the predicted probability of becoming long-term unemployed, the score of the labour market disadvantage model is more a measure of relative labour market disadvantage as opposed to an expected probability of future exit from the Live Register (McGuinness, Kelly and Walsh, 2014).

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information will be processed centrally and an individual PEX score will be calculated on the basis of the client's answers.

All long-term unemployed persons on the Live Register were entered into the labour market disadvantage model and their scores appears in the Client Services System (CSS) IT system use by the caseworkers in Intreo centres across the country.

Caseworkers are expected to meet and establish a PPP with all newly registered jobseekers and gradually work through the stock of existing unemployed. The labour market disadvantage score is used as a way of prioritising support for the existing stock of long-term unemployed.

3.3.4 Enablers and barriers to the implementation and use of profiling

A number of factors supported the rolling-out and continue to support the effective use of Ireland's profiling tool. First, its implementation was spurred on by worsening labour market statistics as well as reduced fiscal space. The PEX statistical tool allows scarce resources to be spent more effectively by targeting newly registered jobseekers most in need of early intervention and reinforced support (because they have the highest probability of becoming long-term unemployed)[28]. While Ireland's labour market is showing signs of recovery, cost-effectiveness remains an important factor behind the model's continued use. Second, and closely related to this first factor, political impetus acted as important engine in the introduction of the profiling tool. The government set in motion crisis-induced institutional reforms aimed at establishing a closer integration of social assistance and a jobseeker's commitment to activation. The profiling system was an integral component of this change and received strong backing from the government. Third, social dialogue ensured the smooth implementation of the profiling tool. Civil service trade unions initially expressed their concerns about the new profiling system (concerning its impact on caseworkers' role and also concerning data protection), which caused a delay in its implementation. Social dialogue served to address these issues. Since the introduction, the tool has been met positively by trade unions and staff. Fourth, Ireland legislative framework was changed to accommodate the new profiling system. Legislation was introduced in 2011 to make it compulsory for jobseekers registering at an Intreo centre to answer all of the questions in the profiling questionnaire. If an individual refuses, the claim cannot be processed since it is considered incomplete. This change of legislation was necessary if order for the profiling tool to operate effectively since without a completed questionnaire the jobseeker could not receive a PEX score. Moreover, strict data protection laws, which were in place prior to the introduction of the PEX tool, guarantee that data were not shared with third parties. Finally, at the operational level, an important enabler supporting the effective implementation of the profiling tool is the fact the PEX score and which at-risk category the client is placed in is considered sensitive information, which is not shared with the jobseeker in order to avoid potential negative behavioural impact.

An important barrier to the effective use of the profiling tool is the IT architecture that is currently in place within the Intreo centres. At present, two separate IT systems co-exist:

- The BOMi (Business Object Model Implementation) is the DSP's main IT system, which manages much of the DSP claim administration systems. BOMi is used to enter the answers to the profiling questionnaire and serve to calculate a jobseeker's individual PEX score.
- The Client Services System (CSS) is a web-browser based system designed for the PES (part of the DSP). Its key features include the registration of jobseekers, caseload management, matching job vacancies to jobseekers and registering jobseeker for courses.

Caseworkers will exclusively use the CSS IT system, which only has information on which at-risk category (high, medium or low) the jobseeker belongs to and, in the

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[28] DSP mentioned a saving of 73 million euros per year (ESRI study)

case of long-term unemployment, a labour market disadvantage score. Caseworkers do not have access to the BOMi system and are not trained to interpret the breakdown of the PEX score data. Moreover, prior to the first 1-to-1 meeting between the jobseeker and caseworker, the jobseeker is required to fill out a form (*Reg 1 Form*) where they will be asked similar questions to those in the profiling questionnaire (which they have already answered when first registering with the Intreo Centre). The data collected in the Reg 1 Form were then inputted manually into the CSS System by the caseworker. These two separate IT systems leads to a duplication of work and prevents caseworkers from accessing and making full use of the data collected by the statistical profiling tool.

3.3.5 Advantages and disadvantages to profiling

The main advantage of Ireland's new profiling system compared to the previous system of time-based segmentation is the ability for the PES to make better use of its resources by calibrating the intensity of the support based on a jobseeker's risk of becoming long-term unemployed. Jobseekers at high and medium level risk will receive faster and more intense support (with more regular meeting with their caseworker) than those with a low risk of becoming long-term unemployed.

The Irish profiling system does, however, present a number of disadvantages or risks. First, there is a risk of jobseekers providing false information because of the fear that they may jeopardise their chances of receiving future benefit payments (Intreo officers anecdotally testified to this). For instance, as part of the profiling questionnaire jobseekers are asked to subjectively assess their health. Jobseekers may be tempted to provide a subjective assessment of their health, which is below their true assessment so as to not forgo the possibility of claiming disability allowance in the future. Second, Ireland's statistical profiling tool does not support sustainable labour market attachment. Seasonal workers, for instance, who typically work in precarious forms of employment, will receive a high PEX score (and placed in the categories of low-risk of becoming long-term unemployed) and will, therefore, not receive personalised support from a caseworker until four months of unemployment.

Finally, the Irish system is a statistical profiling system; it is not a statistical targeting system that seeks to ensure a better match between the characteristics of the jobseeker and the services offered by the PES. The information emerging from the statistical profiling model determines the engagement path of the jobseeker, it does not serve to orient jobseekers towards services that are most adapted to their needs and from which they would benefit the most. Rather this remains at the caseworker's discretion.

As previously noted, the caseworker could be further supported if they had access to the BOMi (Business Object Model Implementation) IT system, which contains the detailed data of the profiling questionnaire that is used serve to calculate a jobseeker's individual PEX score. Also, if the caseworker was trained to interpret these data in a way that would support them in directing the jobseeker towards activation programmes that match their needs.

3.3.6 Current development and future trends in the use of profiling

There are three notable elements linked to the current development and possible future developments of Ireland's profiling system.

First, the model has not been recalibrated since its introduction in early 2012. Such an exercise would be an important undertaking since it would require a national survey similar to that carried out by the DSP over an 18-month period during 2006-2008. Although the data that informed the creation of the PEX model were collected prior to the crisis, the economic conditions have profoundly changed since then. It is thought that his is unlikely to undermine the accuracy and predictive power of the profiling model as the principal factors that determine long-term unemployment risk (such as low levels of education, history of long-term unemployment, literacy and numeracy

problems, etc.), they do not vary with business cycle conditions (O'Connell, McGuinness, Kelly and Walsh, 2009). It is interesting to note that certain data, such as income and occupation, were included as part of the mandatory profiling questionnaire, but they are not currently used in the statistical profiling model and were added with a view to using them in a new recalibrated model.

Second, while the IT architecture of the profiling tool could be improved by integrating the two IT systems of the PES and DSP, it is also possible that the IT system of different government services could be integrated and serve to update the profiling data on a dynamic basis. For instance, revenue data of the Office of the Revenue Commissioners could potentially feed into the profiling tool. Naturally, this would raise important data protection issues which would need to be addressed.

Finally, in 2012, the government's JobPath initiative was introduced, under the auspices of the DSP, to provide re-employment services to the long-term unemployed via private employment services (PrES). This is Ireland's first experience with cooperation between the PES and private (for profit) employment placement agencies. The initiative is due to begin operating in the summer 2015 and will provide intensive employment support and activation services (over an engagement period of 52 weeks) to 100,000 jobseekers who have been receiving income support payments from the DSP for more than 12 months or who are identified as being at high risk of remaining long-term unemployed. The PEX profiling tool will serve to identify those jobseekers at high-risk of long-term unemployment to be directed towards these private placement agencies. In this sense, Ireland's statistical profiling tool will serve to support public-private cooperation between employment services.

3.3.7 Conclusion and assessment

Ireland's profiling system is characterised by a combination of a strong statistical profiling tool and high caseworker discretion. While its implementation was spurred on by worsening labour market statistics as well as reduced fiscal space, its development and design was the result of over a decade of research and planning by the DSP in cooperation with the Economic and Social Research Institute. Ireland's statistical profiling tool valuably serves to make a cost-effective use of the PES resources by calibrating the intensity of the support based on a jobseeker's risk of becoming long-term unemployed. Yet, the PEX profiling tool could potentially be used for more. At present, information emerging from the statistical profiling tool determines the engagement path of the jobseeker; it does not serve to orient jobseekers towards activation services. Such a decision is at the complete discretion of the caseworker. However, the PEX tool could potentially support the caseworkers in this task if they were given access to the IT system, which contains the detailed data of the profiling questionnaire and were trained to interpret these data in a way which would support them in directing the jobseeker towards activation programmes that meet their needs.

3.4 Netherlands

3.4.1 Background

Several shifts haven taken place in the Dutch PES from the 1980s to date. In 1980, the introduction of the Manpower Act marked the end of the government monopoly on job brokerage. The practice of sub-contracting for *Arbeidsvoorziening* (provision of employment services) increased in the first half of the 1990s as more scope was created for training programmes. Another shift took place in 1999: the *Arbeidsvoorziening* became a public provider and compulsory open tenders were introduced. In addition, two national organisations were set up: the Dutch Institute for Employee Benefit Schemes or UWV; and the Centre for Work and Income[29], which

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[29] This organisation is now part of the UWV under the name UWV Werkbedrijf.

replaced the previous public employment agencies and benefits agencies (Struyven, 2014).

After 2000 a shift took place in the UWV's delivery system towards longer contracts, contract extensions and case management by integration coaches. At the same time, there was a the growing practice of designing individual trajectories in the context of the 'individual reintegration contracts' (IRO). As explained by Struyven (2014), the creation of the IRO was motivated by a more client-centric focus. From 2002 onwards, growing criticism of the lack of results on the reintegration market resulted in a greater process of control by the UWV using performance indicators, satisfaction surveys, classification and profiling of jobseekers (Struyven 2014).

When an individual in the Netherlands becomes unemployed or is about to become unemployed they can request unemployment benefits (*WW uitkering*), which can be received for a duration of three to 38 months depending on number of years worked. Employment services are delivered and coordinated by the UWV (the national PES), which operates through a network of local unemployment offices (*werkpleinen*). In 2013, the 35 unemployment offices helped over 600,000 jobseekers (Wijnhoven and Havinga, 2014). If a person is still unemployed after 38 months, they can request social assistance at municipality level.

The Dutch PES is facing challenges as a consequence of the government's decision in 2011 to introduce important cost saving measures. These cuts have had two consequences for the UWV's delivery system. Firstly, there has been a shift from face-to-face delivery to a primarily digital service delivery (the so-called 'Redesign' initiative). More specifically, the government was keen to expand the use of e-services to change the balance of face-to-face contact to e-service provision from the previous 80/20 to 10/90 by 2015 (Weber, 2011). Secondly, stronger emphasis is placed on encouraging greater self-reliance among jobseekers and focusing resources on those jobseekers most in need of support.

To support these changes, in July 2013, the government introduced the so-called 'target group' approach (*doelgroepenbeleid*) within the Action Plan '55-plus works' (55-plus *werkt*)[30]. Given the specific needs of older unemployed people, the Ministry of Social Affairs and Employment has set aside extra resources to help the UWV stimulate employment in this target group. From July 2014 onwards, this target group was extended to those aged 50 years and older. The extra resources have been made available until July 2017. The training programme, which is one of main the elements of the Action Plan[31], is called 'Successful Return to Work'.

In recent years, various actors at different levels have been developing profiling tools in the Netherlands. Since 2014, the UWV has begun implementing a new tool called the Work Profiler (*WerkVerkenner*) in 11 of its offices, which involves statistical profiling aimed at estimating a jobseeker's probability of returning to the labour market within a year. It is used in parallel to the aforementioned target group policy.

Other providers of employment services, such as the municipalities, have also made use of profiling tools in recent years. In 2010, the city of Amsterdam established a subjective profiling system to target their Welfare-to-Work services. This system distinguishes between five categories of jobseekers; three of which consist of individuals that are not expected to find a job without long-lasting interventions, whilst mediation and job search services are provided to the other two categories (Koning, 2013).

The following sections focus on the Work Profiler, which is the profiling instrument currently being tested and gradually implemented by the Dutch PES.

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[30] See http://www.rijksoverheid.nl/nieuws/2013/10/02/actieplan-55-plus-werkt.html
[31] The Action Plan consists of different elements: a training programme, inspiration days, placing fees, education vouchers and an awareness raising campaign.

3.4.2 Current state of profiling systems and tools

The Work Profiler is a statistical profiling instrument that seeks to estimate the jobseeker's probability of returning to the labour market within a year of becoming unemployed. In order to achieve this, an assessment is made on the basis of 'hard' and 'soft' predictors. More specifically, the instrument is information-driven and based on 20 questions reflecting 11 factors. Annex 2 provides an overview of the factors and corresponding questions of the Work Profiler. It was chosen to keep the questionnaire short and focused based on questions with the strongest predictive capacity, whilst at the same time taking into account of the needs of the client-base (which services would best benefit whom) and targeting the resources where needed.

After the 2011 cuts in the PES budget, the PES has sought to improve efficiency and target it resources to those jobseekers most in need of support. Following this logic, the Work Profiler provides the possibility (i.e. the selection function) by using the indicated probability of each cli jobseeker of resuming work within one year, as a selection criterion to determine which jobseekers are most in need of face-to-face guidance. The threshold percentage can be set (and subsequently adjusted) based on available resources for face-to-face services and the number of people falling below this threshold (Wijnhoven and Havinga, 2014).

In addition to providing a statistical estimate of the distance of a jobseeker from the labour market, the Work Profiler identifies (i.e. the diagnosis function), within the 11 characteristics, potential obstacles to the jobseeker's reintegration in the labour market. These identified obstacles help determine which types of services are best suited to the jobseeker's needs in order to increase the chances of the person finding employment. The Work Profiler has a predictability strength of 70 per cent, i.e. it is able, in the first few months of unemployment, to predict correctly for 7 out of 10 jobseekers who will resume work within one year (Wijnhoven and Havinga, 2014). It is important that the Work Profiler is used as soon as possible after the jobseeker becomes unemployed so that it does not lose its scientific value as a predictor[32].

Implementation of the Work Profiler

The Work Profiler was developed in 2011 through a three-stage research process - consisting of a literature review, a cross-sectional study, and a longitudinal study – aimed at to identifying factors with the strongest predicative capacity of a jobseeker returning to work within a year[33] (Wijnhoven and Havinga, 2014). In total 70 factors with potential predictive capacity were examined. Of these, 11 factors (based on 20 questions) were ultimately chosen. The Work Profiler is based on the notion that each jobseeker is unique, which is reflected in the fact that jobseekers are not categorised into strict groups. However, the further scientific development of the tool will aim to determine whether jobseeker profiles can be distinguished on the basis of the characteristics of the research population. The identification of jobseeker profiles will help the PES determine which services should be delivered and to what extent.

In 2011-2012, a selection of UWV offices was requested to pilot implementation of the questionnaire into their online system to test its design in practice. In spring 2013, a digital version of the Work Profiler was designed, allowing jobseeker's to input answers to the 20 questions online. Three frontrunner offices of UWV have since implemented the digital version of the Work Profiler within their service delivery.

During the period May-December 2013, the Work Profiler was implemented in 11 UWV offices (out of a total of 35 UWV offices) (Wijnhoven and Havinga, 2014). The recent shift towards the digitalisation of the UWV's delivery system has required that IT

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[32] It is recommended by those who developed the tool not to go beyond three months. In practice, profiling takes place within the first 6-10 weeks.
[33] This was based on a study entitled 'Predictors of Work Resumption' which was a research project between the UWV Centre for Knowledge (Kenniscentrum UWV) and the School of Medical Sciences of the University Medical Centre Groningen (UMCG) and was carried out from 2006 to 2011.

support system work be carried out before introducing the Work Profiler instrument throughout the whole of the UWV (Wijnhoven and Havinga, 2014). As part of the recently introduced UWV digital services, each client is given his/her own digital environment through an online portal, called the working folder (*werkmap*)[34]. Besides functioning as a source of self-help tools for job search, the working folder is the primary channel of communication with the UWV caseworker (Wijnhoven and Havinga, 2014). As part of their tasks, each jobseeker receives in this working folder a request to fill in the Work Profiler questionnaire within the first 6 to 10 weeks of unemployment.

Once the jobseeker has filled in the questionnaire, a document with their responses is created and a jobseeker profile is created in the SONAR IT system[35]. In addition (and within four months), a feedback conversation, if needed, takes place with the caseworker in which some of the issues picked up by the Work Profiler can be explored, face-to-face and in more depth.

Within the current system, the jobseeker does not automatically receive the predictive outcome of the Work Profiler (i.e. the probability that they will find a job within one year) in their working folder. It is at the discretion of the caseworker to discuss this outcome during the face-to-face discussion and on a case-by-case basis. It was stated during the interviews that it should be made compulsory for the caseworker to discuss the outcomes related to the different factors (obstacles). In practice, it might be that only administrative issues are being discussed during the face-to-face meeting and as such, the added value of the Work Profiler is not being fully taken advantage of.

Since February 2015, the UWV has begun redirecting jobseekers to online employment services after individual advice has been received in the individual working folder. The face-to-face feedback on the result of the Work Profiler has been abandoned in favour of digital feedback.

Ultimately, the aim is to link the outcomes of the Work Profiler to a whole set of employment services provided by the UWV and, thus, offer an integrated package of services to the jobseeker. In this regard, background research was undertaken by the UWV Centre for Knowledge (KennisCentrum) at the end of 2013. In so-called 'acceleration sessions', caseworkers and other UWV staff looked critically at the 11 factors that predict the chances of finding work in order to be able to link them to the appropriate service delivery. A research report was issued on the basis of this work providing an overview of the possible UWV employment services on offer per factor and obstacle. This information constitutes the basis for the digital feedback sent to the jobseeker in a message, three days after the questionnaire has been filled in. This digital feedback contains electronic links on the website 'werk.nl' that directs the jobseeker to self-help material and/or appropriate employment service(s), as well as the next steps they should take in order to overcome the identified obstacles. For example, if, on the basis of the Work Profiler, it has been identified that a jobseeker struggles with 'Problems understanding Dutch', they will be directed towards the appropriate sources to follow language courses.

The Work Profiler has been gradually rolled out across UWV offices (first in 3 offices and subsequently 11). After the test phase in the three front runner offices, an evaluation took place in mid-2014. Two main conclusions emerged from this evaluation, including: given the lack of resources and the design of the instrument, it is more appropriate to provide the feedback digitally; and caseworkers need to become accustomed to the idea of starting their client service with a 'ready-made' digital profile without having had a face-to-face meeting with the jobseeker, rather

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[34] In the working folder, the jobseeker can find online support in their search for work such as links to e-training courses, webinars and other learning material as well as vacancy databases.
[35] This is the system UWV uses to deliver its services to its clients.

than forming their own judgement based on an intake conversation (as they did previously).

Based on the findings of the research undertaken by the UWV Centre of Knowledge as well as the mid-2014 evaluation, the Work Profiler instrument was refined and the linkage with the follow-up services was strengthened.

It should be noted that a UWV client can, in addition to their appointments that take place every three months, contact a caseworker via telephone, send a message via the working file or make use of 'walk-in' sessions organised weekly. In addition, they can make use of the Frequently Asked Questions on werl.nl.

The jobseeker experience of working with the Work Profiler is also currently being evaluated. As previously noted, implementing the Work Profiler as a profiling instrument throughout the UWV offices as well as integrating it within the existing service delivery system is work in progress. Details on the changes that are envisaged for the future are provided later.

3.4.3 Purpose and operation of profiling

In 2006, the directors of the UWV Work Division commissioned research to be undertaken, with a view to knowing the PES client base in further depth. The aim was to be able to identify the services that would best address jobseeker needs and, thus, provide a more tailor-made approach. This led to the design of a profiling instrument (involving both 'soft' factors and 'hard' factors, such as for example age and employment history) on the basis of which everybody could be assessed equally. The Work Profiler, developed as a consequence of this need, serves the purpose of differentiation whilst targeting the resources and services to those jobseekers most in need of support. The Work Profiler was not originally developed to be used digitally, but had the adaptive capacity to operate in a computerised environment (Wijnhoven and Havinga, 2014).

As explained in the introduction, the Work Profiler runs parallel to a target-group approach to service delivery. In practice, and as part of the shift towards digital service delivery, one of the following two pathways can be followed: a digital or a face-to-face path if the jobseeker cannot work with a computer or if they are far from the labour market. This tends to be the case with those above 50 years old and with an occupational disability. For the latter group, extra resources have been provided and more intensive employment services can be delivered after three months.

Compared to the previous delivery system, it could be argued that due to the use of the Work Profiler, the caseworker's opinion has become more 'professional' and less subjective. In effect, the caseworker can, on the basis of a scientifically developed instrument, form a diagnosis. When used effectively, it can save time during a discussion given that the caseworker has the results of the Work Profiler questionnaire and further questioning of the client can be more targeted.

However, even without the presence of a caseworker, the Work Profiler provides a diagnosis. Given the shift of the UWV's delivery services to a primarily digital one, restricting face-to-face contact for those most vulnerable, the role of the caseworker has changed. The Work Profiler improves efficiency since it can diagnose a jobseeker's individual situation (including obstacles to the labour market) as well as identify those furthest from the labour market and most in need of support.

3.4.4 Enablers and barriers to the implementation and use of profiling

In order to facilitate the transition to the use of the Work Profiler within the UWV delivery system, a set of enablers and disablers have been identified based on the interviews undertaken for this case study.

Given the 'newness' of the instrument, a full integration of the Work Profiler within the UWV requires a substantial shift from previous ways of working (at several levels). A

prerequisite for the new delivery system to work is the appropriate support in terms of ICT, given that the instrument is solely computer-based.

Moreover, the introduction of the system needs to be clearly communicated throughout the UWV and accompanied by the dissemination of relevant information. Effectively communicating with jobseekers is also important; indeed, a client survey on the Work Profiler revealed that 25 per cent of respondents did not know what to expect after filling in the Work Profiler questionnaire. As explained by Wijnhoven and Havinga (2014), this finding has already led to changes in communication targeted at jobseekers. However, it reflects the on-going development of linking the outcomes of the Work Profiler to e-services.

An important enabler linked to the successfully implementation of the Work Profiler was the support from both the UWV management and caseworkers. It was noted that UWV management needs to provide consistency in the messages about the new system and ensure that the necessary support is given for the effective and efficient introduction of the new tool in all offices. Caseworkers, especially those who have been working for the UWV for a long time and consequently require a longer period of adaptation, also have to support the introduction of the Work Profiler.

Caseworkers who have been part of the first phase of the testing period (when the model still involved a feedback conversation after four months as explained above) received special training. At the moment, standard training for caseworkers within the context of the Work Profiler was not being organised within the UWV. However, as explained by several interviewees, it is important to organise training for caseworkers on how the Work Profiler works and on how best to use this instrument when supporting the jobseeker in their search for a new job.

Finally, as part of the implementation phase, it is crucial, according to the interviewees, to keep momentum and continue implementing the next phases without delay or hesitation.

3.4.5 Advantages and disadvantages to profiling

The advantages and disadvantages of the Work Profiler can be assessed with regard to the following three groups:

The Dutch PES

The main advantage for the UWV will be that the profiling instrument will help the UWV achieve the current targets set by the government in terms of budget reduction and a shift towards digital service delivery, given that the jobseeker has a greater opportunity to work independently. Moreover, the instrument remains adaptable should the budget for employment services changes over time. In practice, a budget increase could entail more jobseekers benefiting from more intensive employment services, such as those delivered face-to-face (Wijnhoven and Havinga, 2014).

Caseworkers

The Work Profiler allows the caseworker to gain an idea of the jobseeker prior to any direct discussion and thus allows them to adapt the conversation and tailor support to the specific needs identified. In addition, with the provision of tailor-made services for each client, the jobseeker will meet the caseworker after they have already undertaken their own steps towards finding new work.

The caseworker no longer leads the jobseeker's re-integration process into the labour market. Moreover, their role has been transformed and requires that they need to be able to understand and act upon the results of the Work Profiler. Over time, with the gradual transition to the new delivery system adapted to the use of the Work Profiler, caseworkers will have more time to deal with other tasks.

Caseworkers are now also less likely to fall for 'stereotypes' attached to certain profiles defined in the previous systems. For example, solely based on age, a

jobseeker could immediately be put in the group needing the most guidance whereas a full profile is now considered to determine the distance to the labour market and the support needed.

Jobseekers

Caseworkers stressed that the extent to which success is achieved with each jobseeker based on the Work Profiler is largely dependent on the individual and their drive to find new work. Jobseekers must have a basic level of IT-literacy in order to make use of the Work Profiler. In this regard, there is a segment of the client group which will not be able to participate in the new system (roughly estimated at 10-20 per cent of all jobseeker).

The new delivery system in its current state already allows for tailor-made support, but this will become more efficient when the scope for differentiation is increased (see section on future trends). In this respect, it could be argued that the timing of the feedback conversation (if this takes place) should be shortened for certain profiles. A three month delay before a first follow-up interview can make a substantial difference in their motivation to find work and ultimately impact negatively on their re-employment outcome.

An advantage of the Work Profiler is that jobseekers are being assessed on the basis of a wide range of factors (including soft factors – see Annex 2 for more detail) and are, therefore, not immediately assigned to a certain group merely based on the presence of one or more of the 'stereotypical' variables.

Given that the role of the caseworker has changed, the jobseeker is given increased ownership of their job-search for work, which can positively influence self-confidence and have a positive effect on the time it takes to return to the labour market. For some jobseekers, this sense of independence might act as a deterrent to the process of finding employment because they find it difficult to embark on that process with less face-to-face support. Therefore, the role of the caseworker can be adapted to the need of the jobseeker and, in effect, they can devote their time more efficiently to guide those in need of more support to return to the labour market.

3.4.6 Current development and future trends in the use of profiling

Over time, the Work Profiler instrument will be implemented in all of the UWV offices based on the current findings. At the moment, the Work Profiler is operational in 11 out of the 35 UWV offices.

Jobseekers are not obliged to fill in the Work Profiler questionnaire and further evaluation of the jobseekers' experiences of the instrument and its effect on this group will determine whether its use will be made compulsory. So far, around 70,000 jobseekers have filled in the Work Profiler's questionnaire (65 per cent of all jobseekers fill in the questionnaire). Research (commissioned by the UWV and undertaken by TNO and the Free University of Amsterdam) is currently being undertaken with this group with regard to the re-employment figures obtained on the basis of the services provided related to the Work Profiler. According to one interviewee, completion of the Work Profiler questionnaire would not be made compulsory since such policy would entail enforcing sanctions if not filled out.

An important next step in finalising the new system is the better integration of existing instruments. This would involve better linking (than is currently the case) the Work Profiler's outcome with targeted online services, as well as strengthening the differentiation aspect of the services delivered.

The findings of on-going research will help differentiate the services provided according to the profile and specific needs of the individual jobseeker. Currently, modules for e-coaching are being developed that will be tuned to the results of the Work Profiler. For example, the group showing a high correlation with the obstacles defined in the experience of health will be handed the tools to improve their health;

they will be expected to make use of these tools whilst undertaking their job search. In a subsequent phase, the intention is to define profiles of jobseekers and provide tailor-made services accordingly. In addition, a different duration of the feedback conversation could be applied depending on jobseeker needs.

Efforts will be further concentrated on the provision of job-matching as a follow-on to the Work Profiler. For example, it will be explored whether forms of competences and skills' testing could be linked to the instrument and based on these test results, whether jobs matching could be offered. It is envisaged that a second version of the Work Profiler be ready in 2017, which will replace the current version (Havinga, 2014).

The current design of the instrument allows for the tool to be flexible enough in order to keep its predictive strength under changing circumstances (including policy changes). That said, given that the UWV's client base changes over time, the instrument has to be updated to reflect these changes as well the changing labour market needs.

3.4.7 Conclusion and assessment

The introduction of the Work Profiler in the Dutch PES delivery service has had a substantial impact on the role of caseworkers in assisting jobseekers in their return to work. The Work Profiler complies with the aim of reducing the time caseworkers spend face-to-face with jobseekers and, thus, adapting to budget cuts as requested by the government, as well as satisfying the aim of increasing self-reliance of jobseekers. At the same time, efficiency gains are made possible by targeting resources towards those most in need of support and guidance.

In comparison to current practice (in which the caseworker advises the next step on the basis of the target policy approach), caseworkers can tailor their guidance based on the results of the Work Profiler (even before meeting the jobseeker). Similarly, the jobseeker, when meeting the caseworker, will (potentially) have a head start given that he or she might have already undertaken steps and services that were linked to its profile (automatically generated by the IT system).

The UWV is currently considering establishing different categories of caseworkers depending on whether they support the group classified as needing more 'intensive' guidance or rather those forming the more 'basic' group requiring less follow-up and support. The caseworkers would support the former group via face-to-face contact, whereas for the latter group the role of the caseworker could be limited to answering questions via the working folder. The exact role and task definition will be further clarified once it is clearer the direction of the delivery system is determined.

Given the current focus on strengthening the automatic linkage of profiling with the UWV employment services on offer, the Dutch PES seems to be moving towards the US and Australian models in which profiling is used as an automatic determinant of resource allocation (Loxha and Morgandi, 2014). With the difference, however, that in the current Dutch system, caseworkers can still support the jobseeker on a one-to-one basis, either face-to-face or online, by providing more in-depth advice to the profile calculated by the Work Profiler as well as additional guidance concerning the employment services that have been offered to the individual. In this respect, it was argued by interviewees that a fully digitalised service might pose some risks, especially for those jobseekers who lack the self-confidence to independently search for a job.

3.5   Slovakia

3.5.1 Background

The Slovak PES consists of 46 regional labour offices that provide both employment services and social assistance, as defined in Act nr. 5/2004 on Employment Services and Act nr. 417/2013 on Assistance in Material Need. The regional labour offices are

overseen by the Central Office of Labour, Social Affairs and Family (CoLSaF), which in turn serves as an implementation agency for the Ministry of Labour.

Broad reforms of PES have significantly affected the use of profiling systems and tools in Slovakia. The reforms mainly focused on integration of delivery of employment services and social assistance. The employment and social services were formally merged within the labour offices in 2004 (Duell and Kureková, 2013). Since then, labour offices operated as 'one-stop shops' for PES clients, social assistance beneficiaries and recipients of other types of benefits. Similar reforms aiming to merge services were implemented in other OECD countries, such as Denmark and Germany. Thus, employment services and social assistance divisions of the PES became co-located, but their activities remained separate. The employment services division mainly specialised on information and counselling, job mediation, professional counselling, implementation of ALMPs and the European Employment Services Unit (EURES). The social services division focused on overseeing state social benefits, social care and legal protection, health assessment and services for people with disabilities.

A 2009 reform introduced a profiling system into this context. The employment services division started using profiling tools to classify jobseekers into three broad client categories based on their level of disadvantage in the labour market. The intensity of the services provided depended on this classification, with disadvantaged jobseekers receiving more support. This reflected the condition of the Slovak labour market, which was not able to create work opportunities for individuals who have multiple barriers to employment (Duell and Kureková, 2013). It resulted in high and persistent levels of long-term unemployment and economic inactivity, particularly among young people and those who had not completed upper secondary education. Inactive women with marginal work experience and well-educated, young and inactive women with children were also among the groups requiring additional PES support (World Bank, 2012).

Since January 2015, the PES has introduced another major reform in response to the following issues:

- According to the interviewees, the labour offices were not perceived as client-centred. They typically required their clients to contact multiple individuals within different offices during service delivery. This was relatively time demanding and difficult to arrange for clients.
- The PES staff to jobseeker ratio was very high, reaching 566 registered unemployed individuals per each labour office employee providing employment services.[36]

The 2015 reform addressed these issues by further integrating employment and social services. It has significantly reduced caseworker caseload, but also resulted in a decline in the importance of profiling within the delivery of employment services.

3.5.2 Current state of profiling systems and tools

Profiling for PES jobseekers was introduced in 2009 with the aim to better target PES resources at individuals disadvantaged in the labour market (Kureková, 2014). The jobseekers were profiled into three broad categories: A, B, and C. These categories classified the jobseeker's distance from the labour market based on several criteria. Category A jobseekers were closest to the labour market and could search for jobs more or less independently. Category B and C jobseekers were further from the labour market and typically required more assistance (see Table 2, below).

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[36] Based on CoLSaF data (Slovakia Department of Mediation Services, 2011)

Table 2.   Jobseeker categorisation criteria

Jobseeker category	Categorisation criteria
Category A	• Motivated to work • Able to use self-help system • Independently able to suggest solutions for his/her situation • Interested in further training or other ALMP measures • Seeks seasonal work
Category B	• Ready to accept employment but does not have a clear idea • Above ISCED 0-2 • Active but needs supervision and help • Willing to participate in ALMP measures • Ready to be placed on the labour market after retraining
Category C	• Education and qualifications do not correspond to labour market needs • Insufficient information about labour market / is disinterested • Unable to look for job independently • Repeated unemployment spells • Low motivation to find work • In danger of social exclusion • Disadvantaged jobseeker

Source: Duell and Kureková, 2013 and CoLSaF materials (Slovakia Department of Mediation Services, 2011)

The introduction of profiling resulted in the labour offices re-organising their employment services into zones I, II and III (Kureková, 2014). Zone I served as the first contact point for jobseekers with the labour offices. In this zone, first-contact officers collected jobseeker applications and carried out initial jobseeker interviews. The information from applications and interviews was then used for profiling jobseekers into the A-C categories.

Zone I also allowed jobseekers to freely access the internet, prepare and print their job applications and consult the available PES staff. These services were considered sufficient for category A jobseekers.

Category B and C clients received a more complex range of services available in zones II and III. Zone II specialised in delivering complex mediation and counselling services with assistance from employment agents, i.e. PES staff that collected information about vacancies and liaised with local employers. Zone III focused on specialised counselling services and client placement using available ALMP measures.

In 2013, a second stage of jobseekers profiling was introduced in Zone II. One month after registration, PES staff assessed jobseekers' job search motivation based on: their frequency of attempts of communication with employers; registration and submitted job applications on the PES job portal; and frequency of visits to the labour office. Each jobseeker was then classified as 'active' or 'non-active'. This classification then served as a basis for establishing the frequency of mandatory jobseekers contact with the labour office.

The 2015 reform led to the dismantling of the profiling system. It abolished the system of assigning client groups to different zones of services. Jobseekers now

receive all PES services from a single PES staff member who is assigned to them upon registration.

3.5.3 Purpose and operation of profiling

The initial purpose of the profiling system introduced in 2009 was to differentiate between jobseekers who can seek a job independently (Category A jobseekers) and those that require additional, more individualised services such as ALMPs or counselling (Category B and C jobseekers). Category B and C jobseekers then received additional services in specialised zones of PES, only available to these jobseekers categories. This system was inspired by the Austrian PES three-zone concept with the 'info-zone' simply providing information, the 'service zone' to register and receive basic services, and the 'counselling zone' for more intensive support.

The additional profiling that focused on job search activity, introduced in 2013, helped to capture the motivation of jobseekers. Jobseekers that were deemed to be less motivated were required to contact the PES more often to receive more intensive support.

The PES staff categorised jobseekers based on information provided during their registration and initial interview. The registration data included information about jobseeker education, work experience, language competencies, qualifications, skills and other similar characteristics. The interview served to collect data on 'softer' characteristics and motivation. This system was rooted in the soft profiling approaches based on caseworker discretion (O'Connell, McGuinness and Kelly, 2012). The three client categories (see Table 2, above) were relatively broad and relied on criteria that required subjective judgement from the caseworkers. There were no statistical models or other automated data analysis that would help the caseworkers in making their decisions.

The 2015 reform has significantly increased the (already high) caseworker discretion in assigning different services to jobseekers. The formal structuring of services for different client categories into zones is no longer in place. While some caseworkers may continue profiling jobseekers, there are no formal rules or guidance that are used to assign jobseekers to different categories of service. Effectively, services provided to individual jobseekers are left entirely to the discretion of caseworkers.

3.5.4 Enablers and barriers to the implementation and use of profiling

Favourable conditions for introducing profiling resulted from the diverse nature of jobseekers in the Slovak labour market. A World Bank study identified seven distinct types of potential jobseekers in Slovakia, each of which was likely to require different employment services, such as retraining, graduate practice, second chance education or work activation (World Bank, 2012). The profiling system could assist the caseworkers in effectively selecting appropriate measures for such a diverse range of jobseekers.

A pilot evaluation study in Nove Zamky labour office suggested that the quality of administrative PES data was sufficient to enable statistical profiling (De Koning and Van Dujk, 2004). The authors analysed available administrative PES data in three types of probit models and determined the impact of individual characteristics on the chance of long-term unemployment. Their classification of jobseekers into those with low, medium and high long-term unemployment risk appeared fairly accurate (Kureková, 2014). However, the practical implementation of the profiling system was complicated by high caseloads for PES staff. There were 566 registered unemployed individuals for each labour office employee providing employment services prior to 2015[37]. This severely limited the amount of time staff could spend on individualised intensive support of disadvantaged jobseekers (Duell and Kureková, 2013). The

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[37] Based on CoLSaF data (Slovakia Department of Mediation Services, 2011)

additional administrative duties and paperwork connected with profiling was also problematic in this context.

In addition, the profiling system may have been less effective due to limited spending on national ALMPs, which ranked as one of the lowest among OECD countries (OECD Employment Outlook, 2011). A high proportion of the ALMP budget was spent on start-up and employment incentives as opposed to training and educational measures. There was some evidence that the effectiveness of certain ALMPs targeted at disadvantaged jobseekers was also low (Duell and Kureková, 2013). Overall, the low spending on a restricted range of ALMPs was likely to limit the effective tailoring of employment services to different client categories (O'Connell, McGuinness and Kelly, 2012).

3.5.5 Advantages and disadvantages to profiling

According to the interviewees, the three-zone profiling system provided services that were more tailored to different client types than the current PES delivery model. There is some evidence that better targeting led to improvements in employment outcomes and client satisfaction[38]. According to the CoLSaF data, the number of jobseekers who managed to find employment while using zone I services increased. A survey showed that jobseekers appreciated the online services provided in zone I and frequently used the self-service facilities, which included online job search facilities and applications[39].

The system was relatively basic and resulted in rather general jobseekers profiling (Kureková, 2014). It only included three client categories, which were unable to account for multiple dimensions of labour market disadvantages and omitted some important labour market barriers, such as gender or socio-economic disadvantage. The classification relied heavily on caseworker discretion and did not include any statistical profiling based on estimating probability of jobseeker employment. In addition, there was an insufficient range of available measures to meet the specific needs of Category B and C jobseekers.

Interviewees perceived the lack of client focus in the profiling system as particularly problematic. Disadvantaged jobseekers had to visit different zones and contact different PES staff to receive support, which made it more time consuming for them to use the labour office services. It may also have resulted into inconsistent treatment of jobseekers by different PES staff. Overall, the system was not perceived as client-centred by the public.

Interviewees also claimed that the profiling system faced severe staffing issues, which partially resulted from the zone arrangement underpinning its delivery. As such, jobseekers were likely to contact multiple PES staff, instead of having one caseworker assigned per jobseeker. Thus, jobseekers had to repeatedly describe their needs to different PES staff instead of maintaining contact with a caseworker who already understood their needs from previous contact. Interviewees claimed that this effectively led to additional caseload because each caseworker effectively had to 'get to know' the jobseeker again.

These issues outweighed the improved service targeting and led to the 2015 PES reform that abolished the zone system. Each jobseeker now has only one caseworker who resolves both employment and social assistance agenda issues. This reduced caseloads to approximately 200 registered unemployed individuals for each client facing staff member providing employment services[40].

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[38] See http://www.upsvar.sk/media/medialne-spravy/od-februara-pracuju-vybrane-urady-v-novom-rezime-3-zonoveho-poskytovania-sluzieb.html?page_id=1317
[39] See http://www.upsvar.sk/media/medialne-spravy/od-februara-pracuju-vybrane-urady-v-novom-rezime-3-zonoveho-poskytovania-sluzieb.html?page_id=1317
[40] Based on CoLSaF estimates (Slovakia Department of Mediation Services, 2011)

Thus, the reform led to a decline of approximately 350 jobseekers per caseworker compared to equivalent figures when the profiling system was used. However, this finding should be interpreted carefully, as caseworkers are now likely to spend more time with each jobseeker, because they need to address the full range of a jobseeker's needs. When the profiling system was in place, they typically provided partial, specialised services.The effectiveness of the new system of PES provision has not been evaluated due to the recent nature of the change.

3.5.6 Current development and future trends in the use of profiling

Currently, profiling does not form a substantial part of PES delivery strategy. Some caseworkers may still profile their clients, but there are no formal rules that would assign different categories of jobseekers to specific services. As explained above, this change resulted from the efforts to reduce the caseload of caseworkers and put client satisfaction at the centre of service delivery. The reform is unrelated to changes in PES client base.

Future plans about profiling are currently unclear. Interviewees regarded jobseeker profiling as a potential tool to improve service targeting in the current system. However, the previous profiling model would require substantial changes to fit within the current framework of service delivery.

The introduction of statistical profiling among jobseekers also remains an option in the Slovak context. One of the main challenges would be to construct an accurate yet simple profiling model (Kureková, 2014). The quality of administrative data on jobseeker characteristics is not likely to be a significant obstacle in this process. It was already tested in early 2000s (De Koning and Van Dujk, 2004) and resulted in a fairly accurate jobseeker classification based on their chance of becoming long-term unemployed. Since then, public authorities have further improved data infrastructure, which may further increase precision in the derived estimates.

3.5.7 Conclusion and assessment

The Slovak profiling system was introduced in 2009 and represented a positive shift towards better targeting of PES services to different client categories (Kureková, 2014). It was justified by the diverse nature of Slovak jobseekers who were likely to require different employment services (see World Bank, 2012).

The system was an example of soft profiling relying on caseworker discretion in client categorisation (Kureková, 2014). The profiling was relatively basic and resulted in a rather general categorisation of jobseekers, which did not fully account for the range of labour market disadvantages faced. The ALMPs offered were also unlikely to fully cover specific needs of different jobseeker categories (Duell and Kureková, 2013). According to the interviewees, the system did not tackle the high caseload of caseworkers and the perceived lack of client focus in delivering PES services. However, it may have aggravated these problems by dividing PES services into different zones that were staffed separately.

These issues resulted in the 2015 reform that further integrated the provision of employment and social assistance. The zone system of service provision was replaced by a system, in which each jobseeker has a single caseworker who can provide the full range of PES services. The reform almost fully dismantled the profiling system. While some caseworkers may continue profiling jobseekers, there are no longer any formal rules that would assign certain services to certain types of jobseekers. The services provided to individual jobseekers are completely dependent on the caseworker's judgement.

There are currently no plans for reintroducing more substantial jobseeker profiling within the Slovak PES system.

3.6 United Kingdom

3.6.1 Background

The United Kingdom has an established tradition of labour market activation policies to support and promote jobseekers' efficient re/integration into the labour market[41]. During the recent global economic and financial crisis, these policies were seen as helping to limit the numbers of unemployed (OECD, 2014a). Since 2010, there have been significant changes in policy for the long-term unemployed with fewer changes to policy for the short-term unemployed. The objectives of these changes are to better prepare individuals for work and reduce welfare dependency (Finn, 2011a). The United Kingdom has been considered a leader in transforming and modernising its activation policies with the introduction of the Work Programme and the subsequent introduction and on-going implementation of Universal Credit (UC). The United Kingdom PES operates a mixture of rules-based and caseworker based profiling where jobseekers are segmented by caseworkers, known in the United Kingdom as work coaches[42]. This segmentation needs to be understood in the context of recent policy changes, particularly the implementation of the Work Programme and Universal Credit (which is in the early stages of implementation).

The PES in the United Kingdom is called Jobcentre Plus; it combines the function of benefit administration, segmentation of jobseekers, referral to active labour market programmes and interventions, job search advice and job brokering. Jobcentre Plus has strong partnerships with public, private and voluntary sector organisations to support in the delivery of services. The Work Programme exemplifies how services for the long-term unemployed have been devolved to private companies.

Through a process of rules-based and caseworker based profiling with high caseworker discretion, jobseekers are offered individualised support to return to the labour market. Vulnerable groups include the long-term unemployed, people on sickness benefit, those aged over 50 years and young people not in education, employment and training (Berthet and Bourgeois, 2012). In 2011, Jobcentre Plus managers and caseworkers were given more discretion and flexibility to help jobseekers with the identification of skills and skills needs. Caseworkers are able to refer jobseekers to training provision and careers advice (Bellis, Oakley, Sigala and Dewson, 2011). It is important to note that more intensive support and services are offered to jobseekers based on the length of time they have been unemployed.

The PES system operates on a 'work first approach' and an assumption that the majority of people will need minimal support in finding work. The 2011/12 measurement targets were focused on the percentage of jobseekers entering employment, with 55 per cent of jobseekers leaving benefit by 13 weeks, 75 per cent by 26 weeks and 90 per cent by 52 weeks (Davern, 2012).

To claim unemployment legacy benefit in the United Kingdom, jobseekers can apply for Jobseeker's Allowance (JSA) online or at a local Jobcentre Plus office. Once a jobseeker has completed the application form they have to attend their local Jobcentre Plus office for an interview during which time they will have to agree, and commit to, a work plan that will detail what steps will be taken to find work (such as improving skills) and improve their chances of gaining employment (such as getting help with writing a CV, preparing for interviews and looking for work) (United Kingdom Government website, 2015). This forms part of the *Claimant Commitment*, which has to be accepted by the jobseeker in order to be eligible for benefits. There are a number of conditions and sanctions applied to jobseekers (these are outlined later).

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[41] For a detailed account of changes and reforms to the United Kingdom labour market activation policies see Finn (2011a).
[42] The name has recently changed from 'Jobcentre Plus adviser'. This change has been, in part, in response to the implementation of the Work Programme and in preparation for Universal Credit.

There are several stages to the jobseeker claim process, which is dependent on age, what type of benefit they are receiving and whether they are considered disadvantaged in the labour market (Adams, Oldfield, Riely, Vegeris, Husain, Bertram, Davidon and Vowden, 2011; DWP, 2011). The following explains some of the stages:

1. For the first 13 weeks, a jobseeker has to attend an interview with a Jobcentre Plus caseworker and also attend fortnightly to report on progress and 'sign on'. It is during the interview that the caseworker will identify those at most disadvantage and those with obvious skills needs, who will then be fast tracked. A work plan detailing next steps in terms of gaining employment or improving skills is agreed. The caseworker has discretion in determining what support and services would most help the individual return to work; this can also include stipulating whether they have to return to the jobcentre weekly or fortnightly.

2. During weeks 13 to 26, a review of job applications is undertaken by the caseworker with the jobseeker. The work plan agreed during the initial interview is reviewed and revised so the jobseeker has to extend their job search. Jobseekers have to attend weekly review meetings with the caseworker. Target reviews are undertaken for the most disadvantaged of which some will be required to start the Work Programme.

3. During weeks 26 to 52, jobseekers are obliged to meet more regularly with the caseworker and participate in work-related activities to enhance their employability. A jobseeker must participate in three activities of which some are delivered by external providers. These activities will be proposed by the caseworker at their discretion. For those jobseekers aged 18-24 years, they will be required to attend the Work Programme nine months into their claim.

4. At 52 weeks, jobseekers aged 25 years plus are referred to the Work Programme and are required to participate.

Throughout, the jobseeker must continue to attend the Jobcentre Plus office to 'sign on', but support and conditionality increase. Caseworker based profiling and a range of tools are undertaken at different stages by Jobcentre Plus caseworkers to determine the type of support required. A Work Focused Interview can be undertaken any stage of the jobseeker claim process outlined above (Bellis, Oakley, Sigala and Dewson, 2011).

Two major reforms in the United Kingdom have impacted on how jobseekers claim unemployment insurance and are segmented.

First, the Work Programme was launched in 2011 as part of the Government's programme of welfare reform (DWP, 2012; OECD, 2014a). The responsibility for the long-term unemployed (defined as someone who has been unemployed for 52 weeks or more) was transferred from Jobcentre Plus to the Work Programme. It replaced a range of labour market programmes aimed at specific jobseekers, such as the New Deal for Lone Parents and New Deals for other sub-groups and the Flexible New Deal. The Work Programme is aimed at a range of jobseekers including those who have and are at risk of becoming long-term unemployed, those with a health condition or disability, those aged 50 years plus and ex-offenders (DWP, 2011). Jobseekers are referred to the Work Programme at different times. For some the programme is mandatory, whilst others can volunteer and be referred with the support of the Jobcentre Plus caseworker. For instance, those on Employment and Support Allowance (ESA) will be required to attend the programme when they are close to being fit for work, whilst others can participate on a voluntarily basis.

Part of the Work Programme includes a Work focused interview, which opens up individualisation and personalisation of support (Heidenreich and Aurich-Beerheide, 2014). This is seen as key to the delivery of the programme allowing providers to focus on individual job challenges (DWP, 2011). It is being delivered by a range of private and voluntary sector organisations, which are paid by outcomes with higher

payments for positive outcomes for the hard to help; this is the so-called 'payment by results' regime. The prime providers (of which there are 18 throughout Great Britain) are adopting a whole range of approaches to profiling and using results to guide and target interventions (DWP, 2011; Minas 2014; Rees, Whitworth and Carter, 2014). However, caseworker discretion is mainly used (Fuertes, Jantz, Klenk and McQuaid, 2014). Jobseekers are categorised by payment groups. Payments are high for those with a health condition, 50 years or older or those who are an ex-offender. The programme has been criticised as different providers may have varying views on a jobseekers distance to the labour market and operational discretion leads to differing services being offered (Heidenreich and Aurich-Beerheide, 2014). Concerns have also been raised about 'the 'creaming' of clients, the level of personalisation of programmes based on payment-by-results and competitive tendering' (Fuertes, Jantz, Klenk and McQuaid, 2014, p.S81). After two years on the Work Programme, jobseekers who have not found employment are transferred back to Jobcentre Plus.

A second major reform, which is underway, is the implementation of Universal Credit (UC), which is designed to replace all working age benefits by 2016 (DWP, 2015a). This new benefit system is currently being rolled out, but aspects of it such as the work coach and claimant commitment are already in place. UC comprises a basic allowance with supplementary allowances for children, disability, housing and caring responsibilities. Conditionality and sanctions will continue to be applied.

3.6.2 Current state of profiling systems and tools

No statistical profiling of jobseekers has been used in the United Kingdom. A combination of caseworker based profiling and eligibility rules are currently used to profile and segment jobseekers. Until very recently profiling of jobseekers in the United Kingdom was dependent on which benefit an individual was claiming to target support and services (Breen, 2010). The aim of targeting and profiling of jobseekers in the United Kingdom is to deliver more individualised support promoting individualisation, so more efficient services are delivered (Berthet and Bourgeois, 2012).

The following details the current process of profiling jobseekers in the United Kingdom.

During the interview between the Jobcentre Plus caseworker and the jobseeker, the caseworker will use their experience, knowledge and a range of qualitative tools to assess the jobseeker and determine the support and services available to them. Eligibility rules apply to some of the interventions and active labour market programmes. Part of the interview is around immediate work objectives, which form part of the claimant commitment. Johnson, Sissons, Oakley and Dewson (2011) evidenced a range of techniques to screening used by caseworkers, such as forming a discussion around the jobseeker's CV and work experience, whilst others questioned jobseekers. Jobseekers' qualifications were found to be used as a proxy to assess literacy and numeracy skills, which was considered faster than the assessment tools (Johnson, Sissons, Oakley and Dewson, 2011). Caseworkers describe a process by which they have to be able to make a quick assessment and understanding an individual's work history can be very revealing. A jobseeker's response to specific questions about where they have been looking for work and their expectations of finding work can not only highlight their understanding of the local labour market, but also determine how realistic their expectations are. For instance, those with unrealistic expectations are viewed as 'risky' in terms of returning to work quickly. This demonstrates how experience and knowledge of the caseworker is seen as key to the process of profiling.

The aim of this profiling approach is to determine those at risk of becoming long-term unemployed. However, caseworkers will also identify those that have the potential to return to the labour market quickly if they receive some specific help, such as help with writing a CV or directing to their local sources of vacancies. Jobcentre Plus caseworkers reported that skills screening and profiling was a standard part of their

interviews with jobseekers (Johnson, Sissons, Oakley and Dewson, 2011), which was part of identifying a jobseeker's potential barriers to work.

Two tools are available to Jobcentre Plus caseworkers for use with jobseekers during the interviews. However, how widely these are implemented and used is unknown as there are no publicly available information. These tools are:

- First, the Customer Assessment Tool (CAT) profiling tool is used to record evidence from the interviews at 13 and 26 weeks with jobseekers and covers a range of attributes and skills (Bellis, Oakley, Sigala and Dewson, 2011). The aim is to record a jobseeker's main barriers to work. It is a check-list ranking jobseekers' work-related skills, confidence and motivation (Breen, 2010). The aim of the CAT is to identify those who would benefit from additional support (Bellis, Oakley, Sigala and Dewson, 2011).
- Second, the Fast Track Assessment Tool is a paper-based skills assessment also used by Jobcentre Plus caseworkers (Bellis, Oakley, Sigala and Dewson, 2011). The aim of the tool is to identify jobseekers (with a literacy below level 1 and numeracy skills below entry 3 of the National Standards for Adult Literacy and Numeracy), who need to be referred to basic skills provision.

The CAT and Fast Track Assessment Tool were found to be rarely used by Jobcentre Plus caseworkers in the screening and referral process of jobseekers (Bellis, Oakley, Sigala and Dewson, 2011; Johnson, Sissons, Oakley and Dewson, 2011). A lack of training in the tools and time constraints were cited as reasons for not using them (Bellis, Oakley, Sigala and Dewson, 2011; Johnson, Sissons, Oakley and Dewson, 2011). For experienced caseworkers, the CAT is seen as confirming their profile rather than providing a diagnosis, whereas new caseworkers found it helpful in structuring the jobseeker interview (Breen, 2010). The CAT was found to be useful in prioritising time with jobseekers (Breen, 2010).

3.6.3 Purpose and operation of profiling

Segmentation is used in the United Kingdom, but it is not considered to be undertaken in a systematic way. It is important to note that the current United Kingdom approach does not look at a jobseeker with certain characteristics and determine that they will have a particular probability of being long-term unemployed. The approach is focused on interventions, thus identifying that a particular intervention works for this number of people and whether this could be improved by better tailoring the intervention.

Although Universal Credit claimants are allocated to different interventions, depending on their conditionality groups, segmentation will continue to be used and developed throughout the roll out of UC. Universal Credit is an in and out of work benefit and claimants have to meet certain requirements in order to receive their Universal Credit payment. Some of who will be expected to undertake activity to secure a job or increase their earnings. Those that are determined unable to work due to poor health or those who earn above a certain threshold are not required to do anything (DWP, 2015b). There are currently four groups of claimants in Universal Credit who are allocated to one of six conditionality work regimes. The aim of these regimes is 'to better tailor expectations to individual circumstances' (DWP, 2015b). Table 3 shows how these groups and regimes are mapped.

Table 3.   Universal Credit claimant group and work regime

Universal Credit claimant group	Work regime
No work related requirements	**Working enough – no work related requirements** Earnings are over either the individual or household *conditionality earnings threshold* OR self-employed and Minimum Income Floor applies
	No work related requirements Not expected to work at present
Work focused interview (WFIs)	**Work focused interview** Expected to work in future
Work preparation	**Work preparation** Expected to start preparing for work so they can work in future
All Work Related Requirements (in all cases earnings must be below either the individual or household conditionality earnings threshold)	**Intensive work search** Not working but should be <u>OR</u> in work earning a very low amount (i.e. earnings below the a*dministrative earnings threshold* for an individual or household
	Light touch **People who are in work:** - an individual earning above the individual administrative earnings threshold but below their Conditionality Earnings Threshold - earning below the individual Administrative Earnings Threshold but in a household with earnings above the household Administrative Earnings Threshold **People who are out of work:** - not working but has a partner earning above the Household Administrative Earnings Threshold.

Source: DWP (2015b)

The current regime of allocating jobseekers (or claimants) to different work regimes allows for flexibility. It is also expected that jobseekers will move between regimes dependent on their circumstances, such as an increase or decrease in earnings.

The current allocation is expected to evolve in 2015/16 with Universal Credit claimants being allocating to one of six work regimes. These are defined by the Department for Work and Pension (2015b) and include:

- Intensive Work Search: For those not working and those who are working, but earnings are low. They are expected to take action to secure work.
- Light Touch: For those who are in work, but earning less than reasonably expected; either based on their household or individual earnings. This includes those out of work, but have a working partner on low earnings (i.e. below the household conditionality earnings threshold). They are expected to take action to secure more or better paid work.
- Work Preparation: For those who are expected to work in the future, but are not expected to look for work at this stage.
- Work Focused Interview: For those people who are currently too committed to work because of caring responsibilities.
- No work related requirements: For those too sick to work or over State Pension Age or lead carers who have a child under 1 year.
- Working enough, no work related requirements: For those who are either earning over the individual's earnings threshold or in a household that is

earning over the household earnings threshold. This means that there may be some out of work claimants in this group.

Those claimants with no or low income will receive intensive support.

3.6.4 Enablers and barriers to the implementation and use of profiling

The current system of segmenting jobseekers in the United Kingdom is well embedded in to the PES. There are a number of enablers and barriers to reforming this, which are best examined in terms of recent research and modelling.

The Department for Work and Pensions has looked at statistical profiling and segmentation to determine whether these approaches would provide a more effective and efficient service, as well as a more equitable service. A number of trials and pilots have not provided the required evidence needed to instigate, what would be, a major shift in the way jobseekers are managed.

The application of customer segmentation was explored by Driskell (2005) in order to reduce the number of customers who should not be referred to certain active labour market programmes. Its aim was to target jobseekers who would benefit from support and gaining efficiency savings by early identification of those who did not need support. Driskell (2005) assessed the potential of statistical profiling, based on administrative data, to identify those jobseekers most likely to leave unemployment benefits within 13 weeks and, therefore, not needing intensive support. The model was correct in 70 per cent of cases. In 2005, research was also undertaken to look at administrative data and the potential of developing a profiling model in the United Kingdom (Hasluck, 2005). The review found that profiling was possible, but that administrative data in the United Kingdom were not adequate. The extent to which data can be collected on a regular basis are limited by regulation and law; only data that are relevant to the operation of the service can be collected. It is, therefore, difficult to change regulations and collect more data without knowing what more is needed and how it would be used. The research highlighted the complexity of collecting and maintaining administrative data.

More recently, there have been a number of attempts, by the Department for Work and Pensions, at modelling using available administrative data. This work has focused on whether it is possible to predict the likelihood of jobseekers coming off benefit within 52 weeks and those that will still be on benefits past 52 weeks. These risk-based approaches were found to have a certain level of accuracy, but also generated high false-negatives and false-positives. Similar results were also found in recent research in the development and trialling of a profiling model based on the *Australian Job Seeker Classification Index* (JSCI) (Matty, 2013). The aim of the research was to determine whether a model could predict the likelihood of a jobseeker in the United Kingdom becoming long-term unemployed. A combination of administrative, attribute and attitudinal data were used in the development of the profiling model. The research showed that by adding attitudinal questions into the model, the accuracy of profiling increases by 4-5 per cent. Overall, evidence points to a high margin of error. However, the results of the model were relatively positive, so it was concluded that it could be used to inform future approaches to profiling jobseekers (Matty, 2013). Generally, it raised very practical questions about how this type of tool could be operationalised.

The research and piloting around statistical profiling suggests that the barriers to implementing profiling are around: the detail required from administrative data; the collection and maintenance of administrative data; and the development of a model that provides accurate results for United Kingdom jobseekers. As noted, there is currently no inclination to change the current system.

3.6.5 Advantages and disadvantages to profiling

The current United Kingdom regime has always had an element of caseworker discretion to allow caseworkers to match what they think is the most appropriate support to that of jobseekers' needs based on their discussions and perceptions. This is seen as advantageous as the caseworker will know the jobseeker and know what is best. It is seen as a support mechanism benefiting jobseekers, as they engage in activities that help them progress. This approach is considered advantageous, as it is relatively cost effective in that 60 per cent of jobseekers will return to work within the first 13 weeks. After 13 weeks, more support is available to jobseekers, at the discretion of the caseworker, which results in 90 per cent of jobseekers returning to work in 52 weeks. These statistics remained stable even through the recent recession when unemployment numbers were high. The number and speed at which people return to work seems positive. However, there needs to be further consideration of the types and quality of jobs people are returning to. The number of people on zero contracts is rising.

However, in terms of allocating support it can be seen an inequitable, as the process is reliant on the caseworker making an accurate 'profile' and identifying the most appropriate support to help the jobseeker. It is also problematic, if services are not in place to support the jobseeker or are over subscribed. In addition, the process is reliant on the jobseeker providing accurate information upon which a 'profile' can be made. Incorrect information would impact on the services offered. There is also concern that caseworkers have targets to meet in terms of what must be achieved in particular timeframes and with particular jobseeker groups, which may impact on their decisions.

The following administrative rules support the current method of profiling, as it is clear who is entitled to financial support. There are eligibility rules as well as a high level of conditionality applied to jobseekers. Eligibility rules define who are entitled to which benefits and jobseeking support. To be able to claim unemployment insurance (known as Jobseeker's Allowance) an individual has to: be over 18 and below state pension; not be in full-time education; live in England, Scotland or Wales; be available for work; be actively seeking work; and work on average less than 16 hours per week. The allowance is affected by: household income; partner's employment; and the number of hours worked in an average week. Unemployment insurance benefits are conditional and sanctions apply if a jobseeker: refuses or fails to attend an appointment or interview at the Jobcentre Plus office; does not look and/or apply for work or engage with the employment programme; refuses training or an appropriate job offer [43]; leaves their last job or training without good reason; or exhibits poor behaviour (Berthet and Bourgeois, 2012; United Kingdom Government website, 2015). In the United Kingdom, these stricter sanctions were implemented in October 2012[44] and includes the suspension of benefits for a short period with repeat offenders losing their benefits for up to three years (DWP, 2013).

There does not seem to be any evidence of the negative impact of profiling on jobseekers in the published research.

3.6.6 Current development and future trends in the use of profiling

There are no planned changes to the current system. The allocation of jobseekers to different work regimes may developed (this was presented earlier). Any changes to the current system and tools are seen to be part of developing the business model.

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[43] There is no clear definition of 'appropriate job', but a jobseeker may refuse a job based on conflicts with personal beliefs or if it would mean the jobseeker would be financially worse than if on benefits (Berthet and Bourgeois, 2012).
[44] For more information on the sanctions see:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/379070/jobseekers-allowance-sanctions-dwpf15.pdf

However, research is currently underway with this aim of improving the efficiency of the service and making better use of available resources.

There is the view that segmentation is: firstly, about whether you can identify people and categorise them; and secondly, what do you do differently in terms of intervention in order to reduce long-term unemployment. The research, so far, has focused on ways in which people can be identified and categorised and not what can be done to better support them. At present the Department for Work and Pensions is researching two different signing regimes to determine if jobseekers with specific characteristics benefit. The trial is trying to bridge that gap in their current evidence. The approach is seen as a dramatic retreat from risk based processes of assessments.

At the moment, it is the caseworkers' discretion as to whether a jobseeker should visit the Jobcentre Plus weekly or fortnightly to sign on. The current policy is that 50 per cent of jobseekers should 'sign on' weekly and the other 50 per cent fortnightly. The trial, which is in the early stages, is about determining who would benefit from the weekly or fortnightly 'sign on'. A total of approximately 27,000 new jobseekers have been recruited to the trial and have supplied additional information by completing a survey, which includes questions on: qualifications; maths and literacy skills; barriers to work; attitudes about job search; and perceptions about their likelihood to find work in the first 13 weeks of claiming. The survey was developed from models used in the private sector and internationally using questions around self-efficacy and locus of control. The caseworker is also providing information on their perceptions of whether the jobseeker would benefit from weekly or fortnightly sign on and has realistic job search goals. The jobseekers will be followed for a period of 13 weeks. This collected data will be used alongside administrative data to statistically analyse who is likely to flow off benefit more quickly.

The overall aim is to develop a model that allows caseworkers to identify the most appropriate signing regime based on a jobseeker's profile and characteristics. It is not the aim to produce a segmentation tool. In terms of policy, an important measure is 'time off benefit over 52 weeks' (which is used in costing overall benefit savings and savings to the exchequer), so the model with be assessed using this measure. The results will be available in summer 2016 and will inform decisions about whether a segmentation tool (or a partial segmentation tool) would be beneficial in the United Kingdom. If an accurate model is developed then there may be a basis to have legislation changed in terms of what data are collected from jobseekers.

3.6.7 Conclusion and assessment

The United Kingdom has an established regime for unemployment insurance claimants in which caseworker based profiling is implemented. In the United Kingdom a range of tools are used to profile and segment jobseekers in both the PES and by private service providers, but no systematic approach is adopted. The aim of caseworker based profiling in the United Kingdom has been to identify those who are at risk of long-term unemployment or those requiring more intensive support. Some jobseekers are targeted for more intensive support. This approach has been proven to be an effective process in terms getting people back in to employment.

Caseworkers play a key role in identifying those jobseekers needing more intensive support and/or referral to specific interventions. They have a lot of discretion on whether jobseekers should visit the jobcentre on a weekly or fortnightly basis, what services they should be directed to access, as well as what job-related activity they should engage with. Caseworkers also have free choice to use a variety of tools and assessments to help them determine what support and interventions would best meet the needs of the jobseeker. Research has shown that they are generally not implemented and when used, are to support their own assessments. The implementation of the Work Programme and the allocation of jobseekers to different work regimes is only in the early stages of delivery, so the long term impact has not be assessed, but this could provide evidence on what is effective.

Interestingly, there is work underway in the United Kingdom to develop an evidence base to inform discussions around whether a different approach to segmentation or the implementation of statistical profiling would be of benefit to the jobseeker. Also, it seems important that any changes would need to improve efficiency of the current approach to caseworker based profiling, as well as improve the effectiveness of service delivery. The research has already highlighted that administrative rules restrict the collection of personal data from jobseekers, from which a statistical profile would need to be developed. Further, it has been highlighted that operational issues such as the cost implications of implementing an additional profiling tool to the initial caseworker-jobseeker interview process. It has also been noted that interventions and programmes have to be available to those profiled, and that within current funding this is not always possible. Finally, any change to the established system would need a carefully planned implementation process, as it would be a significant shift away from current approaches.

4 Non-EU Case studies

The two international case studies undertaken in Australia and Canada are presented in this section.

4.1 Australia

4.1.1 Background

Profiling tools have been used in Australia as a basis for early intervention strategies dating back to 1994 (Lipp, 2005). Profiling is used to allocate jobseekers into four different streams of assistance ranging from the lowest stream (Stream 1) where jobs seekers are considered 'job ready' to the highest (Stream 4) for those with 'severe barriers to employment' (Finn, 2011b). In order to understand the background of how these profiling tools have been used, it is first necessary to understand how employment services are delivered in Australia.

In Australia, the federal government is responsible for the design and delivery of a national social security system, employment services and most employment programmes, having provided employment services to unemployed jobseekers since 1946. Since 1998 mainstream employment services have been delivered by for-profit and not-for profit providers (JSA providers) competing in a 'quasi-market' (OECD, 2012); also described as a contestable publicly-funded employment placement services (Lipp, 2005; OECD, 2012). Secondly, Disability Employment Services (DES) are delivered by for-profit and not-for profit providers (many of whom are also JSA providers)[45]. Thirdly, those registered jobseekers living in remote areas of Australia are required to participate in the Remote Jobs and Communities Program (RJCP).[46]

From 1998 to 2009, mainstream employment services were delivered by Job Network (JN), a national network of about 200 private, community and government organisations (ANAO, 2014). The current Job Services Australia (JSA) model was introduced in 2009 (DEEWR, 2008). JSA aims to boost employment participation and the productive capacity of the Australian workforce, address skills shortage areas and better meet the needs of the most disadvantaged jobseekers (ANAO, 2014). The JSA is a 'work first' model, in that it places emphasis on employment outcomes for highly disadvantaged groups In recent years, activity requirements have been tightened including obligations to participate in voluntary work (Work for the Dole, WfD), accredited part-time training, part-time work or accredited language, literacy and numeracy training(DHS website). As a consequence of the 'work first' model, supported training now plays a reduced role in facilitating labour market transition compared to the role it played in the past.

The main profiling tool used in Australia – the Jobseeker Classification Instrument (JSCI) – is administered at the point of registering for government benefits and remains the primary means of identification at registration for those jobseekers with the greatest risk of long-term unemployment. It is also used as a rationing tool for allocating funding assistance (Lipp, 2005).

The federal Department of Employment (DoE) is responsible for employment services and for oversight of the performance of JSA providers within contractual arrangements (ANAO, 2014). The federal Department of Human Services (DHS) plays a role in

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[45]DES has two types of service: the Disability Management Service (DMS) for people with disability, illness or injury who need the help of an employment service but do not expect to need long-term support in the workplace and the Employment Service Support (ESS) for people with a permanent disability and with an assessed need for longer, regular, on-going support in the workplace (DHS website).
[46] RJCP replaces the main programs that deliver employment and participation services and community development in remote Australia (i.e. JSA, DES and Community Development Employment Projects (CDEP)).

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assessing JSA eligibility for most jobseekers, and in withholding benefits where jobseekers fail to meet their obligations under the programme (ANAO, 2014).

Unemployment benefits are funded through the taxation system rather than an unemployment insurance fund. Eligibility for unemployment benefits requires the registered unemployed person to be actively looking for paid work, prepared to meet activity requirements while looking for work and they must also meet stringent income and assets tests. Various waiting periods apply before benefits can be accessed.[47]

The primary clients of JSA are in receipt of government benefits[48] with JSA services delivered by 81 JSA providers delivering employment services at more than 1,700 locations around Australia (DoE, 2014a) and around 700,000 to 800,000 jobseekers are being assisted by JSA at any one time by approximately 20,000 employment consultants (ANAO, 2014). In addition, around 150,000 people are participating in the Disability Employment Service (DES) each month, where DES has achieved more than 200,000 job placements since it commenced in 2010 (NESA, 2014).

JSA providers are selected through a system of competitive tendering (ANAO, 2014). The current JSA contracts began in 2009 and will end on 30 June 2015 (ANAO, 2014). JSA providers are required to meet specified service standards, assist all eligible jobseekers, and work with employers to understand and meet their skills and labour needs (ANAO, 2014). New JSA contracts will come into place on 1 July 2015.

JSA operations are financed by service fees[49], employment outcome payments, and a special fund for measures that tackle jobseekers' barriers to employment (OECD, 2012). In addition, the government provides wage subsidies to support jobseekers who are very long-term unemployed in their transition to paid work (DoE, 2014a).[50] During 2013-14, the Australian government spent AUD1.24 billion (approx. EUR 85 million[51])with one-third allocated to tailored support for jobseekers, service fees to JSA providers and outcome fees to JSA providers (DoE, 2014a; ANAO, 2014).[52]

A star system is used to rate the performance of JSA providers relative to other providers and local circumstances (ANAO, 2014).[53] Of some concern to policy makers, the number of job placements achieved by the JSA program declined by 25 per cent during the three-year period to 2012-13, 480,000 to 360,000. It is unclear whether the reduction in placements is due to a reduction in performance of JSA or to external factors such as conditions in the labour market (ANAO, 2014).

4.1.2 Current state of profiling systems and tools

The Jobseeker Classification Instrument (JSCI) is a data-driven statistical profiling tool that is used to assess the relative likelihood of a jobseeker becoming or remaining

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[47]For example, single unemployed people with no dependents with liquid assets of AUD 5,500 (approx. EUR 3,770) or more and AUD 11,000 (approx. EUR 7 540) or more if partnered or single with dependents may be required to wait from between one and thirteen weeks, before they can start receiving unemployment benefits. Similarly, if made redundant, the unemployed person is required to wait until they have exhausted any severance pay. Further, new residents are required to wait two years before they can access benefits.
[48]Government benefits include Newstart Allowance, Youth Allowance and other income support payments.
[49]Approximately AUD1 billion (approx. EUR 65 million) in JSA fees is paid to JSA providers annually.
[50]Due to the strong take-up by employers, the Government's wage subsidy scheme, Wage Connect was paused from 1 February 2013. It was re-started on 1 July 2013 and paused again on 6 December 2013. It remains paused to new applications (DoE, 2014, p.21).
[51]All approximate EUR amounts cited in this report have been converted into Euros using the AUD to EUR exchange rate published on the OANDA website on 19 February 2015:
http://www.oanda.com/currency/converter
[52]A breakdown of the current fee structure and related funding of JSA Streams is set out on page 32 of ANAO (2014). The fee structure will change when the new employment services model commences on 1 July 2015.
[53]For more details on the system of Star Rating the performance of JSA providers, see OECD (2012, pp.25-26) and Finn (2011b, p.9).

long-term unemployed (DEEWR, 2012).[54] That is, the JSCI is a 'hard' quantitative (statistical) forecasting tool.

Introduced in 1998, the JSCI was developed after the Australian Government conducted an analysis of existing survey and administrative data in order to identify the risk factors which contribute to labour market disadvantage and lead to long-term unemployed (DEEWR, 2013). Prior to the introduction of profiling, single characteristics, such as Aboriginal and Torres Strait Islander status, migrant status, age, disability and single parent status, were used to identify jobseekers at greatest risk for early or preferential access to labour market assistance (Lipp, 2005).

The JCSI plays a fundamental role in the operation of the Australian Government employment services (DEEWR, 2012). It is used to measure a jobseeker's *relative* (not absolute) difficulty in gaining and maintaining employment. It is also used to identify those jobseekers who have complex or multiple barriers to employment requiring further assessment (NESA, 2008). Profiling is mandatory for all registered unemployed people. The result (or score) from statistical profiling is the primary determinant of the level of service a jobseeker receives. Results from profiling are also used in resource allocation, as they are used to allocate resources to stream services and to determine the funding paid to JSA providers.

The JSCI is administered to jobseekers when they first register (or re-register) for employment assistance from Australian Government employment services. That is, jobseekers must be registered for employment assistance to be assessed through the JSCI.

The JSCI can be conducted by the DHS, JSA providers, DES providers or specialist assessors from the DHS. In the majority of cases, the DHS will conduct the JSCI. However, there are various reasons why the JSCI may be (re-)conducted by a JSA provider, a DES provider, a RJCP provider or specialist assessors from the DHS (such as qualified health professionals) including disclosure of new information, discovery of inaccurate or incomplete information or a change in circumstances (Finn, 2011b). In these cases, the instrument is most frequently used face-to-face with jobseekers (OECD, 2012). After 12 months, jobseekers are re-assessed to determine whether there has been a change in circumstances or the increased duration of unemployment takes the JSCI score over the relevant threshold, whereby the jobseeker enters a higher stream of service (OECD, 2012).[55]

The JSCI is based on linear logistic regression analysis of administrative data, where the analysis identifies those risk factors found to have a statistically significant impact on whether a person remained a jobseeker for an additional year (DEEWR, 2012).[56] There are three components of the JSCI: the factors (including sub-factors), the questions and the score. The JSCI involves collecting information about each of the factors using a combination of questions and existing data about the jobseeker. This information is then used to calculate a score for the jobseeker. The JSCI uses 18 factors (with a number of sub-factors) that have been found to have a significant relationship with a jobseeker's likelihood of remaining unemployed for another year.[57]

Information for some of the factors is derived from questions asked directly of the jobseeker (i.e. highest educational attainment), whereas information for other factors is sourced from their records (i.e. postcode might be used to determine proximity to labour market). Other factors, like disability/medical conditions, may be confirmed or

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[54]Where long-term unemployment is defined as having been unemployed for longer than 12 months.

[55]See NESA (2008) for some of the other concerns held by JSA providers. While this submission was prepared several years ago, most of the concerns remain.

[56]A more detailed description of the construction of the JSCI is found in the departmental document (DEEWR, n.d. 2) 'Technical Description of the JSCI'.

[57]Detailed information about the 18 factors and sub-factors in the JSCI along with a list of the points attached to the sub-factors is set out in DEEWR (2012a) 'Jobseeker Classification Instrument – Factors and Points', Version 1.1, 1 July 2012.

sourced from an Employment Services Assessment (ESAt) or Job Capacity Assessment (JCA) (DEEWR, 2013).

The JSCI survey questionnaire includes a minimum of 18 and a maximum of 49 questions, depending on individual circumstances. A jobseeker with a high level of disadvantage will generally have to answer more questions. The questions have been developed and refined based on formal research including cognitive testing, expert advice and consultations. A number of the questions are voluntary, where the jobseeker can choose the response option of 'do not wish to answer'.[58]

Answers to the questionnaire are combined with information from the jobseeker's record. Each factor is given a numerical weight or points. The points are added together to calculate the JSCI score. The higher the JSCI score, the higher the likelihood of remaining a jobseeker for at least another year.

The JSCI has been found to be highly predictive in forecasting jobseeker outcomes (Loxha and Morgandi, 2014). In the majority of instances, the JSCI is administered by Centrelink staff via the telephone when the person initially registers for benefits (i.e. at the 'gateway'). This was not the intention when it was originally developed as it was envisaged that it was to be administered in person (NESA, 2008). Finn (2011b, p.25) found mixed evidence about the accuracy of the JSCI survey being administered by telephone:

> *Centrelink report that they exceed their 95 per cent target for accuracy with JSCIs, with little difference in the results of those carried out by Centrelink staff in person or over the phone. Providers have a different view with many sceptical of the initial results, pointing to frequent examples of unnoticed, undisclosed or undiagnosed factors which affect stream allocation.*

Such differences in opinion emphasise the need for regular, methodologically rigorous, external evaluations to be conducted where the findings are made available in the public domain.

4.1.3 Purpose and operation of profiling

The previous approach to identifying jobseekers at greatest risk for early or preferential treatment was considered relatively easy to administer and easy to understand. However, it was not thought to adequately discriminate between members of a target group according to their labour market disadvantage (Lipp, 2005).

In the 1980s, unemployment and long-term unemployment were found to have increased with each economic downturn and to have recovered relatively slowly as labour market conditions improved (Lipp, 2005). The original objectives of profiling were to provide early identification of those most at risk of becoming long-term unemployed thereby creating the potential to avoid the on-going costs of long-term unemployment, to ration the most expensive forms of assistance to the most disadvantaged jobseekers and to minimise deadweight by better targeting of employment assistance to the individual needs of jobseekers, and in particular, to those who would benefit most (Lipp, 2005).

In the 1993-94 federal budget, there was a shift away from the target group approach to the use of 'risk-based criteria' for identifying and assessing disadvantaged jobseekers (Lipp, 2005). The JSCI was developed as part of the changes to employment services, which, as outlined above, included the move to a contestable market via introduction of the Job Network (JN) (Lipp, 2005).

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[58]Questions in the JSCI survey that provide a response option of 'do not wish to answer' cover the following areas: Indigenous status, refugee status, disability and medical conditions, criminal convictions and personal factors which may affect a jobseeker's ability to work, obtain work or look for work.

Current use of the JSCI continues to target employment services support to the most highly disadvantaged jobseekers. The ten key disadvantaged groups which may, based on their responses, may be given higher scores in the JSCI are Aboriginal and Torres Strait Islander Australians, Australian-born South Sea Islanders, jobseekers in temporary accommodation, partnered parents, sole parents, jobseekers with disabilities, ex-offenders, jobseekers with low educational attainment, language or workforce experience, overseas-born jobseekers and prime-age female jobseekers (DEEWR, 2009).

There are three bandwidths that determine whether the jobseeker is eligible for assistance through Streams 1, 2 or 3 of JSA. The JSCI result (score) is used to allocate jobseekers into one of the first three levels of assistance, from Stream 1 for 'work ready' jobseekers up to Stream 3 for jobseekers with 'relatively significant barriers' to employment. Responses from the jobseeker are also used to identify whether they are eligible for Stream 4[59] or for the Disability Employment Service (DES). In practical terms, once a jobseeker has been placed in Stream 4 or DES, the JSCI becomes redundant.

The JSCI is also used to identify jobseekers who may benefit from referral to specialist services such as the Australian Government Language, Literacy and Numeracy Program (LLNP), the Adult Migrant English Program (AMEP) or to a social worker at the DHS.

The JSCI is also used as a first step to identify whether the jobseeker has multiple and/or complex barriers to employment requiring further assessment. In this case, the jobseeker may be referred for an Employment Services Assessment (ESAt).[60] The ESAt is used to determine whether a jobseeker should receive assistance through DES, Stream 4 or Streams 1 to 3 of JSA. ESAts are also used to determine a jobseeker's work capacity in hours per week in bandwidths (0 to 7 hours, 8 to 14 hours, 15 -22 hours, 23-29 hours and 30 hours or more).

Accuracy in administering the JSCI is important. In the majority of circumstances, the JSCI is administered by Centrelink via the telephone at the point of registering for government benefits. This means that caseworkers have limited discretion. There is some evidence to suggest that there have been problems with the accuracy of information collected during the survey (Finn, 2011b).[61]

Since its introduction in 1998, the JSCI has been subject to continuous review.[62] There are three main ways in which the JSCI has been revised. In the first instance, there have been a number of revisions to contain fewer or additional questions, wording of questions have been revised and changes have been made to the flow of questions in the JSCI survey questionnaire. Secondly, the model has been re-estimated to reflect the various changes in government policy. Thirdly, changes have been made to how the weights are allocated to different factors and/or sub-factors and in the threshold scores for allocation in the different streams of assistance (Lipp, 2005; DEEWR 2009;

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[59]Jobseekers in Stream 4 are those who have been assessed as having severe barriers to employment. They receive intensive assistance combining pre-employment and employment assistance including assessment, counselling, referral and other support services.

[60] Factors from the JSCI used to identify that a jobseeker may need to have an ESAt are recency of work experience, jobseeker history, educational attainment, English proficiency, Indigenous status, disability/medical conditions, stability of residence, living circumstances, criminal convictions and personal factors.

[61]Findings from a survey conducted in 2010 with 28 JSA providers indicated that 95 per cent of respondents indicated that they had significant or some difficulties with the way Centrelink assigns jobseekers to streams. In most cases, this was because the jobseeker's barriers were not recognised or disclosed, resulting in the jobseeker being placed in the incorrect stream. Further, 42 per cent of respondents indicated that they had to get between 26 and 50 per cent of their jobseekers re-classified (Flentje, Cull and Giuliani, 2010).

[62]A chronology of the history of the development of the JSCI from initial development in 1996 up until 2009 is set out in DEEWR (n.d. 2) 'Development of the JSCI'. Details of early revisions of the JSCI are detailed in Lipp (2005).

DEEWR n.d. 2). Not all revisions have been welcomed by all key stakeholders, but perhaps more to the point, many of the common themes raised via the submissions process have not been addressed.

Importantly, while the JSCI was originally designed to assess jobseekers for assessment and referral purposes, in 2006 the role of the JSCI was expanded to include identification of jobseekers with multiple or complex barriers to employment, who may require a higher levels of support. This expansion represented a shift in the application of the JSCI from primarily being used as an assessment and referral tool by caseworkers to – via modifications as a result of the on-going changes to the contract model of employment services – increasingly being used as a rationing tool by the government in order to control the overall level of funding assistance via its model of contestable publicly-funded employment placement services.

The JSCI is reliant on jobseeker disclosure. While Australia has strict privacy laws, a common theme among submissions to the most recent review of the JSCI (2009) was that some jobseekers are concerned about how their personal information is recorded and used and often will not disclose as a result (DEEWR, 2009). While some of the questions in the JSCI survey have been modified, concerns around non-disclosure remain.

4.1.4 Enablers and barriers to the implementation and use of profiling

On the one hand, the government's labour market policy can be seen as an enabling factor influencing the use of profiling. The government's policies on activation and mutual obligation align closely with the use of profiling. However, for an employment service to be effective, it needs to be adequately resourced. In 2009-10, the cost per employment outcome for employment services delivered by JSA providers was AUD 2,079 (approx. EUR 1,425) for Streams 1 to 3 and AUD 11,442 (approx. EUR 7,844) for Stream 4 (Finn, 2011b). In 2013-14, the cost per employment outcome for employment services delivered by JSA was AUD 1,890 (approx. EUR 1,296) for Streams 1 to 3, and AUD 6,771 (approx. EUR 4,642) for Stream 4 (DoE, 2014b). This represents a 9.1 per cent decrease in the cost per employment outcomes for Streams 1 to 3 and a corresponding decrease of 40.8 per cent for Stream 4.[63] The tight budgetary environment is likely to exert continuing downward pressure on the funding for employment services. In turn, this pressure will be pushed down to JSA providers and jobseekers themselves.

Evidence suggests that the level of trust between the Australian government department (as the contractor) and JSA providers in relation the use of the JSCI has suffered at various times. On the one hand, the Australian government has expressed concerns about 'creaming' of clients and 'gaming' of the system (Fuertes, Jantz, Klenk and McQuaid, 2014). On the other hand, JSA providers have raised concerns about how the profiling tool is being used to ration already strained services and problems associated with profiling not being an integrated part of a holistic, case-managed system.

The skills of PES caseworkers play a vital role in achieving positive outcomes for jobseekers, however because profiling occurs at the point of registering for unemployment benefits, caseworkers are on the 'receiving end' of profiling rather than them actually being involved in the process. This represents a sharp contrast to the way in which caseworkers are heavily involved in profiling in other countries (for example, Austria, Germany, and Sweden). Caseworkers were heavily involved in developing the original version of the JSCI and when it was first introduced they used it more as an assessment tool. Now, due to the timing of when it is administered and because it is primarily used by the government as a rationing tool, the JSCI is not very well integrated into case management.

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[63]Authors own calculations based on published data.

4.1.5 Advantages and disadvantages to profiling

In terms of meeting its stated objectives, the JSCI was introduced in order to better stream jobseekers into different levels of assistance. The JSCI is now used by the Australian government to guide decisions about resource allocations. In fact, it is used as the primary basis in calculating payments to JSA providers. JSCI scores have been found to be a reliable predictor of jobseekers' relative prospects of remaining unemployed. Furthermore, policy makers are able to adjust the weights and scores in order to target new or emerging categories of unemployed jobseekers for higher levels of assistance. However, as mentioned earlier, long-term unemployment is persistently high. So while the profiling tool may help identify those most at risk of long-term unemployment, this does not equate to the same as providing jobseekers with the appropriate levels of assistance to help them into employment.

It is widely recognised that there are significant technical challenges in designing and maintaining profiling systems. Developing and implementing a statistical profiling tool like the JSCI is resource-intensive in terms of maintenance and on-going development costs. One of the strengths of the profiling system in Australia is that it operates on an IT platform containing an ever-growing body of administrative, labour market and other data. Nevertheless, profiling categorisations are known to be affected by business and economic cycles. This means data need to be regularly uploaded into the model to maximise the predictive power of the JSCI. For obvious reasons, there are delays in the release of labour market data. To a large extent, the funding model dictates that a certain proportion of jobseekers will be allocated into each of the four streams. Importantly, the JSCI was designed to measures relative – as opposed to actual – disadvantage. JSCI scores for the current cohort of jobseekers are calculated on the basis of data already contained in the model. If there is a significant change in the labour market (such as the recent sharp increase in long-term unemployment[64]), JSCI scores may not be reflective of the jobseeker's actual chance of obtaining work.

Caseworkers have provided accounts of having reviewed a jobseeker's profile only to find that based on their JSCI score they were streamed into the lowest level of service (Stream 1, i.e. self-help) despite having been released from a humanitarian detention centre, or being homeless or having a drug and alcohol problems. Current data on the proportion of jobseekers who are assigned to the four different JSA streams of assistance are not readily available, however Job Network (JN) data indicate that there was a continued reduction in the number of jobseekers who were classified as 'highly disadvantaged' (NESA, 2008).[65] Incongruity between the growing number of long-term unemployed in JSA and restrictions on what proportion of jobseekers can be classified to the higher streams risks rendering the profiling exercise futile.

In terms of the factors and weights in the JSCI, there has been on-going debate in Australia and abroad about how well this methodological approach to profiling captures the actual disadvantage of the jobseeker. Difficulties with 'soft' skills, such as literacy and numeracy, have been shown to be critical factors that increase the likelihood of long-term unemployment (see for example Kelly, McGuinness and O'Connell, 2012). While statistical profiling is considered by some to be more objective than customised or individualised qualitative 'soft' profiling the JSCI (like similar profiling tools used in other countries) is limited or lacking in its capacity to accurately capture foundation or generic skills such as language, literacy and numeracy (LLN). It also fails to capture the level of a jobseeker's IT or digital skills. It is important to note that caseworkers do use other kinds of soft profiling tools when assessing jobseekers

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[64]Nationally, the estimated number of long-term unemployed increased by 23.9 per cent in the year to December 2014 and the national average duration of unemployment increased from 36.8 weeks to 41.4 weeks during the period (Treasury, 2014).
[65]For example, in ESC1 commencing in 1998, 33 per cent of jobseekers were permitted to be classified as eligible to receive higher level services. In ESC2 commencing in 2000, 25 per cent were permitted to be classified in the higher Level B service bracket. In ESC3 commencing in 2003 classification of highly disadvantaged was restricted to 10 per cent of newly registered jobseekers (NESA, 2008, p. 5).

who have been referred to them, but these tools are typically specific to their organisation.

While using the JSCI as a rationing tool may be effective for the government in terms of managing its budget, it means that caseworkers (from JSA, DES and other specialist service providers) have become 'end users' of profiling, rather than having active input into the profiling process. In this respect, the JSCI cannot be fully utilised as an assessment tool. Caseworkers have limited ability to influence the JSCI score and it is difficult to get an incorrectly assigned jobseeker shifted into a higher service stream. This can only be done by requesting a review of circumstances, which can be time-consuming. Evidence suggests that caseworkers do not necessarily believe that the way the JSCI is currently being used will lead to the best possible outcomes for jobseekers. For example, submissions made to the last formal review of the JCSI (2009) set out problems and time delays associated with re-administering the JSCA when a jobseekers circumstances change, if information is missing, inaccurate or if new information becomes available (for example, see NESA, 2008).

4.1.6 Current development and future trends in the use of profiling

Australia has an established system of profiling. It is not anticipated that the role that profiling plays in the Australian PES will change in the near future. Profiling lies at the heart of the government's contract model for service delivery. It is used to allocate unemployed jobseekers into the various streams of support, it feeds directly into estimation of unit costs of delivery and this is then used to determine the funding paid to JSA providers. Nevertheless, it is not fully embedded in the end-to-end process of case management.

A new employment services model will come into place on 1 July 2015, replacing the current Job Services Australia (JSA) contracts[66]. The new model consists of three main components: Employment Providers, Work for the Dole (WfD) Coordinators and the New Enterprise Incentive Scheme (NEIS). As is the case with the current system, profiling via the JSCI will be used to stream jobseekers into three employment services streams.

- Stream A – jobseekers will received limited individual assistance with reliance on self-help facilities, their job search activities will be monitored and they will be required to WfD after six months and move into case management if they remain unemployment after 12 months;
- Stream B – employment providers play a greater role via case management of jobseekers and they will be required to commence WfD after 12 months (unless affected by the Stronger Participation Incentives for jobseekers under 30 years);
- Stream C – jobseekers will be case managed and generally commence WfD activities after 12 months, depending on assessment of their work capacity (DoE, 2014b).

The new model will increase the mutual obligation framework and change (again) the structure of payments to JSA Employment Providers (DoE, 2014b). Profiling results will continue to be used to allocate funding across the three steams of service delivery and to determine the payments made to JSA providers. Given the tight budgetary environment, it is highly likely that the thresholds for JSCI scores will be increased. This is likely to result in some jobseekers being pushed down into lower streams irrespective of their level of absolute disadvantage.

4.1.7 Conclusion and assessment

Since its introduction in 1998, there has been considerable interest from abroad in the type of jobseeker profiling used in Australia. The JSCI has been found to be a useful

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[66]The new contracts will last for five years. There will be 51 Employment Regions outside remote Australia, each with up to six Employment Providers. Regional loadings will be paid for specific locations.

tool for estimating the likelihood of a jobseeker remaining unemployed after 12 months. It has also proven to be a useful tool in rationing employment services, particularly during times of limited government resources. Arguably, however, the true measure of its effectiveness turns on whether the use of profiling helps jobseekers back into employment. The presence of persistent long-term unemployment and a high level of under-employment in the Australian labour market must call into question the overall effectiveness of the JSCI in this last respect.

Profiling is consistent with the Government's broader 'work-first' philosophy. Some recipients of government benefits who may have previously been exempt from employment participation requirements have been activated. This has implications for the composition of unemployed jobseekers. To this end, it is important to grasp that the JSCI was designed to measure a jobseeker's relative – not absolute – disadvantage in the labour market. This design feature has been criticised by some stakeholders, as JSCI scores have become the primary basis for allocating clients into different streams of service.

As profiling is used when a jobseeker initially registers for unemployment benefits (i.e. at the first point when the jobseeker enters the PES system), case managers play a very limited role in profiling. This means that profiling is not integrated with ongoing case management. This has implications for how case managers perform their job role as profiling mandates the type of interventions that offered to jobseekers. Caseworkers are left very little discretion to alter, customise or adapt the support they provide to jobseekers. While JSA providers may provide a more intensive level of support to the jobseeker than the profiling score mandates, they will not be paid for doing so.

While the Australian system and approach to risk management is different to that in EU Member States, as is the economic and social context, these findings may be relevant to those EU member states that are considering developing a profiling tool such as the JSCI and/or moving to an outcome-based contract model of employment services.

4.2 Canada

4.2.1 Background

Canada has high labour force participation (population aged 15-64 years) compared to other countries in the G20 (OECD, 2013). However, there are very different participation rates across the ten provinces and three territories; unemployment rates range from 3.8 per cent in Saskatchewan to 17.8 per cent in Quebec (period February to March 2015, Employment and Social Development Canada). Long-term unemployment (those unemployed for one year or more) has remained unchanged at 12.1 per cent and youth unemployment remains problematic (OECD, 2008, 2014). These variations can account for the different approaches to service delivery for the unemployed as well as the range of profiling and targeting approaches adopted. Canada is viewed as having well-developed policy for unemployed Canadians.

All programmes, services and benefits are delivered through *Service Canada*. Service Canada provides a range of services (such as benefits, Social Insurance number, passport application and renewal, job vacancies and outreach services) to Canadians through a number of local one-stop centres. It operates a client-centred approach and its objectives are:

- *To deliver seamless citizen-centred service by providing integrated, one-stop service based on citizens' needs and helping to deliver better policy outcomes.*
- *Enhance the integrity of programs by building trust and confidence in our programs and by achieving significant savings in program payments.*

- *Work as a collaborative, networked government by building whole-of-government approaches to service that enable information sharing and integrated service delivery for the benefit of Canadians.*
- *Demonstrate accountable and responsible government by delivering results for Canadians and government, savings for taxpayers, and transparency in reporting.*
- *Build a culture of service excellence by supporting our people, encouraging innovation, and building the leadership and capacity to provide citizen-centred service.* (Service Canada website, 2015)

Customer feedback is essential to the improvement of their service delivery; this is achieved through 'Citizens First' initiative. The Canadian Government's Department for Human Resources Skills Development Canada (HRSDC) administered through Service Canada is mandated to maintain a National Employment Service (NES). This provides vacancy and matching services through its website, *Job Bank*. *Job Bank* offers a jobseeker the opportunity to upload a CV, search for vacancies and get email alerts of job vacancies.

In Canada, the support for unemployed individuals is available through a regular benefit called *Employment Insurance*[67]. It provides financial help for a limited period (14 to 45 weeks) to give individuals time to find work or participate, for example, in some training. The amount of weekly benefit and the period for which an individual receives this insurance is dependent on the unemployment rate in the province, salary and on the hours of insurable employment accumulated during the qualifying period (Service Canada, 2015). Those that wish to apply for *Employment Insurance* can do so online or at a Service Canada centre. Around 85 per cent of applications for employment insurance are undertaken online. Employment insurance is available to those 'individuals who lose their jobs through no fault of their own (for example, due to shortage of work, seasonal or mass lay-offs) and are available for and able to work, but can't find a job' (Service Canada, 2015). Individuals are eligible where they have been employed in insurable employment. *Employment Insurance* comprises:

- Passive income benefits (EI Part I); and
- Active employment measures (EI Part II).

Both are funded through contributions from employers and workers. Part I is administered by the federal government Service Canada, while the federal government has devolved responsibility for the administration of Part II active measures (such as careers counselling, training, job search assistance, etc.) to the provinces and territories in Canada. Each of the provinces and territories provide a range of services under the active employment measures (EI Part II) through their PES. It is up to each province to decide what services they are going to provide, but they have to supply data back to the federal government on outcomes. These data include the number of jobseekers served, outcomes in terms of those returning to employment and a calculation of how many weeks of the unemployment insurance claim period was saved (this is based on the number of weeks not used before the *Employment Insurance* is exhausted).

When an individual applies for *Employment Insurance*, claimant information is collected and used to check eligibility by the federal government. Part of this information is then sent to the provinces and territories, which decide what information they require and, technically, how they would like to receive it in order to integrate into their own administrative systems. They also determine how they will use that data, how it should be protected and shared with third parties who may be delivering services. The information is used in the planning and delivering of services, which are different in each of the provinces and territories.

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[67] The benefit for unemployed Canadians was renamed in 1996 from *Unemployment Insurance* to *Employment Insurance* as part of a number of reforms to the system.

The federal government transfers funds to pay for the *Employment Insurance* to those jurisdictions each year under the terms of bilateral *Labour Market Development Agreement*. The provinces and territories use the funds in accordance with their regional and local labour market needs, and within the limits of the *Employment Insurance Act*. The Labour Market Development Agreements are set up differently for each province and territory, as they were agreed over a number of years. The Agreements include information sharing clauses that govern what personal information about Part I benefit claimants the provincial and territorial governments receive.

During an *Employment Insurance* claim, the jobseeker or claimant must report to Service Canada every two weeks by submitting an EI report. This ensures that the jobseeker is still eligible to receive *Employment Insurance*.

4.2.2 Current state of profiling systems and tools

Understanding the approaches that different provinces and territories have in terms of targeting and referral is complex, as each set their own administrative rules and targets. Service delivery is then devolved to community and non-profit organisations, which have to meet set targets. Each organisation will have their own targeting and referral processes. These delivery organisations are considered very good at adapting to the needs of the communities they are operating in.

There is no monitoring at the federal level, but jobseeker outcomes have to be recorded, monitored and sent to the federal government. Customer evaluations and surveys provide the information needed by service providers to improve the system.

In Canada, there are two types of profiling. First, when an individual applies for income benefit their personal information and information from the Record of Employment[68] is used in the 'Targeting Referral and Feedback' process. Second, targeting can be based on local labour market demands or those needing more intensive support to get back into the labour market. Within each sub-region or municipality, different criteria for screening are set, but these can be changed at anytime. So based on these criteria, names, contact information and details are sent, by the federal government, to the province or territory. Criteria can be based on the needs of the municipality such that if a new factory is opening and there is a need for pipefitters, then the provincial or territorial government can ask for pipefitters for a period of time. Alberta and Saskatchewan's unemployment rates are below four per cent, so no targeting and profiling is required as finding people employment is not problematic. In contrast, the unemployment rates in some rural communities, such as in Newfoundland are extremely high, so the PES is likely to target those who are about to exhaust their claim. Targeting is up to the province and is dependent on the local labour market conditions.

In Québec, information from the employment insurance applicants is used for identification and referral purposes. Québec is an interesting example of how data are consistently used across the province. They also operate a feedback loop where if a jobseeker does not attend the PES, they are invited again and informed that if they do not attend their details will be passed back to Service Canada who will follow up with them to get an update on their search for employment. This is to ensure that individuals are still eligible for benefit and that they are still actively looking for work.

Other provinces and territories are using the jobseeker information to undertake outreach and engage with more activation approaches. For instance, the *Targeted Initiative for Older Workers*[69] is a targeted policy enabling greater choice in work and retirement decisions for those aged 55-64 years living in small communities where

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[68] The Record of Employment provides the employment history (salary, length of and type of employment) of an individual and can be accessed online at anytime by the individual. This Record has to be supplied by the employer for any employee who is experiencing an 'interruption of earnings'.
[69] For more information see: http://actionplan.gc.ca/en/initiative/targeted-initiative-older-workers

there have been a number of closures or where unemployment is high. It has been in operation since 2006. The programme provides help with employability issues, targeted skills training and reintegration into the labour market. All territories and provinces participate in the initiative. An evaluation in 2010 found that 75 per cent of programme recipients found employment during or after engaging with the programme (OECD, 2013). This initiative was renewed in 2014 with federal investment.

Some research has suggested that career assessment tools, including skills assessments, are being used in Canada. This is similar to the French *bilans de compêtences*. A study found that those who had undertaken these skills assessment had benefited (Michaud, Dionne and Beaulieu, 2006). Some reported benefits included career planning, recognising skills, change of occupation, choice of occupation, and securing employment. For instance, the *Career Navigator* (available through the Service Canada Job Bank website) gets users to complete an online quiz to build their profile. The results list their abilities and interests, suggests occupations, provides salary information, numbers of available jobs and an assessment of employment prospects.

4.2.3 Purpose and operation of profiling

The key to profiling in Canada is the administrative data collected by Service Canada at the time an individual makes a claim. This information is, used by most provinces and territories, for profiling and targeting purposes. Those provinces and territories that have not taken up the data have not done so because of a capacity issue in terms of handling the data and understanding what to do with it. There is now greater understanding that the data could be a useful tool, supporting and targeting the delivery of services and allocating resources.

No statistical profiling is undertaken in Canada at present, but there was a pilot aimed at determining jobseekers requiring additional help to return to the labour market. A review of profiling tools (Bimrose, Barnes, Brown and Hasluck, 2007) found evidence that Canada had piloted a statistical targeting system, The Service Outcome Measurement System (SOMS), from 1994 to 1999. The profiling Longitudinal Labour Force File, upon which SOMS was based, combined data from 19 different sources. The aim of the system was to identify the most appropriate services for jobseekers based on their characteristics. Each jobseeker was assessed and the probabilities of various outcomes from different service programmes predicted. Jobseekers were then referred to a particular service by their caseworker, who had some discretion in terms of referral. It is important to note that SOMS was an optional tool for caseworkers. With caseworkers resistant to the use of SOMS and a number of concerns around data protection, the system was withdrawn in 1999 (Colpitts and Smith, 2002; Loxha and Morgandi, 2014). There was some evidence to suggest that SOMS was able to reliably identify those at risk of being long-term unemployed. This is no longer in operation, but helps to identify possible reasons why some profiling systems are withdrawn and the role of the caseworker in the process.

The most recent reforms to the Canadian system of Employment Insurance is the implementation of *Connecting Canadians with Available Jobs*[70], which in 2013 set out requirements, timescales and support services for jobseekers. The aim of the initiative is to support the unemployed by providing enhanced labour market information and online job vacancies, plus supporting jobseekers match their skills to local jobs and providing additional support (such as job alerts from *Job Bank*, tools to assess and develop skills and support from provincial and/or territorial employment services and training assistance). The initiative is aimed at those receiving *Employment Insurance*. Jobseekers are categorised based on their previous Employment Insurance claim and contributions to *Employment Insurance*. Jobseekers are categorised as:

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[70] For more information see: http://www.servicecanada.gc.ca/eng/sc/ei/ccaj/index.shtml

- Long-tenured worker – a jobseeker who has, in at least seven of the past 10 years, paid at least 30 per cent of the annual maximum Employment Insurance and who has received 35 weeks of less of benefit over the last five years;
- Frequent claimant – a jobseeker who has, in the past five years, made three or more Employment Insurance claims and received over 60 weeks of benefit;
- Occasional claimant – a jobseeker who does not fit with either of the other two categories.

These categories determine what is considered 'suitable work' and a 'reasonable job search'[71] and the extent to which a jobseeker must expand their search for work. For instance, a long-tenured worker is required to search for vacancies within their usual occupation at a similar wage (defined as starting at 90 per cent of their previous wage). Whereas for Frequent and Occasional jobseekers, this type of search is limited to six weeks. After these set periods, jobseekers have to expand their search for work to similar jobs at a lower starting percentage of their previous wage. Frequent jobseekers have to include work with on-the-job training. In 2014, less than one per cent of *Employment Insurance* claimants were disqualified and no longer entitled to claim because they did not search for work or refused to accept suitable work.

At the provincial level, the PES tier Employment Insurance claimants as part of the initial intake process. A jobseeker will have an interview with a caseworker and based on specific criteria set out by the provincial government will be categorised in to one of a number of tiers. Tier 1 jobseekers are considered to have the highest employment readiness and higher Tier jobseekers have the lowest employment readiness. This categorisation acts as an indicator to the specific services jobseekers can access and the rate of pay the agency receives for administering services (for example, the higher the Tier, the higher the payment).

To examine profiling at the provincial level, the profiling approach adopted in Québec is described; it is the only Canadian province to adopt this approach. In 1999, profiling was established in Emploi-Québec[72]. Emploi-Québec has implemented an identification, referral and feedback mechanism for employment insurance claimants (Emploi-Québec, 2012). This uses demographic and socio-professional characteristics data provided by the jobseeker at the point at which they make a claim to the Federal government. This approach is considered a compromise imposed by the technological limitation at the time of deployment. It was not possible to profile jobseekers based on the economic estimates of the likely benefit period or risk of exhausting their benefits.

The aim of the current profiling approach is to make efficient use of available resources. This is achieved by:

- Providing early intervention and support for jobseekers at risk of prolonged unemployment (they are referred to Emploi-Québec by Service Canada as soon as they apply for EI benefits);
- Identifying (in probabilistic terms) those jobseekers who seem better able to find employment without help from Emploi-Québec and those jobseekers at risk of various lengths of prolonged unemployment who would benefit from help from Emploi-Québec;
- Regulating the volume of jobseekers who can receive Emploi-Québec services, in a context where the number of initial claims for regular employment insurance benefits is four times higher than the number of active jobseekers that Emploi-Québec can help.

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[71] 'Suitable work' are defined by a jobseekers personal circumstances, working conditions and wages, commuting time and hours of work. A range of activities, such as assessing employment opportunities, preparing a CV, attending job workshops and submitting job applications and attending interviews, are defined as undertaking 'Reasonable job search'.

[72] Emploi-Québec is an agency under the Canadian Ministry of Employment and Social Solidarity. It took responsibility for Part II of Employment Insurance in 1998.

Jobseekers are referred to Emploi-Québec by Service Canada and categorised into:

- 'Rapid Re-employment' – jobseekers whose most recent employment was in an occupation in demand and who are vulnerable to prolonged unemployment unless efforts are deployed to help them find a job and speed up their return to work;
- 'Employability Development' – jobseekers who are vulnerable to long-term unemployment (over a year) and require a needs evaluation (assessment of their employability) in order to identify the appropriate measures to improve their job readiness and employability. These jobseekers are seen at risk of exhausting their benefits and becoming long-term unemployed without an intervention.

Emploi-Québec provides Service Canada with the criteria[73] that Employment Insurance claimants have to meet in order to be referred. The criteria correspond to 'at-risk' situations (see Table 4). Jobseekers are categorised by meeting one *Basic criteria*, which may be combined with one of more of the *Additional criteria*.

Table 4. Basic identification and Additional criteria used to profile jobseekers

	Rapid Re-employment		Employability Development	
	Basic	*Additional*	*Basic*	*Additional*
1. Low education		x	x	
2. Hourly wage for last job		x	x	
3. Length of uninterrupted unemployment		x	x	
4. Cumulative length of unemployment		x	x	
5a National Occupation Classification for last job in demand	x			
5b National Occupation Classification for last problematic job				x
6. Age				x
7. Number of years in seniority				x
8. Place of residence				x
9. Reason for end of employment				x
10. Presence of a disability				x

Source: Emploi-Québec, Forum of Labour Market Ministers (2012)

Typically a jobseeker applies to Service Canada to make a claim for Employment Insurance. Where the jobseeker answers 'No' or 'Unknown' to the question 'Will you be returning to work with this employer?', the claim is automatically processed by the profiling tool (Emploi-Québec, 2012). This has been automated since 2007. If the jobseeker's characteristics correspond to the criteria set by Emploi-Québec, they should automatically be identified and referred to Emploi-Québec. A jobseeker is then invited to Emploi-Québec and upon attending are offered support and services. When a jobseeker declines the invitation or fails to show up, Emploi-Québec notifies Service Canada (unless the person has returned to work). The current profiling approach uses part of the available data and assigns the same weight to all of the criteria.

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[73] Emploi-Québec may change the criteria at any time.

4.2.4 Enablers and barriers to the implementation and use of profiling

The need for profiling and targeting is highlighted by data on Employment Insurance claimants. It is argued that there is a vital need to target individuals, as within the employment insurance fund there is approximately CAN$1 (approx. EUR 0.75) for active measures for every CAN$6 (approx. EUR 4.49) that goes into income benefits. So, there is not enough funding to see everybody, but there is an implicit assumption that most people will return to the labour market very quickly without much help.

ICT has been a key enabler in Canada introducing self-service facilities changing the way jobs are sought and the role of the caseworker as an intermediary in the process. For caseworkers, this means that more resources to focus on those requiring more intensive support and those furthest from the labour market. Canada, Australia and the USA were some of the first G20 countries to implement public services online. Job vacancies are online along with a range of careers support, tools and career management services. At the municipal level community based employment service delivery organisations also provide face-to-face and online careers services.

In Québec, it was noted that a key enabler of the profiling tool was to ensure the PES staff are properly trained to use it and understand results in order to ensure that jobseekers are directed to the right support and benefit from that support. This poses a particular challenge in a context where, as is the case with Emploi-Québec, the use of profiling is decentralised. Jobseekers must be assessed accurately, such as looking at their employability, to determine whether those who were referred as being at risk of exhausting their provision are actually at risk.

The main barrier to the implementation of profiling across the provinces is the quality of the information on jobseekers provided by the Federal government, who process the claims. This is seen as particularly problematic when the Federal government does not manage the employment support measures offered by providers at the provincial level. Information about jobseekers is key to the proper functioning of the Emploi-Québec identification and referral mechanism. It was noted that Service Canada has questioned the reliability of the claimant information stating that only information required to set the benefit level may be requested. Without this information, the provinces and territories are unable to plan their services and support they are able to offer jobseekers.

4.2.5 Advantages and disadvantages to profiling

Focusing on the identification and referral mechanism of the Emploi-Québec, there are a number of advantages and disadvantages. First, it is well established and recognised approach that has been used for a number of years. Although designed and implemented within the technological constraints at the time, it has worked effectively. For instance, all variables are weighted the same (see Table 4). However, the increase in the numbers requiring support and issues with the quality of the data provided by jobseekers have prompted a shift in thinking and an exploration of a statistical approach to identifying and referring Employment Insurance claimants.

A current problem with the approach is that not all jobseekers at risk of a prolonged benefit period are processed by the mechanism. It is estimated that 30-70 per cent of jobseekers are not processed, as they indicate on the *Employment Insurance* application that they expect to return to work for their previous employer, which is often not the case. This reduces the effectiveness of the identification mechanism. It is stated that this has a negative impact on EI claimants as they could have benefited from early support from Emploi-Québec.

Identification of jobseekers using a statistical model is considered advantageous, as it would reduce the risk of mistakes and misuse of the profiling approach. Importantly, it is believed that this model would provide objective treatment of jobseekers providing equitable treatment. The current system runs the risk of two jobseekers with the same characteristics be referred or not referred depending on their local employment centre.

It is considered important that the probability of a jobseeker exhausting their claim takes into account their characteristics. It should not be based on identifying at risk groups based on a few characteristics. This is currently under review by Emploi-Québec with the Ministry of Employment and Social Development Canada.

4.2.6 Current development and future trends in the use of profiling

Since the recession of 2008/09, the number of jobseekers requiring support from government services has increased. In response the federal government, implemented an Economic Action Plan to help those most affected, which has included reforms to *Employment Insurance* and the *Connecting Canadians with Available Jobs*. The client base has changed during the post-recession recovery; the numbers on long-term unemployment has increased (stabilising at 12.1 per cent) and youth employment remains high (OECD, 2014). The provinces are providing evidence that many of those that they are seeing have been unemployed for a significant period, have multiple barriers to finding employment and are further from the labour market. Funding that was set up for those requiring additional support and those not eligible for Employment Insurance (such as immigrants and those new to the labour market) is low. All point to the need for a change.

In the past this has been driven by supply, but over the last two years this has shifted to a demand driven approach. Therefore, service providers are trying to engage employers to select people and offer them employment.

Currently, the Labour Market Development Agreements are being renegotiated. A key element of the Agreement that is being examined is the exchange of information about Employment Insurance recipients and the targeting of 'priority' jobseekers for referral to training and other support. Currently, the provinces and territories have a requirement to only report on certain indicators, which has an impact on the analysis. All Agreements will have a clause that each province and territory will be supplied some nationally collected information and it is up to them to determine what happens next. If the current approach is not changed then it is believed that it will undermine Emploi-Québec's ability to allocate and manage funds, meet the obligations from the Labour Market Development Agreement, as well as reach jobseekers at risk efficiently and provide adequate support. It is argued that this will result in savings in terms of Employment Insurance benefits.

In 1998, an econometric model using claimant characteristics was considered in Québec to support the identification of at-risk jobseekers based on the probable length of benefit claim and the risk of exhausting their claim. This model was rejected, at the time, due to the limitations of the technology. Now that jobseekers apply online for their Employment Insurance, it is possible to automate the profiling process. The current algorithm, that determines whether a jobseeker meets the criteria, could be replaced by one that is based on a jobseeker's characteristics. The benefit of this profiling approach is considered to be the better identification of at-risk jobseekers using all their available information on their characteristics. These characteristics would be weighted based on an analysis of historical data[74].

Dussault (2015) has been assessing the viability of an identification and referral mechanism based on an econometric model used Emploi-Québec data. It was found that the criteria low educational achievement was not a good indicator of identifying a jobseeker at risk of exhausting their claim or becoming long-term unemployed. However, low wage was found to be the most effective variable at identifying those at risk. It was concluded that using only the available variables, an econometric model-based approach could improve the efficiency of identifying at risk jobseekers. The model correctly identified 59 per cent of jobseekers that would exhaust their benefits. It has been suggested that moving to a statistical approach to identification and

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[74] In order to develop a statistical model, a 5-year history of data on benefits paid and claimants' characteristics had to be obtained from Service Canada.

referral would free-up resources used to setting identification criteria and communicating with Service Canada, as Emploi-Québec would just have to set a threshold beyond which jobseekers would be referred based on its ability to provide support.

Generally, it is hoped that in the future there will be closer coordination of Parts I and II of the *Employment Insurance Act* and a more integrated vision of management of the income benefits. This would include a better understanding of the impact of decisions on the ability of the provincial and territorial PES to carry out efficient and effective planning and deployment of their efforts to support EI claimants. The aim is to reduce EI benefit periods and expenditures, unemployment and the resulting economic costs.

4.2.7 Conclusion and assessment

In Canada, there is a well developed system of assistance for unemployed Canadians in the form of Employment Insurance. This is supported by the provinces and territories who have responsibility for administering the active measures Part II of Employment Insurance. Within Québec, there is an established and relatively effective system of identification and referral that has been in operation since 1999. The current profiling system operated by Emploi-Québec identifies those at risk using a selected number of variables from the information jobseekers provide at the time they make an Employment Insurance claim. The move to online registration, increases in the number of unemployed and concerns over the resources available to deliver services has resulted in the consideration of statistical profiling to better identify those at risk of long-term unemployment or at risk of exhausting their Employment Insurance claim. The aim is to identify those at risk faster as research shows that the earlier you get to an individual in the claim the faster they get back into the labour market.

5   PES Expert workshop

The Expert PES profiling workshop held on 12-13 March in Brussels complemented the literature review and case study research by reviewing the latest trends and current developments in methods to profile jobseekers across European. The workshop was designed to build on and further explore themes identified during the Dialogue Conference: *Profiling Systems for effective labour market integration*[75] (held in Brussels 11-12 May 2011). The main objective of the workshop was to provide practical outputs to assist Member States' PES in adapting profiling systems, which can support their delivery strategies, operational delivery systems and resources deployment.

The workshop engaged key stakeholders, profiling subject experts and representatives from Member State PES in discussions about the findings from the study's literature review and the series of case studies examining profiling practices from selected Member States, Australia and Canada. The workshop was divided into four sessions:

- Customer journey and assessing distance from the labour market through jobseeker profiling;
- Design of the profiling tools and choice of variables;
- Staff engagement and counsellor dimension;
- Profiling to support resource distribution and benefit savings.

Two experts presented in each session. For each session, four questions were discussed in small groups. The following provides a summary of the small group discussions.

5.1   Thematic session 1: Customer journey and assessing distance from the labour market through jobseeker profiling

At which stage of the customer journey is the profiling tool used and how?

The discussion identified a number of stages in the jobseeker journey where profiling tools are used. They were reported to be taking place at one of three stages of the registration/claim process: first, at an initial online registration stage; second, at face-to-face registration with the caseworker; and finally, two to three weeks into the process.

The possibility of re-profiling was discussed. Whilst it was noted that there is often a need to revisit the profile, re-profiling was not reported to be systematically undertaken and was more likely to be a review later in the process. For instance: in Estonia re-profiling is dependent on jobseeker skill changes; in the Czech Republic different groups can be re-profiled; in the United Kingdom profiles are continually reviewed and when circumstances change dramatically, jobseekers are re-categorised; and in Sweden action plans are re-evaluated, but statistical profiling is not repeated. Re-profiling was considered important to take account of any changes to a jobseeker's circumstances (such as personal changes, skills development, training etc.) and when services are being allocated. There was an agreed need to revisit a profile and adjust.

In discussing how profiling tools are used, it was reported to be undertaken online and/or face-to-face with a caseworker. Tools are variously being used to: identify positive aspects of a jobseeker's profile; allocate services and support; and identify those at risk of long-term unemployment.

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[75] See http://ec.europa.eu/social/main.jsp?langId=en&catId=105&newsId=1025&furtherNews=yes

Can profiling tools have a positive or negative behavioural impact on customers and job search behaviour?

The initial discussion on whether tools can have a positive or negative impact on jobseekers and job search behaviour focused on whether jobseekers, firstly, know they are being profiled and, secondly, on whether the results of the profile are shared. Different approaches were discussed in terms of how direct caseworkers were in terms of communicating profiling results to their clients. In Denmark, full transparency in terms of sharing results and the data used in modelling were not only expected, but also required by law. It was noted that training of caseworkers was important if the results were going to be shared with jobseekers. It was considered that complex statistical results should to be given in context. Honesty is considered important.

There is understood to be an increasing shift towards 'self-help' and online completion by jobseekers, which raised the question of whether customers start the profiling process themselves as opposed to caseworkers initiating the process. Online profiling could be considered less transparent, whilst others felt that providing results online could be viewed as dehumanising. However, it has been the practice in the past for some PES to let jobseekers know the 'results' from profiling, but if negative, it was agreed that this may discourage jobseekers. It was noted, for instance, that if profiling starts with the identification of problems and barriers, this may be detrimental to jobseekers' motivation.

In contrast, some EU Member States' representatives said that the aim of profiling was to have a positive view on jobseekers and encourage positive behaviour. So, it was thought that there needs to be a shift away from problems towards opportunities and potential actions. In Denmark, for instance, jobseekers are encouraged to focus their minds positively at an early stage, but there were also concerns that some jobseekers do not have realistic views about their employability and employment options. There was a view that profiling should include motivational questions backed up with hard (statistical) data to encourage realistic views. In Belgium (VDAB), also, caseworkers are provided with a toolbox including 'assignments' for jobseekers, which encourage the jobseeker to be actively involved in the process of finding new work. This was considered motivational.

There are also situations where finding new work in locations where unemployment was relatively high and job vacancies were relatively low meant that jobseekers may be realistic about their low chances of finding re-employment and this could be demotivating in itself. In France, the general atmosphere of the labour market means that many jobseekers do not know their own strengths.

Within which particular PES institutional settings do particular profiling systems work and can they serve to strengthen the relationship between the PES and Private Employment Services?

Participants stressed that no relationship exists between PES and Private Employment Services (PrES) in terms of profiling systems. It was noted that PES and PrES work in silos in the field of profiling. This stands in contrast with other areas of cooperation between PES and PrES, which share information on jobseekers and job vacancies in many countries, such as in Bulgaria. However, in Flanders, Belgium, the customer has to explicitly agree for their information on their file to be shared with the PrES (this includes profiling information).

The fact that PrES often have different commercial rationale for profiling jobseekers to the PES was discussed. It follows, that profiling systems are designed in a different manner to reflect this different rationale.

In some Member States, profiling has been reformed in the context of cuts in the PES budget, in for example the Netherlands and Hungary, which has an impact on their relationships with other organisations.

In a number of countries, there are two types of caseworkers: civil servants and temporary contract agents. Temporary agents regularly go back and forth from PES to PrES and, thus, create a valuable link between the public and commercial world; this is the case in Portugal, Finland and Flanders, Belgium. It was noted that valuable competencies acquired in PrES and PES settings were transferable and an important consideration in developing the relationship between PrES and PES.

How has evaluation evidence been used to inform improvements in profiling?

The discussion identified mixed experience of both profiling and how profiling systems have been evaluated. A good monitoring and evaluation evidence base exists in, for instance, Austria, the Netherlands and Slovenia. However in other countries, Ireland for example, data from the model, such as exit rates have been used to ascertain whether the predictive power of the model works.

A strong evaluative culture exists in the Netherlands where all changes in the delivery model are evaluated and the results are used to update and improve the model. In Slovenia, systematic monitoring means there is an emerging evidence base, which is available to inform decision-making. The majority of the group have tested models of different types and systems have changed or evolved over time based on evaluation evidence, for example Austria and the Netherlands, or simply based on the results from the profiling system, for example in Ireland and Slovakia.

Learning from the profiling systems and findings from evaluations are key evidence that can be used to secure 'buy-in' among staff, both managers and caseworkers. In order to 'sell' profiling to caseworkers, manager buy-in is important as managers that do not support profiling systems can have a negative impact on take up and support for the system from caseworkers.

A final point raised by the group concerned the legislative framework within which they delivered employment services. Legislation can act as a barrier to implementing both profiling and necessary changes to existing models and systems. Particularly important is the failure of legislation to keep pace with developments in how PES want to deliver services. This was particularly important in the case of Romania and was a contributory factor in the absence of a profiling system.

5.2   Thematic session 2: Design of the profiling tools and choice of variables

What place should ethical considerations have in the selection of variables to be integrated into a profiling tool? What are these considerations?

Some of the major questions discussed were around whether profiling is used as part of conditionality or to empower jobseekers, and whether profiling systems and/or results are transparent or not. These were found to differ by country context and the type of profiling approach or tool implemented. In the United Kingdom, it was noted that there is a strong presence of scrutiny when implementing a new segmentation process and ethical considerations are part of this scrutiny.

It was felt that ethically, the caseworker should deliver profiling results, as there needs to be some explanation of results. The use of statistics and numbers were, however, not considered helpful for jobseekers. In the Czech Republic, for instance, jobseekers were found to be afraid of the process, so there was a need for transparency and explanation.

In countries where there is equality of services (such as in Estonia where everyone has a right to access the same services), ethical considerations in the selection of variables are not an issue. Variables are selected to help identify different needs of jobseekers. Conversely, it was noted that where services are over-burdened, there is a need to ration or restrict services by taking more variables into account. It was

suggested that where profiling is undertaken online by the jobseeker with the support of the caseworker (such as in Actiris, Belgium), it is possible to choose what information to provide and, therefore, influence variables that are used. The ethics of variable selection was debated.

Overall, the selection of variables was considered complex in terms of how this influences allocation of services, who gets intensive support and what happens where resources are limited.

How is demand for labour in the local labour market integrated into the design of the profiling tools?

It was highlighted that in some PES, real-time local labour market conditions were already known and were integrated into profiling tools and/or used by caseworkers (such as in VDAB, Belgium). Building in location variable(s) into econometric techniques and models was considered relatively simple. It was noted that as long as good historical data were available, it could serve as a good predictor in a profiling tool. For others, there were questions around how and when to update local labour market conditions. It was recognised that even for those PES using real time local labour market information, there is always going to be informal hiring that is not reflected and that not all vacancies are advertised. There was some discussion about involving the jobseeker in doing some research into the conditions in their local labour market, such 'home work' projects, were considered beneficial.

The role of PES as brokers in matching and placements was discussed. The Belgium (VDAB) PES, for example, outlined some of the more 'hands on' approaches such as job carving, speed-dating and using skills shortages data that were used to improve the brokerage and matching process. Alongside this, the important question of the role of employers and how employers might be involved in the system as part of integrating local labour market data was debated. The importance of 'soft skills' was also raised whereby employers may be willing to train jobseekers in technical skills, but it was an increasingly important challenge for PES to work with local employers and understand the demand-side of their local labour markets.

The increasing use of social networks, such as Facebook and LinkedIn, were also discussed where the 'traditional' job matching process was radically changing because of social media. In France, the PES works with social media to aggregate job vacancies so they can be published and integrated into their statistical tools. They also reiterated the importance of PES caseworkers focusing on the 'value-added' by creating opportunities for all players in the labour market. Similarly, the Danish PES representative outlined how their system involves three tiers for job vacancies: advertisements on the PES website; searches for matches in the system; and employers contacting PES for assistance in filling vacancies.

There was a discussion among participants about what is meant by a 'local labour market', whether this meant a travel to work area. For example, in Spain travelling a distance of 90 kilometres was deemed reasonable whereas a distance of 20 kilometres was considered reasonable in Latvia. This led to a further discussion about notions and expectations of mobility and about the use and feasibility of subsidies and assistance to help jobseekers to relocate.

In summary, it was thought that both macro (econometric models) and micro (local level, personal contacts) were important in the design of profiling systems.

Are different rationales for profiling a factor in the adoption of different approaches?

It was largely agreed that different rationales for profiling were a major factor in the adoption of different approaches. It was felt that it was important to note that profiling systems are embedded within national institutional frameworks and cannot be transferred from one country to another. Nevertheless, it was suggested that certain

specific elements may be transferable. In many Member States, a combination of different tools are used to form complex profiling systems. Different sources of data are used to draw up a complex picture of the profiled jobseeker.

First, the design of the profiling tool and the point in time when it will be carried out was discussed. The design of profiling tools is dependent on its rationale. For instance, in Germany, the caseworker profiling system aims to shorten the time of unemployment by identifying the obstacles to integration into the labour market and then proposing services and/or remedial actions to remove these obstacles. In this case, profiling will be a longer and more drawn out process, which does not need to take place at the point of registration. In Germany, profiling is a continuous process. Whereas in Ireland, the profiling system aims to reduce the number of long-term unemployed and target resource by providing early intervention and more intensive support to those with a higher risk of long-term unemployment. In this case, statistical profiling is carried at the point of registration.

Second, it was discussed that statistical profiling tools are often designed to support the profiling work of a caseworker, but this was not always understood by the caseworker. It was suggested that profiling systems that use only statistical models are deterministic and are not sufficiently client-focused, which may offer one explanation as to why some profiling systems are withdrawn. It was also suggested that caseworkers can be suspicious of online services being directly delivered to jobseekers since they feel they are being side-lined. The role of the caseworker in adopting different profiling approaches was considered. Sensitive data on jobseekers are often collected informally by caseworkers, for instance medical information (drinking disorder) or housing situation (lack of housing). This information cannot be recorded in the jobseeker's file (as in France) for legal or privacy reasons. However, caseworkers can use this information to refer the jobseekers to relevant social services. In this regard, the caseworker has a crucial social role for disadvantaged jobseekers facing multiple and complex barriers to the labour market by creating a relationship of trust and referral.

Finally, the issue of a trade-off between predicative capacity and the complexity of profiling model in terms of data requirement was discussed. In the United Kingdom for instance, an early experiment in statistical profiling led to a predicative capacity of 70 per cent, which was considered too low justify implementation. The target score of 80 per cent predicative capacity could be reached, but the number of variables had to be increased making the rolling-out of such a system not practicable. The minimum predictive capacity will vary from one country to another. For instance in Germany, the statistical profiling has a performance target of 70-75 per cent.

How have changes to the PES customer base influenced the development of PES profiling tools?

While the nature of the customer base has changed for the majority of countries, this is not necessarily the primary rationale for changing profiling tools. A key part of the discussion explored the focus of and rationale for different profiling systems, which customers were profiled and job search conditionality for welfare clients. The discussion highlighted that while common terminology was used among the group it meant different things in different countries dependent on whether PES had welfare responsibilities and if profiling was used with welfare clients.

Internal drivers appeared more important in the development of profiling tools than the customer base. A need to reduce deadweight (which can be linked to a stronger, more job ready client base in an economic downturn) or changes in the welfare and pensions systems were considered stronger drivers for change. Profiling is also being used to improve cost effectiveness and targeting services linked to individual needs; a key concern when unemployment is rising. E-channels have developed alongside profiling tools to cost effectively deliver services to people who are capable of using self-service systems.

5.3 Thematic session 3: Staff engagement and the counsellor dimension

What steps were taken to secure staff buy in when profiling approaches were introduced?

The discussion on the problems associated with the implementation of profiling tools included: the increase in caseworker workload; the need for longer interviews with jobseekers; and devaluing the expertise, skills and knowledge of caseworkers. Common approaches to securing staff buy-in were discussed. These included ensuring staff involvement in the development and trialling of an approach, as well as staff training (sometimes accredited) and encouragement to change their mindsets, such as seeing the profiling tool as a supportive measure, streamlining the process and helping jobseekers get the services and support they need. This was expanded by an example from Ireland where profiling is promoted and seen as developing the caseworker role, as the spectrum of work and jobseeker groups expanded. Staff buy-in was also gained by increasing their discretion in not only when and how to use the tools and results, but also whether to use the results (for instance in Actiris, Belgium and the United Kingdom). Caseworkers are, therefore, seen to control and monitor eligibility. Furthermore, in some instances, profiling approaches have been implemented in response to the increased workload of caseworkers in an attempt to help reduce work (such as in the United Kingdom).

Management buy-in was also considered to be important during the introduction of profiling approaches. For instance, the Austrian PES discussed their experience with statistical approaches. The introduction of a statistical approach to profiling led to major changes in the role of caseworkers that was not accepted, as they felt devalued. It was explained how this highlighted the need for buy-in from management to support and explain the process with caseworkers.

Overall, caseworker and management buy-in and support in the implementation, introduction and use of profiling tools was agreed to be key to ensure profiling systems, tools and approaches are adopted and managed. There were examples of where caseworkers resisted the use of the profiling approaches, so tools have been either withdrawn or in some instances caseworkers have been reassigned or dismissed.

Is there an optimum balance between caseworker discretion and data assisted profiling?

Caseworkers were agreed to have a key role to play in profiling, but how much discretion they have in the use of the profiling tool and/or the results was mixed. For instance, high caseworker discretion and low data driven profiling, high data assisted data profiling and low discretion, and finally, a balance between discretion and the data. It was noted that around a decade ago, it was assumed that PES would, in the future, rely almost entirely on highly sophisticated statistical profiling tools. However, today a balance or mix of caseworker and statistical profiling is used. Several Member States have recently introduced a mixed system of statistical profiling and caseworkers discretion (in Poland since 2014, in Portugal since 2012 and in Lithuania since 2012) also in use in Finland and Belgium (Flanders, Le Forem). The Belgium (Le Forem) PES highlighted how profiling was one part of the process – not the whole process – that it was just one of the tools available to caseworkers. The discussion suggested that mixed approaches to profiling were common across Member States.

To discuss the balance between caseworker discretion and data assisted profiling, the role of the caseworker and the accuracy of tools were discussed as important indicators in determining the balance in the approach adopted. It was generally accepted that caseworkers often make decisions that are resource-intensive, which can explain why managers may favour introducing, what might be deemed, a more 'objective' approach (such as statistical profiling) in the decision-making process. The

Finnish example of where statistical profiling was found to have an accuracy rate of 90 per cent was discussed, but despite this high level of accuracy, caseworkers did not accept profiling. The Finnish PES caseworkers believed that human interaction generated a better service. In addition, the Greek PES provided examples where certain types of information and questions were particular to an individual, so there was not a standard set of questions asked of everyone. The importance of trust was discussed, whereby contact with a caseworker can build trust and help to motivate and activate the jobseeker. The French PES, for instance, talked about the importance a jobseeker seeing someone and this face-to-face contact may also involve the signing of a contract. In contrast, in Latvia, for example, jobseekers are not necessarily aware they are being profiled by caseworkers. In some Member States, such as Poland, Portugal and Lithuania, caseworkers are obliged to use the statistical profiling tool.

The group also discussed: whether caseworkers have to accept the results from a profiling tool; and whether and how they have to use the results. In Germany, for example, the caseworker has discretion whereby they must follow a relatively strict method and if they would like to deviate from the profiling results, they have to justify their decisions. It was generally agreed that it was a good thing to give caseworkers discretion. However, if they are given some discretion then they also need clear guidance and criteria on what discretion they have and in which circumstances they can use it.

The use of profiling to ration resources was then discussed in terms of the different aims or purposes of profiling. If profiling was being used to ration resources, should caseworkers be made aware of the rationing decisions? How much knowledge do caseworkers need to know about the statistical profiling system or model? It was generally agreed that caseworkers are a precious resource and this resource needs to be allocated as efficiently and effectively as possible. While it was desirable to involve caseworkers in the design of a profiling system and desirable to ensure that caseworkers had some degree of autonomy or discretion in using the profiling results, if the purpose of profiling was to ration scarce resources, then it may not be possible to give caseworkers as much discretion as they would like. It was agreed that there is an optimum balance between caseworker discretion and data assisted profiling, but this is driven by the rationale and approach to profiling adopted.

What leeway should staff be given in using profiling tools?

All participants stressed the value of caseworker discretion and the importance of providing them with adequate training to make the best use of their experience. It was noted that profiling tools require highly motivated and skilled caseworkers, trained in the use of profiling tools. Participants highlighted the importance of providing two types of training: general training in the caseworker role; and training on understanding the labour market and occupational knowledge of different careers and professions (e.g. Hungary offers this dual training). The demand for training has to be bottom-up. For instance, Slovakia has established staff training sessions since January 2015 coinciding with the introduction of the new profiling system.

Examples were discussed that noted the extent to which staff are given leeway in the use of profiling tools. In many Member States, caseworkers are obliged to make use of statistical profiling tools, but may override their results. In cases where the caseworker overrides statistical results, they must justify the decision to do so. For instance, in Portugal, a caseworker may override the diagnostic result of the statistical profiling tool, but they are obliged to justify their decision to do so. In certain cases, however, the caseworker cannot deviate from a pre-established range of actions. For instance in Portugal, in the case of jobseekers that are at high risk of long-term unemployed, the caseworker is obliged to choose actions within a particular range of pre-established actions. In contrast, in the United Kingdom, caseworkers have a range of diagnostics tools at their disposal, but none are mandatory. The caseworker's discretion has a strong added-value concerning elements that cannot be scored by

statistical profiling instruments, such as motivation, attitude, confidence in reintegrating the labour market, job goals, etc.

Does the introduction of profiling tools have implications for the role of PES staff and counsellors?

The group agreed that introducing profiling tools has implications for how PES staff and counsellors do their jobs. Caseworker buy-in is dependent on them seeing the value in the results from the profiling tool in terms of how they might help a jobseeker move towards the labour market. Hence training, research and evaluation to support the introduction of profiling is essential to ensure that profiling is used as intended and that it makes a difference.

How caseworkers respond to the introduction of profiling appears to be determined by their involvement in its development, whether they do the profiling themselves (or simply work with the results from the profiling exercise) and whether they are required to use it.

The views expressed among the group were both positive and negative. The positive feedback highlighted that profiling can help professionalise the service delivery that is offered, help better orientate services towards the needs of the unemployed and give caseworkers the tools to help make difficult decisions about support needs within a framework of resource constraints. The more negative comments focused on concerns raised by caseworkers, such as: a loss of freedom to make decisions; job security; and segmentation among caseworkers (where unanticipated differentials emerged between caseworkers working with intensive support jobseekers and those working with regular jobseekers).

5.4 Thematic session 4: Profiling to support resource distribution and benefit savings

How can profiling be used to support resource deployment decisions?

The use of profiling tools was discussed in terms of it acting as: a management tool to help allocate resources; a tool to send people on active labour market programmes; and as a performance measure. Supporting resource deployment decisions was viewed as one application of profiling. Profiling tools can be used as a useful indicator of active labour market programme performance (availability of programmes was considered key) and/or a particular PES office performance.

Two examples of how profiling can be used to support resource deployment decisions were described. First, the Spanish PES discussed how scarce resources meant that the PES does not have enough time or money to help everyone and that difficult decisions need to be made, which is where some form of segmentation can be helpful. Second, in Ireland, for instance, by using profiling results the proportions that are segmented can help determine resources needed for the forthcoming year. It is, therefore, possible to adjust the cut-off points for different segmented groups. Importantly, it was not about reducing resources, but about the distribution of resources. Profiling is outcome driven.

It was agreed that at the local level, PES determine demand, so should be able to determine the allocation of resources, which can be supported by profiling. This was noted to be the case in Germany and the Czech Republic, where local PES are able to determine how their budgets are spent, so profiling is used to support resource deployment decisions. In contrast in Ireland and Hungary, resource allocation is planned centrally.

What's the trade-off between increased numbers of clients and quality of available support?

It was generally recognised that an increase in the number of unemployed presented a major challenge for PES in terms of determining how best to invest in those most in need, how to deliver services and the impact on caseworkers.

Changes in the systems and the increase in jobseeker numbers have impacted on the PES, profiling and available support. For instance, in Austria, the crisis as well as the introduction of changes to the unemployment system (such as activating people with health problems who were previously not required to search for work) had drastically increased the workload of PES. This makes it even more important to try to establish who needs various types of support. In Greece, the PES service is complex so it is not possible to design a simple system. While it is desirable to provide some services to those most 'job ready' online, this impacts on the quality of the service. The Greek PES provides services 'on demand', but it was thought to be more effective to provide services to a smaller number of jobseekers as there is not enough time to spend with everyone.

A discussion about multi-channelling (i.e. various combinations of face-to-face, telephone and internet channels) was held. Examples of this were discussed. Firstly, in Belgium (VDAB), the PES has invested heavily in online tools for jobseekers so that they can strengthen themselves in the labour market and access information to help them find their own way. At the same time, the PES was trying to improve identification and early intervention for those most in need. Secondly, in France, the increase in the number of unemployed has had an impact on the nature of contact with jobseekers (in terms of quantity rather than quality). Online tools and telephone interviews were being increasingly used instead of face-to-face. Finally, in Latvia, the PES is moving more towards increased online delivery, reduced face-to-face interaction and increased self-service.

Different 'psychological contracts' exist between jobseekers in schemes based on unemployment insurance versus welfare. Nevertheless, rationing is a political reality for most PES and it was suggested that caseworkers spend an increasing amount of time on compliance and/or sanctioning.

Overall, it was agreed that the increasing diversity of PES jobseekers means that channels other than face-to-face will become increasingly important, as the PES will not have enough resources to provide intensive support to all. While IT can help, it was thought that there will always be some complex jobseekers with multiple barriers and those without the necessary IT skills to navigate 'self-help' channels. It was also recognised that it is likely that the EU will increasingly focus on the long-term unemployed and expand the activation of groups who were not previously clients of PES. It was agreed that this would change the role and pressures placed on caseworkers.

How are profiling tools being designed and implemented in the context of wider delivery strategies?

Discussions raised the issue of whether caseworkers should be allocated a particular category of jobseeker in order to capitalise on their specialisation and expertise. For instance, in Bulgaria, the introduction of the Youth Guarantee, has led to the creation of a particular category of caseworker working only with young jobseekers (and which have specific tools at their disposal to support young jobseekers who often face similar obstacles, for instance, a lack of work experience, a lack of job-search skills, etc.).

Profiling systems were identified to be implemented to meet particular service delivery demands and objectives. For example, different profiled categories of jobseekers will be directed towards different service categories. It was noted to be important to use the data available to evaluate which services are most beneficial for different target groups. This raised the issue of work-first or education-first approaches. In Denmark,

if a young person registers as a jobseeker and has the profile of an early school leaver, they will be signposted towards education first. Whereas in the United Kingdom, 'intensive activation' courses are expensive and will only be used in those cases that are likely to have the strongest effect. In the cases of complex jobseekers with multiple barriers to the labour market, profiling can serve to refer jobseekers to relevant social services.

Changes in policy at a national and European level were discussed. Short to medium term changing policy priorities were agreed not to affect the redesign of a national profiling system (i.e. the manner in which jobseekers are profiled), but rather the amount of resources that can be spent on distinct groups. Policy also determines changes in priorities, but these do not lead to a change in the profiling tool itself. This denotes a lack of flexibility in the profiling systems.

How are PES using profiling systems to assist the balance between intensive support for the most vulnerable clients and self-help for others?

Typically profiling systems are used to screen out stronger, more job ready jobseekers, so that the PES can focus on jobseekers who require in-depth and intensive support. The decision to provide intensive support is a difficult decision to make, especially where all jobseekers have a right to access guidance and support (for example Belgium, Actiris). While in some countries the profiling system identifies whether a jobseeker or particular target groups are entitled to access intensive support (as in Denmark and Sweden), whereas in the Netherlands a *Work Profiler* takes this decision. In addition to the 70 plus factors in the model, *Work Profiler* uses soft factors to inform their decision, including: motivation; job search behaviour; and customers' perceptions of their own health. With profiling currently focusing on young people in Denmark, an equivalent screening tool for adults is being developed. The tool will help provide caseworkers with information to inform their decision on which jobseekers will access intensive support.

Availability of resources is a key factor in determining which jobseekers access intensive support. Resources are typically orientated towards customers in greatest need, which was identified to represent a large group of all jobseekers in Romania. While young people are an important client group, initiatives such as the Youth Guarantee are skewing resource distribution and act as an obstacle to 'normal distribution' for other target groups.

5.5   Summary of workshop discussions

From the discussions, it is evident that the rationale and design of the profiling approaches and tools are dependent on the county and institutional context, as well as the objective of the tool (i.e. to allocate resources, identify those at risk, etc.). This context impacts on a number of elements of the profiling system such as the design, introduction, caseworker discretion and jobseeker awareness of the profiling and/or results. Profiling systems can be used for several purposes; one design can serve to deliver several objectives, but whether this was achievable was questioned. It was noted that careful reflection on the purpose of a profiling tool and how it serves jobseekers is required.

Caseworker and management buy-in are seen as necessary to the successful implementation of profiling systems, approaches and tools. A range of methods used to ensure this buy-in was identified, including:

- Caseworker and management involvement in the design, development and introduction of the profiling tools;
- Good communication around the design, development, implementation and evaluation of the tools;
- Caseworker training on the purpose of the tool, implementation of the tool and use of the profiling results;

- Ensuring the caseworker sees value in the results in terms of how they may help jobseekers move towards the labour market;
- Promotion of the tool as an approach to streamlining process, reducing workload and improving cost effectiveness and targeting of services.

There needs to be a balance between caseworker discretion and the use of profiling. It was noted that there would always be a need for the human element, as it was not possible, or desirable, for PES to be completely automated. Self-service facilities were, however, seen as a way to free up some resources. It was acknowledged that given scarce resources and large numbers of jobseekers, some form of targeting or segmentation was needed because PES cannot help all jobseekers or provide intensive assistance to everyone.

While it is important for jobseekers to take ownership of the profiling process, profiling can focus on identifying strengths and/or weaknesses. It was agreed that it was important to design profiling systems that would motivate jobseekers using a positive yet realistic approach. Profiling to identify the strengths of jobseekers means they can be empowered. However, different cultures in communicating results were identified.

Profiling should be seen as a process. Regular re-profiling means that a profile can be adjusted to a jobseeker's changing circumstances. It was undecided whether periodic re-profiling was needed or possible within current resources.

It was acknowledged that not only was there an increase in the absolute number of unemployed people, but that there was also a change in the type of people seeking assistance (i.e. increased diversity in the client group). IT tools and multi-channelling (via various combinations of face-to-face, telephone and online services) are currently being used or considered by PES, as there is not enough time or money to provide intensive support to all. Importantly, it was recognised that not all jobseekers will have the IT skills to navigate and use online tools and self-help facilities.

Local labour market demands are considered a key element of any profiling approach. The importance of defining what is meant by a local labour market in the context of realistic opportunities for mobility and the important role that caseworkers can play as brokers at the local level was noted.

Finally, a number of questions were raised about the ethics of designing, developing and implementing a profiling system, the role of the caseworker in the process, whether and how profiling results are communicated, and whether jobseekers have access to the administrative data.

6   Conclusions

For this study, profiling, or segmentation, was defined as a recognised procedure for identifying and allocating jobseekers to different categories, which can indicate the activation measures they can access or are entitled to. Screening, profiling and targeting particular groups of jobseekers is considered useful for assessing individual needs with the aim of supporting a quicker return or transition to the labour market.

Research has shown that there are four types of profiling techniques used to categorise jobseekers, including: statistical profiling; rules-based profiling; soft profiling; and caseworker based profiling. Rules and caseworker based diagnostic systems might be better described as segmentation rather than classic profiling. The level of caseworker discretion increases respectively from statistical to caseworker based systems. Profiling is commonly thought to mean using some form of statistical model; this is one form of profiling. Statistical profiling uses hard administrative data and through a selection of predictor or composite variables creates a model that predicts that likelihood of a jobseeker of being unemployed for a significant period. Most models identify those at risk of being unemployed for over 12 months, which is a common definition of 'long term unemployed'. This approach is used in Denmark, Ireland and the Netherlands and is currently under development in Croatia. Examples were also found where statistical profiling models were being developed for specific target groups such as young people (such as in Denmark) and those already long-term unemployed (such as in Ireland). Second, rules-based profiling is where administrative or legally defined eligibility rules are applied to jobseekers to determine what support they are eligible for. This approach is rare, but more likely to be combined with other techniques. Third, soft-profiling describes a technique that uses a combination of eligibility rules, caseworker discretion, administrative data and more subjective, qualitative assessments and psychological screening tools. Finally, caseworker based profiling is where a caseworker makes a subjective assessment of the jobseeker, which will be based on their experience, administrative data and/or a range of assessment tools. They can have a high level of discretion on what support and services they judge will best help the jobseeker enter or return to the labour market.

Across the European PES most of the profiling techniques are not, in practice, mutually exclusive. Evidence from the case studies suggest that the shifts away from statistical profiling to approaches where caseworkers have more discretion has, in many instances, been the result of a lack of buy-in or implementation by caseworkers, inaccuracies in the profiling results or a shift in policy to provide equality of service provision. The in-depth case studies have provided evidence on how profiling has evolved and developed. Although more detail on the profiling methodologies adopted in the European PES, Australia and Canada is presented in Table 5 (below), an overview follows:

- Statistical profiling – Australia, Croatia (under development), Denmark (under development), Hungary, Netherlands;
- Combination of statistical profiling and caseworker discretion (level of discretion varies) – Bulgaria, Canada (Québec), Finland, Ireland, Poland, Sweden;
- Soft-profiling (combination of eligibility rules, caseworker discretion and assessment screening tools) – Germany, Italy, United Kingdom;
- Caseworker based profiling – Austria, Czech Republic, France, Slovakia, Slovenia.

The following summary of profiling approaches (see Table 5) used in European PES, Australia and Canada has been compiled from a variety of sources, including evidence from the literature review, case studies and PES experts

Table 5.   Summary of profiling approaches adopted by European PES, Australia and Canada

Country	Profiling approach				Caseworker discretion		Applied to all	Categories	Services targeting
	Statistical	Information or Data-driven#	Soft	Rules-based	Low	High			
Austria						■	No*		
Bulgaria	■				■		Yes	3 (highly motivated; vulnerable; those with complex issues, furthest from labour market)	
Croatia	■								
Czech Republic						■	Yes		Unemployed 6 months plus; those with only compulsory education; people with children under 15 yrs; those made redundant due to structural change; 50 plus
Denmark	■						Yes		
Finland	■				■		Yes		
France						■	Yes	4 (follow up; guided; intensive; global support)	LTU; young; disabled; seniors; women
Germany		■	■			■	Yes	6 (market; activation; promotion; development; stabilisation; support)	Those at greatest risk of LTU; older workers; young people; LTU; immigrants
Hungary	■				■				
Ireland	■				■		Yes	3 (low, medium, high risk of LTU within 12 months)	
Italy			■				Yes	3 (ordinary unemployed; those without suspension of work contract; beneficiaries of mobility programme)	Women
Netherlands	■						Yes		
Poland	■				■		Yes	3 (I fixed; II settled; III established)	Under 25 yrs; 50 plus; LTU; unemployed with social assistance;

											women returners; those without professional qualifications, professional experience or without secondary education; single parents; ex-offenders; disabled
Slovakia									Yes	No categorisation	Everyone has access to all services
Slovenia									Yes	3 (low risk; high risk; those reregistering following participation in an activation programme after less than one year as unemployment)	
Sweden									Yes	4 (excellent opportunity to find work; good opportunity to find work; need support; need early intervention)	High risk, long-term sick, youth, immigrants
United Kingdom									Yes	4 (full conditionality requiring active engagement in support services; work preparation and work focussed interviews; keeping in touch with labour market; and no conditionality)	LTU, 18-24 years, those at risk of LTU
Australia									Yes	4 (1-2, work-ready; 3, jobseekers with 'relatively significant barriers' to employment; 4, severe barriers to labour market)	
Canada (Québec)									Yes	2 (Rapid Re-employment; Employability Development)	Those at risk of LTU; those at risk of exhausting *Employment Insurance*

Key:

▢ = used in practice   ▢ = under development   LTU = long-term unemployed

This is where statistical data on the labour market are used as part of the system or approach to profiling. It is not used as part of a statistical model.

* Only applied to those who have been unemployed for 3 months plus, or those who are in a target group including school leavers from special schools, women with childcare responsibilities and people with disabilities

Please note that there is a lack of documented and publicly available evidence on profiling in Belgium, Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta, Portugal and Romania. Spain and Greece are currently developing profiling methodologies, but it is unclear as to the approach to be adopted.

Table 5 also details who undergoes profiling at the PES and target groups for services. Evidence suggests that in the majority of countries all jobseekers are profiled. The only exception is Austria where specific groups are profiled at the start of their period of unemployment, whilst others have to be unemployed for more than three months. Slovakia is the only country represented in Table 5 that does not categorise jobseekers, as the caseworker is able to choose from all available services to support the jobseeker on their return to the labour market. This is a unique case and probably the case due to low levels of unemployment. In practice, combining different approaches to profiling has been found to be effective. Effective is, however, defined by the context and expressed variously in terms of the profiling system: identifying those at risk of long-term unemployment and those with multi barriers to employment and in need of early intervention; ensuring that jobseekers are given access to services and support that is useful and meaningful; plus managing and allocating resources.

The case studies have highlighted some of the recent changes to the way jobseekers are profiled. Changes have reportedly been the result of policy and legislation changes, economic and resourcing constraints, the high caseload of caseworkers and/or a lack of buy-in from caseworkers. Some of the evidence from this study suggests that statistical profiling is still viewed as a good tool to support efficient allocation of resources. Caseworker discretion, however, it still considered resource intensive, but more effective in positive jobseeker outcomes. Evidence to support this conjecture is not available. Both Ireland and the Netherlands have moved to statistical profiling to help with issues of resourcing, increasing numbers of jobseekers and high caseloads. In Ireland, for example, high unemployment, poor labour market conditions and limited resources, meant that statistical profiling was needed to identify those at risk of long-term unemployment and target resources. Whereas in France there was a shift from negotiated statistical profiling to caseworker based profiling, as there was a lack of caseworker buy-in for the statistical approach. In France, caseworker discretion was found to be effective. Similarly in Slovakia a lack of support for soft profiling led to profiling being abolished and caseworker discretion implemented. There are low levels of unemployment in Slovakia and reportedly resources are not constrained. Interestingly, it was muted that profiling is still undertaken by caseworkers in Slovakia, but there are no guidelines or tools to support the process. In the United Kingdom and Australia policy reforms are also changing the way jobseekers are categorised to address resourcing issues. Therefore, it is evident that political, economic and cultural contexts play a role in which technique(s) is chosen and implemented to profile jobseekers, but that they also play a more important role in determining the overall purpose of the profiling approach.

From the study, it is also evident that to assess the efficacy of profiling methodologies, the aims and objectives of its implementation for both jobseekers, caseworkers and the PES need to be taken into consideration (such as decreasing the numbers who are long-term unemployed, targeting for specific active labour market programmes or interventions, reducing spending on unemployment insurance, etc.). The benefits and accuracy of profiling is dependent on the predictor variables, the personal information and characteristics of the jobseeker and the labour market information. Canada, France and the United Kingdom have highlighted legislative issues in the development of profiling tools as a result of data protection and concerns over data security and privacy. There are also a number of ethical issues with the implementation of profiling such as: the different weighting of variables in a model; and the provision of differentiated support and 'positive discrimination'.

The Australian and German systems both emphasise the need for labour market and vacancy information built into the systems to be maintained and regularly updated. In this respect, both systems are well resourced. It is important to note that they also represent well-developed and established systems that have been in place over a number of years and where minor refinements have been made, they are aimed at

improving their operation. Figure 3 below shows how the level of caseworker discretion and the type of data used vary by country. The figure has been adapted from the analytical framework developed by Loxha and Morgandi (2014).

Figure 3.   Representation of caseworker discretion versus data used in profiling methodologies by country
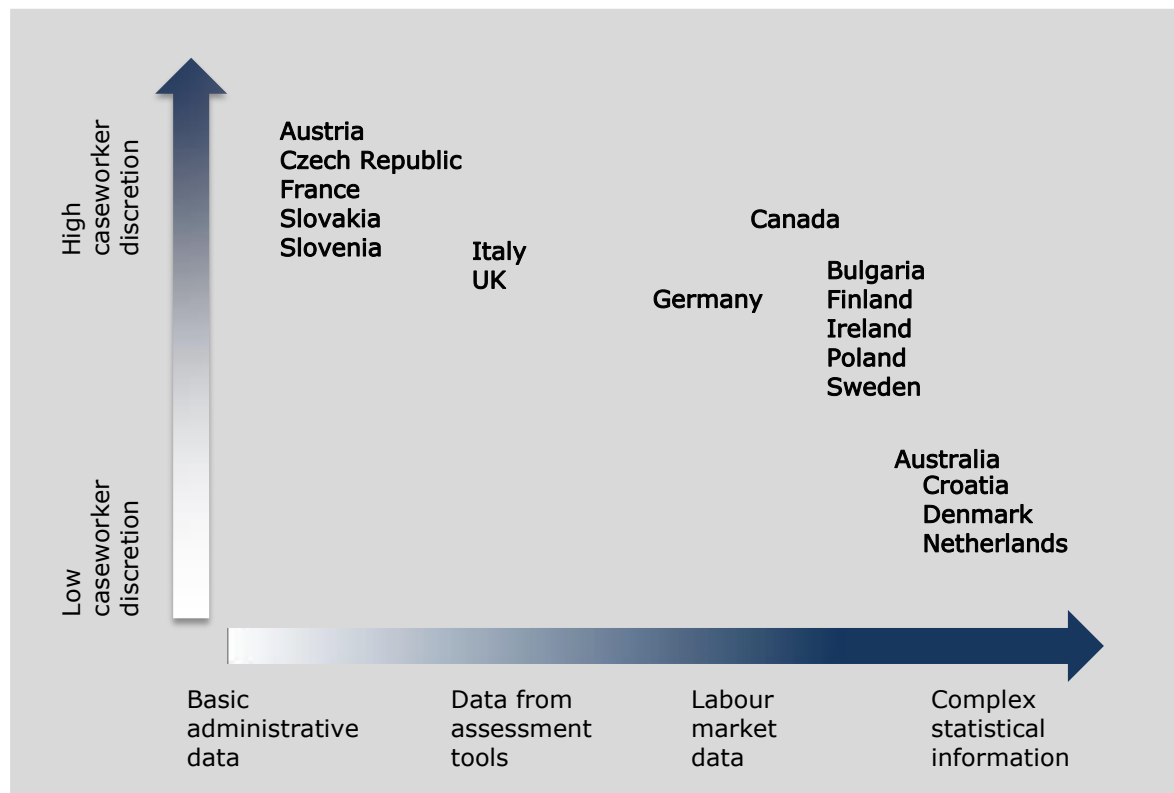
Source: Adapted from an Analytical framework presented in Loxha and Morgandi (2014)

A further theme throughout the study is the central role of the caseworker in the design, development, implementation and application of profiling tools. The evidence notes that the success or failure of profiling approaches is influenced by caseworkers. Involving caseworkers from the initial conception to its implementation has been shown to be key. The Australian, Canadian and German case studies exemplify how in the initial and on-going success of profiling has been the result of caseworker buy-in. Valuing caseworker knowledge and expertise has been an important element of securing buy-in, as in France and Slovakia. The implementation of the profiling tools in Ireland and Sweden suggested that training for caseworkers and better communication regarding the purpose of profiling may have helped with the transition to a new profiling approach. Generally, resistance has been evidenced with the implementation of statistical profiling, which may be viewed as devaluing caseworker skills and removing the responsibility for identifying support for jobseekers.

Although the case studies have provided a better understanding of what happens with profiling tools in practice, how they are implemented, managed and understood by caseworkers, there is a gap in understanding how profiling is received and understood by jobseekers. The study has highlighted the different practices in how jobseekers are profiled, whether they are aware of the process and whether they are informed of the results. This was a highly debated issue at the workshop, with discussions about whether knowing the profiling results would have a positive or negative impact on the jobseeker and the ethics of not informing them. There is no clear indication of what is best, as it is very much dependent on country and cultural issues, such as how the

PES is viewed by the public. More research is needed in this field. Germany is currently redeveloping its website to allow jobseekers access to their profiling results, so it will be interesting to see how this is received over the next few years. Generally, there is an increasing shift to self-help and multi-channelling, which is based on the assumption that jobseekers should play an active role in their own job search process. It is no longer the sole responsibility of PES to find them a job. In some countries, this represents a major shift away from the traditional role played by the PES.

Finally, it is evident that there is a general need for on-going evaluation and transparency around the effectiveness of profiling systems and tools. There is a significant gap in evidence concerning the effectiveness of profiling tools and whether targeting support and resources using this process can be effective in re/integrating individuals into the labour market and supporting sustainable employment outcomes. For instance, understanding how long is it before a jobseeker returns to claim unemployment insurance and what sort of quality are the jobs jobseekers are being placed in. This could be key to understanding how profiling approaches should be developed and their role in supporting jobseekers in the future.

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Annex 1: List of case study interviewees

Vincent Donne, Pôle Emploi, France

Representatives from the Department of Social Protection, the Economic and Social Research Institute and Intreo Centre, Ireland

Ralf Lenz, Bundesagentur für Arbeit (BA), Germany

Regina Konle-Seidl, Institut für Arbeitsmarkt- und Berufsforschung (IAB) der Bundesagentur für Arbeit (BA), Germany

Professor Ronald Blonk, Behavioral and Societal Sciences, TNO, Netherlands

Harriët Havinga, UWV, Department SBK/Knowledge Centre, Netherlands

Paul van Gent, UWV Werkbedrijf, Netherlands

PhDr. Ivana Káčerová Valkovičová, Department of Mediation Services, Slovakia

Mgr. Oľga Koštrnová, Department of Mediation Services, Slovakia

Four representatives from the Department for Work and Pensions, United Kingdom

A Jobcentre plus work coach, United Kingdom

Sally Sinclar, National Employment Services Australia (NESA), Australia

Rebecca Johnson, National Employment Services Australia (NESA), Australia

Annette Gill, Policy & Research Manager Karingal (JSA Provider), Australia

Representative from Employment and Social Development Canada

Communication with four representatives from Ministère de l'Emploi et de la Solidarité sociale, Québec, Canada

Annex 2: Factors and corresponding questions of the Work Profiler in the Netherlands

Source: Wijnhoven and Havinga, 2014

<u>Hard factors</u>
Age
1. What is your age?

Years employed in last job
2. How many years were you employed in your last job?

Problems understanding Dutch
3. Do you have problems understanding Dutch?
4. Could you indicate to what extent you have a command of Dutch (reading, writing, speaking, listening)?

<u>Soft factors</u>
Views on return to work (Van den Berg et al., 2007)
5. I think it will take me a long time to find work
6. I have often been rejected for work and do not expect to find work any more
7. I expect to find work soon on my own account

Feeling too ill to work (Van den Berg et al., 2007)
8. I feel too ill to work

Job search behaviour: Contact with employers (Blau 1994; Kopelman et al. 1992; Schellekens, 2003)
9. During the last month I have attended job interviews with employers
10. During the last month I have had telephonic contact with employers
11. During the last month I have visited employers

Job search intention (Blau, 1994; Schellekens, 2003)
12. The coming month I intend to do everything I can to find work
13. I know what to do the coming month to find work
14. I am highly motivated to find work in the coming month

External variable attribution (Furnham and Rawles, 1996; Gurney, 1981)
15. Getting a job depends on sheer good luck
16. Getting a job is mainly a matter of being in the right place at the right time
17. Most unemployed who find work have someone pulling strings for them

General work ability (Liira et al., 2000; Tuomi et al., 1991, 1994)
18. Assume that your work ability at its best has a value of 10 points. How many points would you give your current work ability?

Physical work ability (Liira et al., 2000; Tuomi et al., 1991, 1994)
19. How do you rate your current work ability regarding the physical demands of the work you are looking for?

Mental work ability (Liira et al., 2000; Tuomi et al., 1991, 1994)

20. How do you rate your current work ability regarding the mental demands of the work you are looking for?