

PEER REVIEW OF PERFORMANCE MANAGEMENT IN PUBLIC EMPLOYMENT SERVICES

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Background and Context

- Peer Review builds on:
 - Analytical Paper on Performance Management.
 - Dissemination Conference: workshop on performance management.
 - PES 2020 Strategy Output Paper.
 - Mutual Learning Programme Peer Reviews on Evaluation.
- Labour market/public spending concerns.
- Objective to perform:
 - Better with less.
 - New roles.
 - Demonstrate value and making the ‘business case’.
 - Work with a wider range of partners in a Public Employment System.

Some preliminary remarks

- Comparative evidence base is strengthening.
- To facilitate sharing good practice, we need deeper insights into operational practice, organisational culture and informal methods.
- Some areas of potential for shared practice.

Overall Approach to Performance Management

- Most PES use a Quality Management Model.
- Purpose of PM varies, but includes public accountability and continuous improvement.
- Several PES use multi-annual planning and measurement.
- Inclusive governance and stakeholder involvement are used and work.

Goals and Target Setting

- Target setting is usually, but not always, an annual cycle.
- Target setting is usually a negotiation between PES and ministry.
- Sometimes Social Partners are involved or consulted.
- There are some good examples of analysis and evidence informing targets.
- Bottom-up and top-down practices are used.

Objectives, targets and indicators

- Common goals include reduction of unemployment.
- More PES use employment duration and effectiveness ratios.
- Some target particular social groups.
- There is a very wide variety in numbers of goals, targets and indicators.
- Widespread 'ownership' of goals, targets and indicators is important.

Performance Measurement

- Most PES use some form of Datawarehouse.
- Benchmarking is common.
- Few PES report the comparison of performance data down to individual level.
- Some common challenges emerge:
 - Qualitative vs quantitative performance information.
 - Accurate data collection.
 - Integration of systems.
 - Prevention of gaming/perverse incentives.
 - Accurate benchmarking.

Learning and Continuous Improvement (1)

- Reporting is usually monthly/quarterly and annual.
- Face-to-face contact can facilitate information sharing and learning.
- Knowledge banks and good practice databases can help to share info and learning.
- Experimental improvements and evaluation are the 'gold standard'.

Learning and Continuous Improvement (2)

- Benchmarking, competition and information sharing can help to improve performance.
- HR practices need to be aligned with continuous improvement.
- Double and triple loop learning help to learn from experience and evidence.
- Inclusive governance helps to involve a wider range of interests.
- Annual reporting provides an opportunity to give a narrative explanation.

Conclusions & their current foundation

- More evidence is needed.
- Inclusive governance appears to work.
- Integrated performance management and evaluation are crucial to an evidence-based approach.
- Cost effectiveness measures are lacking.
- Benchmarking is crucial, but care is needed.
- HR practices need to support the right 'culture'.
- Performance management needs to support innovation.

What more do we need to understand?

- The **inclusiveness of governance** and involvement of social partners and other stakeholders;
- **Local autonomy, innovation and competition** and the **effect of benchmarking** between sub-national units (e.g. regions and localities);
- **Target design** and the inclusion of different types of outcome measure;
- **Organisational culture, risk and innovation** and how positive rather than negative cultures can be encouraged; and
- **Labour market context** and the challenge posed to PES to do more with less in the context of high unemployment and public spending constraints.

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