Performance Management in Public Employment Services

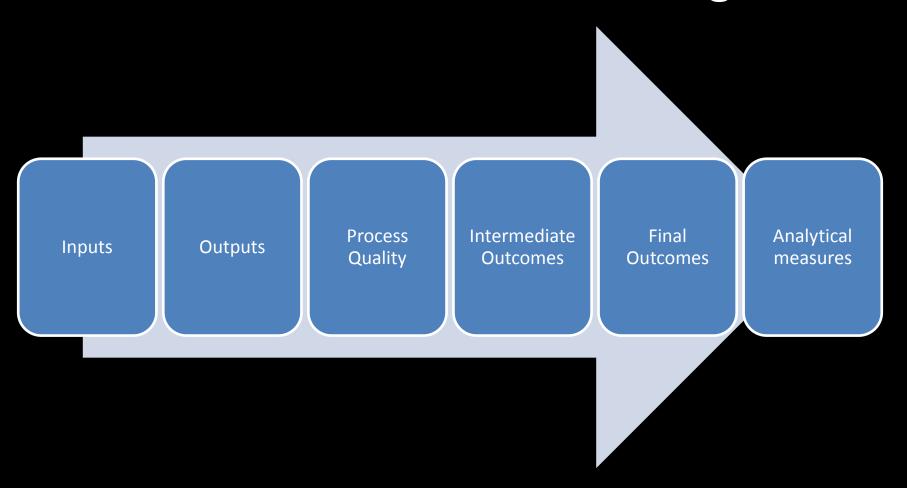
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So what do we know?

- Very little!
- circa 8 cross national studies:
 - Mosley, 2000; 2002
 - Grubb, 2004
 - PES Monitor, 2008
 - Nunn et al. 2010
 - Kaltenborn et al., 2011
 - Ecorys, 2012.
- Most of these have problems.
 - National information partial.
 - Informal practice often ignored or opaque.
- So report is based on partial information.

A framework for thinking about PES Performance Management



Some common problems

- Costs!
- Negative externalities.
- Poor quality data.
- Customer prioritisation (creaming and parking).
- Benefit shifting or sanctions (displacement/unintended effects).
- Unneccessary interventions (deadweight/substitution).
- Diversion of effort into gaming/information production.

Some General Principles

- PM can contribute to organisational learning
- PM can avoid some common pitfalls:
 - political commitment
 - balance (time, qual/quant)
 - levels of analysis and different needs.
 - align with organisational priorities. enable innovation, autonomy and decentralisation.
 - avoid temptations.
 - ensure it is worth it!
 - strong and consistent management messages
 - integration with a broader evaluation strategy
 - regular review
 - inclusiveness
 - PM to ask rather than answer questions.

Some specifics...

- Intermediate rather than final outcomes.
- Use variation and decentralisation to identify effective practice and incentivise improvement....
- but sanctions and rewards?

Indicator type	Advantages	Disadvantages
Off-flows / transitions	Reflect core purpose of PES	Can ignore quality of employment issues, complexity, perverse incentives, gaming
Benefit duration	Reflect core purpose of PES	Perverse incentives, creaming and parking etc.
Impacts on Jobseekers	Focus on quality and long- term <u>impact</u> , close to final outcomes	Expensive and difficult to produce, long-term and difficult to use operationally
Prevention of unemployment	Can help to reduce inflows, scarring and reduce poverty	Specific legal/ administrative reqs, can induce substitution/deadweight effects
Vacancy filling	Reflects rounded PES role	Perverse incentives and negative labour market effects.

Current Practice in Member States

- PES PM is widespread but practice varies.
- The majority use intermediate outcomes.
- Only a small number use analytical measures.
- Some countries involve different stakeholders and timescales.
- Comparison of units is widespread but not used widely for individuals.

Key messages

- EU can strengthen evidence base.
- There is no optimal approach.
- Some easy steps to remove common problems and ensure 'good' practice.
- Integrated data systems might help.
- The importance of training and understanding.
- Intermediate outcomes... but there are problems.
- My recommended approach:
 - PM frameworks and analytical measures are important.
 - Integrate with evaluation.
 - Decentralisation and inclusive governance.
 - Governance, inclusion and learning rather than control, blame and punish.