



ON-GOING INTERNAL AND EXTERNAL  
PERFORMANCE ASSESSMENT TO  
IMPROVE SERVICES

# Internal and external performance assessment

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## AUSTRIA

The Austrian PES maintains ongoing external and internal performance assessments to generate a culture of structured learning and improvement.

The Austrian PES (including all nine regional branches) is assessed externally by the European Foundation for Quality Management (EFQM) every four years. Every three years, each regional organisation is assessed internally to formulate plans to improve regional performance and to prepare for the external assessment.

The internal assessors are trained by the Austrian Foundation for Quality Management (AFQM) and ensure that regional organisations plan actions in order to improve previously identified areas of weak performance.

As a result, the Austrian PES is improving each year in terms of EFQM scores. It has received several AFQM awards and predicts ongoing improvement in its 'balance score card', the internal measurement of PES procedures and outcomes. In addition to the EFQM assessments, the AMS undergoes regular external process assessments. Selected processes are therefore assessed after an internal process review by assessors from the Austrian Society for Process Management. These procedures have generated a culture of transparency, benchmarking and continuous improvement.

Name of the PES

Austrian Public Employment Service (Arbeitsmarktservice – AMS)

When was the practice  
implemented?

The Austrian PES has been a member of the Austrian Foundation for Quality Management (AFQM) since 1999. In 2001, the PES first took part in the assessment process linked to the AFQM quality award. The internal assessment has been running in parallel since 1999.

Which organisation was involved  
in its implementation?

Austrian Public Employment Service (AMS), Austrian Foundation for Quality Management (AFQM).

Which groups were targeted  
by the practice?

Managers of the nine regional branches (located in each of the nine federal states) of the Austrian Public Employment Service.

What were the practice's  
main objectives?

The objective of internal and external assessment is to promote a culture of structured learning and improvement. The EFQM model and its system of feedback are guiding principles for the quality management of PES.

The purpose of EFQM external assessment is to objectively evaluate PES performance and to compare it with other organisations.

The internal assessment is run in parallel to support regional PES offices with action planning and learning and to prepare them to meet the EFQM standards.

<p>What activities were carried out?</p>	<p>The AMS is assessed by an external evaluator (specialists in EFQM) every four years. Site visits take place in all regional PES and in selected local offices. The assessors check that core EFQM concepts such as customer orientation, employee satisfaction, and the PDCA-cycle (Plan, Do, Check, Act) for ongoing improvement are in place. The organisation must prove that it is performing in line with the learning process and is developing measures to address areas of improvement. During the assessment, organisations are evaluated according to nine criteria, separated into 'enablers' (leadership, strategy, employee involvement, etc.) and 'results' (business or customer-related results). External assessors check all EFQM-related processes using the specifications of the EFQM-rating tool. PES take part in the Austrian Foundation for Quality Management quality awards via an external analysis of the PES organisation as a whole, based on EFQM criteria. This award compares the PES to other organisations (the best business enterprises in Austria).</p> <p>Internal assessors, trained by AFQM, evaluate regional branches and local offices as low, medium and high-performing offices every three years (in different years to the external assessment). They support the organisation to implement EFQM core concepts and prepare them practically for the external assessment by alerting them to the necessary preparation, for example. With their insight into the organisation, they plan concrete actions for improvement such as cooperation between regional offices. The output from the internal assessment is a 'management agreement' that contains specific action points to address areas of weak performance. This agreement is reviewed in an interim report and in a new internal assessment at the next assessment cycle. The interim report compares projected targets with actual data and may lead to new actions depending on external factors (such as local labour market developments) and the performance of the organisation. The internal assessors also use EFQM tools such as the project database (<a href="http://ec.europa.eu/social/BlobServlet?docId=15339&amp;langId=en">http://ec.europa.eu/social/BlobServlet?docId=15339&amp;langId=en</a>) to encourage information exchange with other offices.</p>
<p>What resources and other relevant organisational aspects were involved?</p>	<p>PES pays a membership fee (EUR 3 600 per year) and fees for external assessment to the Austrian Foundation for Quality Management. The internal assessment is conducted in-house by the quality manager of AMS supported by internal assessors (all trained by the AFQM). AMS is also a member of the Austrian Society of Process Management.</p>
<p>What were the source(s) of funding?</p>	<p>National funding.</p>
<p>What were the outputs of the practice: people reached and products?</p>	<p>Products:</p> <p>During the EFQM assessment, external assessors prepare reports, such as how the organisation has implemented the PDCA-cycle (Plan, Do, Check, Act), and award points according to the nine criteria described above. These reports also highlight areas for improvement within the EFQM criteria. The suggestions for improvement are consistently incorporated into the quality program. AMS follows a 5-year quality management plan.</p> <p>Action points for performance improvement are included in the 'management agreements' (a contract between the top management and the managers of the regional offices). Based on these agreements, regional offices prepare interim reports that provide insight into their implementation.</p> <p>Internal assessments are done by a team of 6 to 8 assessors, expanded to experts coming from the key processes if necessary. The main responsible here are the members of the EFQM core team. As of May 2019, AMS has more than 120 persons trained as EFQM assessors. In 2018, the AMS management decided that all new leaders (beginning with the level of regional offices) have to follow such assessment training. This is intended as a continuation of the basic leadership training.</p> <p>Assessors need to complete a standardised training course which is renewed every two years, containing theoretical elements and a practical assessment. Process assessments follow the ISO 33000. AMS tries to get the confirmation that the nominated processes are steered at least on capability level 3, with core processes and coordinating processes on level 4. AMS has won the Austrian Process Award in both 2012 and 2017.</p> <p>A range of tools have been created to help improve performance, including a 'lessons learnt' form completed by local PES to rate the effectiveness of their measures and the project database (<a href="http://ec.europa.eu/social/BlobServlet?docId=15339&amp;langId=en">http://ec.europa.eu/social/BlobServlet?docId=15339&amp;langId=en</a>) for good practice exchange. Special techniques and other methods are prepared in an internal Wiki.</p>

**What outcomes have been identified?**

The ratings from external assessors help the PES to outline areas for improvement, and concrete actions are planned with the support of internal assessors. This process has improved the organisational development of PES and its services, as shown by the improved ratings in the external assessment and operational changes. The external assessment helps the PES to objectively monitor performance, with scores within the EFQM criteria showing annual improvement. AMS has received the 'EFQM Recognised for Excellence 5\*' award several times (stated again in 2019), which involves comprehensive self-assessment and data collection by assessors. In addition, the Austrian PES was recognised as one of the best organisations in 2011/2015 and again in 2019 with the Austrian State Prize for Company Quality of the Austrian Foundation for Quality Management. Internally, there are increasingly high scores in the balanced score card.

The systematic expansion of the management system towards integration of process management, performance management (balance score card), risk management and a strong focus on service orientation are the most important development steps.

**What are the lessons learnt and success factors?**

Internal and external assessments show that the organisation can learn from external review and comparison, and from internal success and failure. A culture of transparency is a precondition of ongoing improvement and learning from mistakes.

Performance planning and dialogue also depend on external factors and the individual performance of a regional office.

An external assessment provides the PES with an external view of barriers to performance as well as success factors. This is linked to the fact that AMS is willing to be compared to other Public Employment Services in Europe or to other recognised organisations within the AFQM in Austria. The fact that assessors within the Austrian PES are trained and assess other organisations contributes to the learning culture, as staff can see how other organisations deal with core processes within the EFQM model. The PES has also learnt more about areas of improvement, such as sharing information on failure and unsuccessful methods from external performance assessments. As a result, the PES values honest communication about unsuccessful methods, so that other regional and local offices can avoid making the same mistakes.

The success depends on the commitment of the management. The awareness that only continuous improvement and the desire to become better must be carried and communicated by the management. Well-educated assessors and a consistent concept – based on the PDCA-cycle – are further guarantees of success.



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