HoPES – Working Group
PES Efficiency Working Group
Final report

October 2013

Supported by the European Commission
# Contents

**Concluding remarks** ............................................................................................................................... 4

Addressing the efficiency challenge ............................................................................................................. 4
Performance management – a tool .................................................................................................................. 4
Macro level reforms to the organisation of PES ............................................................................................ 4
Exploiting the potential of ICT – an enabler .................................................................................................. 4
Reforms to client-facing services .................................................................................................................. 5
Concluding remarks ...................................................................................................................................... 5

**Introduction** ........................................................................................................................................... 6

Background and context ............................................................................................................................... 6
EU policy and PES operational context ......................................................................................................... 6
The PES Efficiency Working Group ............................................................................................................. 7

The concept of efficiency in the context of PES ............................................................................................ 8

Establishing a definition of efficiency for PES ............................................................................................. 8
Issues related to measuring efficiency for PES ............................................................................................. 8

**Working methodology** ............................................................................................................................ 10

Selection of PES practices responding to efficiency challenge .............................................................. 10
Identification of five themes ........................................................................................................................ 10

**PES practices in response to the efficiency challenge** ........................................................................... 12

1. Organisational structure and resource management ........................................................................... 12
2. Performance management ..................................................................................................................... 14
3. Making use of ICT .................................................................................................................................... 15
4. Services for jobseekers .......................................................................................................................... 18
5. Services for employers ........................................................................................................................... 19

**Annex of case studies** .............................................................................................................................. 22

Organisational structure and resource management .................................................................................. 22
Case study 1 - France: Rationalisation of organisational structure ............................................................ 22
Case study 2 - UK: Innovative model for contracting-out of services ....................................................... 25
Case study 3 - Belgium (Wallonia): Re-deploying human resources .......................................................... 28

Performance management .......................................................................................................................... 30
Case study 4 - Austria: Monitoring performance through use of a Balance Scorecard ............................ 30
Case study 5 - Germany: Monitoring performance through cost efficiency indicators ........................... 33
Case study 6 - Germany: Management targets linked to financial incentives ......................................... 35
Case study 7 - Denmark: Reimbursement rates which reflect effectiveness of measures ....................... 37

Making use of ICT ....................................................................................................................................... 39
Case study 8 - Austria: Prioritising a mixed-channel strategy as result of evaluation ............................ 39
Case study 9 - France: An integrated, modernised pre-registration system to support multi-channelling
......................................................................................................................................................................... 41
Case study 10 - Malta: Exploiting the potential of ICT to provide more automated, modernised services for employers and citizens ......................................................................................................................................................................... 43
Case study 11 - Greece: E-procurement and warehouse management system ........................................ 45
Case study 12 - Belgium (Flanders): Automation of the procurement process ........................................... 47
Case study 13 - Belgium (Flanders): Introducing a standard e-protocol for vacancy data exchange .......... 49
Case study 15 - Lithuania: Centralising and extending e-services and e-government ............................... 53

Services for jobseekers ....................................................................................................................................... 56
Case study 16 - Estonia: Provision of training based on thorough assessment of individual needs ......... 56
Case study 17 - Bulgaria: The use of mobile teams to serve rural areas ................................................. 59

Services for employers .................................................................................................................................... 61
Case study 18 - Belgium (Wallonia): Improving relations with employers through specialist employer counsellors ........................................................................................................................................... 61
Case study 19 - Bulgaria: Establishment of dedicated “sales teams” for employer services .................... 63
Case study 20 - Estonia: Comprehensive recruitment services including online services offer ............ 65
Concluding remarks
At the Heads of PES meeting in Warsaw in December 2011 it was agreed that a group of experts (the PES Efficiency Working Group) would be established to share information about approaches for better management of PES efficiency and gather evidence-based best practice.

The PES Efficiency Working Group has presented a number of good practices and strategic conclusions. These illustrate how PES are rising to the challenge of transforming themselves into client focussed organisations providing career long support.

Addressing the efficiency challenge
Essentially, at its core, the efficiency challenge is about a better allocation of resources to ensure more effective outcomes in line with PES objectives. This goal is pursued following two broad strategies, which are by no means mutually exclusive, namely the use of fewer resources to achieve the same (or better) outcomes in terms of PES offer to clients, or making better use of the same resources in order to improve, expand or develop services.

Performance management – a tool
As basis for decisions regarding the allocation of resources, PES are using sophisticated performance management systems to improve the knowledge base (although no PES has thus far been able to produce a fully integrated efficiency measure). This information can be used in order to create payment models which reward the more effective allocation of resources, redressing undesirable perverse incentives which threaten the fulfilment of the PES mandate. For example, the structuring of reimbursement rates based on the proven effectiveness of policies can realign incentive structures to encourage better allocation of resources.

Macro level reforms to the organisation of PES
Through major organisational changes PES have introduced innovative models for contracting-out of services and re-deployed human resources to provide better services at no extra cost. More fundamentally, the need to provide more and better services during a period of almost unprecedented austerity for many Member States has led some governments to implement macro level reforms to institutional structures through the wholesale rationalisation and reorganisation of delivery infrastructures.

Exploiting the potential of ICT – an enabler
ICT can be deployed in multiple processes, those relating to back-office functions as well as client-facing services, to free-up resources enabling their re-allocation to other areas (e.g. bespoke services) or straight forward reductions of costs. With respect to the modernisation of back-office functions, ICT has allowed processes to be simplified, automated and their effectiveness/accuracy improved. With respect to client-facing services, ICT has been used to ensure effective multi-channelling strategies and expand the portfolio of services at low/no cost per transaction (i.e. through self-service). The use of ICT has also facilitated new partnerships which contribute to leaner back-office functions as well as more effective relationships both with clients and other government authorities.
Reforms to client-facing services

The transformation of PES as client-orientated managers of labour market transitions can be seen through efforts to better target (finite) resources to servicing the needs of jobseekers and employers with a better return on investment. The use of segmentation is found in the approach to servicing both kinds of client. There is also evidence that PES are extending their reach both in terms of accessing those jobseekers who are furthest from the labour market and through extending their market share, making use of ICT and effective partnerships.

Concluding remarks

The diversity of good practices submitted by PES is indicative that the question of how to face the efficiency challenge does not have one simple answer, but multiple and diverse strategies can be adopted. The different practices described cannot be taken as one-size-fit-all solution, and their suitability will depend on the organisational set-up of PES, as well as the socio-economic and political context.
Introduction

Background and context

In the context of the Europe 2020 Growth Strategy, PES are transforming themselves as transition management agencies delivering and coordinating the provision of personalised services to support career-long transitions into work for all jobseekers, including those furthest from the labour market. At the same time, financial constraints on activities have tightened as governments seek to consolidate national finances in the wake of the economic crisis while demands on social welfare systems and public services have intensified as a result of persistent high levels of unemployment and demographic trends that place further pressure on the public purse.

The conflicting forces of rising demand for public employment services, a need to modernise the service offer and a restricted budget makes it urgent to find ways to measure and improve the efficiency of public service providers. As identified in 2012 report on the PES response to the crisis, European PES are actively developing strategies to deal with the challenges they face.

EU policy and PES operational context

PES have a significant role to play in increasing labour market participation, which underpins one of the headline EU 2020 targets to achieve an employment rate of 75% for men and women aged 20-64 by 2020. The PES 2020 Strategy Output Paper defining the role and function of PES in changing labour markets requires PES to smooth transitions between learning and work, avoid rapid transitions between employment and unemployment, raise awareness of the importance of sustainable activation outcomes, inform employers of their responsibilities and options so as to improve labour supply, and encourage the acquisition of career management skills through building bridges with career management services. Given their expertise of developments of the labour market, activation and matching of labour supply and demand, PES should acquire a mandate to fulfil conducting functions stimulating labour market actors to cooperate and innovate, collaborating with public and private partners, and aligning labour market actors with labour market policy.

Furthermore, modern and effective delivery of public employment services has been identified as a crucial component of the policy response to the global economic crisis. As a result of this crisis, PES in many countries are tackling persistently (and historically) high levels of unemployment. The unemployment rate in the EU has risen from 6.9% in May 2008 to 10.9% in May 2013 (and has remained at that level since) with more than one in four of the active population unemployed in Greece and Spain, and around one out of six in Portugal and Croatia. As consequence, PES have seen caseloads increase, and demand for assistance and support - including Active Labour Market Policy (ALMP) measures - rise.

1 PES Crisis response questionnaire 2012, European Job Mobility Laboratory
4 Eurostat, Unemployment rate by sex and age groups - monthly average, %;
In order to fulfil their tasks in a comprehensive manner, PES need to transform themselves into “transition management agencies” delivering a new combination of the "active" and "passive" functions that support sustainable transitions throughout workers’ careers. The 2013 Annual Growth Survey (AGS) stressed that Member States (MS), in order to tackle unemployment and the social consequences of the crisis, should place more priority on reducing unemployment, improving employability, supporting access to jobs or a return to the world of work.5

The debate about PES efficiency and potential for cost-savings is especially important given the size of the budgets in question. According to Eurostat estimates expenditure on Labour Market Policies totalled 256 thousand million Euro in the EU-27 countries in 2009 (2.2% of the combined GDP of Member States).6

**The PES Efficiency Working Group**

Against this background the European network of Heads of Public Employment Services (HoPES) noted a need for European PES to undertake a strategic review of both priorities for programme expenditure and internal structures in order to optimise returns on investment, particularly through the effective targeting of ALMP.

At the HoPES meeting in Warsaw in December 2011 it was agreed that a group of experts (the PES Efficiency Working Group) would be established to share information about approaches for better management of PES efficiency and gather evidence-based best practice focusing on recently implemented and/or short-term planned measures enabling smarter use of resources.7 This would ensure consistency with 2013 AGS priorities and actions identified in the Joint Employment Report (JER).8

The PES Efficiency Working Group has presented a number of good practices and strategic conclusions. These illustrate how PES are rising to the challenge of transforming themselves into client focussed organisations providing career long support. It is acknowledged that PES must find ways of streamlining their operations, targeting efforts where they are most needed, cutting costs and generally being more effective with funds available. The need to produce better outcomes with less input provides the crucial context for this report.

---

7 Initial attendees were Austria, Belgium (VDAB and Le Forem), Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Lithuania, Malta, Poland, Slovakia and the UK. Greece and Spain later joined the group.
The concept of efficiency in the context of PES

Establishing a definition of efficiency for PES

A main concern to emerge from intensive discussions within the PES Efficiency Working Group was how to increase cost-effectiveness, i.e. optimising the return of investments in PES services and measures to achieve the PES objectives.

In this respect, the Working Group approach recognises two concepts that should be of equal importance to a successful organisation:

- “Efficiency” as the sound management of resources to maximise returns, which is characterised as adopting the “right” methodology;

- “Effectiveness” as the ability of an organisation to meet the demands and expectations of its various stakeholders, which is characterised as achieving the “right” outcomes. Clearly both elements are crucial.

It is worth noting that, when defining efficiency in a specific public sector context, governments take a broader perspective, with efficiency assessed in relation to strategic objectives which are likely to differ across countries. For example, the UK National Audit Office (NAO) defined efficiency as ‘sustainable value for money… [that is] the optimal use of resources to achieve the intended outcomes’. The report argues that unsustainable cost reduction - whereby a short-term reduction in funds or a budget cut results in a decrease in public services - does not constitute efficiency. Thus, for the UK NAO, efficiency can only be determined in the medium-term and similarly nuanced definitions may also be applied in other countries.

Issues related to measuring efficiency for PES

- Establishing desired outcomes

The Working Group noted that defining and measuring outputs and inputs is typically a complex task for PES (as well as for public sector organisations more broadly). Measuring efficiency usually requires quantitative information on costs and output. However, unlike in a private firm, where the value of outputs can be aggregated using observed prices, public service organisations often produce goods and services that are free or at a subsidised price. Moreover, many public service outputs are intangible and hard to measure.

Consequently for public organisations like PES, quantitative measurement must in most instances be supplemented by qualitative assessment to provide the basis for policy advice. Even measuring inputs requires an accounting system that registers costs rather than cash flows. Practitioner experience can provide valuable information to enable service delivery improvement.

- Creating the right incentives for desired policy outcomes

The Working Group stresses that the measurement of PES efficiency – as with the public sector at large – requires an approach which identifies and balances the potential conflict between social responsibility

---

9 An efficient organisation would be one that produces the maximum possible outputs given its inputs, or one that produces a certain level of output with the minimum amount of inputs. Institute for Fiscal Studies (IFS) Paper the Green Budget, 2003.


11 Ibid.
and the obligation for cost-effective management. For example, in discussion several PES raised the point that there is a risk of performance measurement leading to perverse incentives which undermine the social responsibility of PES. Typically, more PES resources are required to integrate the most disadvantaged customers. If performance is measured solely in terms of activation numbers without taking into account the social remit, then PES could be discouraged from activating vulnerable jobseekers and incentivised to spend (unnecessarily) on clients who are able to help themselves. Seeking to address and resolve such tensions and reconciling management decisions with evidence-based policy analysis are key elements underlying this agenda.

- Assessing efficiency in PES

In general, considerable resource is required for measurement, and even if this is available there is often a lengthy time lag between the gathering of information and the release of robust results. There are a plethora of issues specific to assessing efficiency in PES including, for example, the difficulty in accounting for deadweight losses, i.e. for results that would have been achieved without any intervention (or substitution/displacement effects). It is methodologically challenging to define and measure PES outcome variables in a robust way as multiple factors, such as PES related elements, personal and labour market context, intervene. Furthermore, decisions on the introduction of specific ALMP and major organisational reforms are often not made by the PES but result from government policy decisions delivered to the PES by ministries.

Ideally, a performance management system should provide incentives to foster desired policy outcomes, which are properly understood by practitioners, and cost efficient to deploy and operate for PES.
Working methodology

Selection of PES practices responding to efficiency challenge

In view of the definition established and with the above issues in mind, PES have submitted practices illustrating their responses to the efficiency challenge. These have been assessed by the Working Group. Selection for inclusion in this report on the basis of the following criteria:

- **Relevance** of the practice
- **Evidence base** for impact\(^\text{12}\)
- Description of steps for implementation and points to be taken into account for implementation to facilitate and ensure **transferability**

A rich sample of examples was submitted by participating MS but this was narrowed down to twenty case studies for which in-depth analysis is provided in annex. These cover practices that have been subject to detailed performance evaluation at the time of writing and are limited to a maximum of two per PES. Examples were ultimately selected following discussion and agreement between MS and the chair to ensure a sufficient spread of practices to illustrate concepts identified and also reflect the innovation of the individual participating PES.

Identification of five themes

The degree to which practices are being deployed is contingent upon institutional settings and the current extent of PES modernisation programmes. Notwithstanding the important differences in the various administrative structures in which PES operate, the Working Group identified five themes of common relevance which are most likely to have generated evidence-based best practice:

1. Reforms to PES **organisational structure** and the **deployment of resources** including through rationalisation of institutional structures, new models for public-private partnerships, and changes in the deployment of human resources.

2. New models for **performance management** which enable the monitoring of performance or align financial incentives with effective desired outcomes to make the best use of resources.

3. Developing the **use of Information and Communication Technologies (ICT)** to better reach clients and target resources through multi-channelling, extension of e-services, better coordination with other organisations and authorities, and process standardisation and automation.

4. Improvement of **services for jobseekers** through profiling and customer segmentation mechanisms, as well as new models for reaching rural areas where employment services are less accessible.

5. Expansion of **services for employers** through allocation of dedicated staff and provision of upgraded recruitment support as well as developing partnerships with other labour market mediators.

\(^\text{12}\) It is not possible in all cases to present results from evaluations using a control group. As a result evidence of impact also includes measures of usage rates, customer satisfaction and other quantitative information implying plausible cost-savings.
The above themes have also been dealt with in other Commission activities such as the European Commission’s Mutual Learning Programme for the PES\textsuperscript{13}, the PES to PES Dialogue (as part of the Annual Work Programme of the HoPES network)\textsuperscript{14}, and a report from the European Job Mobility Laboratory in 2012, which analysed PES responses to the crisis based on a questionnaire completed by PES that included a specific question about the efficiency challenge\textsuperscript{15}.

\textsuperscript{13} Mutual Learning Programme site: \url{http://ec.europa.eu/social/main.jsp?catId=1047}

\textsuperscript{14} ‘PES to PES Dialogue’ is the European Commission’s mutual learning support programme for public employment services, more information is available on: \url{http://ec.europa.eu/social/main.jsp?catId=964&langId=en}

\textsuperscript{15} PES Crisis response questionnaire 2012, European Job Mobility Laboratory
PES practices in response to the efficiency challenge

The five themes identified by the Working Group are explored below with reference to specific examples of good practice. Cases for which there is evidence-based evaluation are covered in more detail in a series of fiches in Annex.

In any comparative survey of PES it is essential to appreciate that they operate in very different institutional settings. These vary from PES with high degrees of autonomy (Germany), to PES which are the delivery arms and integral components of employment and labour Ministries (Finland and UK). Elsewhere, PES accountabilities are primarily exercised at regional (Spain and Poland), or sub-regional/municipal tiers (Denmark). Other institutional features include PES which also have responsibility for Benefit Administration (France and UK), and Careers Services/Provision of Training (Belgium, Flanders).

1. Organisational structure and resource management

A number of PES have made significant changes to their organisational structures and resource management in recent years reflecting developments in organisational theory, especially the concept of “New public management”16. The reforms introduced broadly fall into three areas: rationalisation of institutional structures; new models for public-private partnerships; and changes in the deployment of human resources.

The rationalisation of PES institutional structures is a means to generate efficiency and ensure effectiveness through a more coordinated service delivery, sharing of expertise, realising economies of scale and avoiding duplication. The development of one-stop-shop models combining active and passive measures has occurred in a number of countries. Examples include reforms undertaken by the German PES, which now has an integrated delivery system for clients receiving unemployment insurance and social assistance17. Denmark has also combined these services while focusing the delivery of PES in municipalities. In France (Case study 1) and in the UK, organisations administering benefit systems and providing employment services were merged as part of efforts to, among other goals, encourage the use of active measures. In Finland too, the PES has addressed the efficiency challenge by rationalising its organisational structure. The number of local PES offices has been significantly reduced, and from 2012 a single PES administrative centre has been established in each of the country’s 15 regions. Each office operates a service model based on three separate but complementary service lines18.

Case study 1 – Rationalisation of organisational structure (France)
The new PES “Pole Emploi”, created in 2008, combines the delivery of active and passive measures with geographical and operational rationalisation in order to increase cost effectiveness through delivery of simplified and more accessible services for jobseekers.

⇒ Despite an increase in caseloads (due to the onset of the crisis) and the requirement for PES to deliver more intensive personalised support, performance has remained stable and operational costs have reduced whilst accessibility has improved.

16 The theory is that by re-orientating management of the public sector using market based principles will lead to greater cost-efficiency without necessarily creating unwanted side-effects.
17 Following the so-called Hartz reforms based on recommendations made in 2002.
18 These are: placement and services for employers; services for those who need improvement of their skills or advice to change their career; and services for those who need strong individual support.
Another area of reform at the system level relates to the structure of public-private partnerships. A number of PES in Europe outsource specialised services, more intensive support or training to private or not-for-profit providers. Contracting-out can facilitate flexible delivery models which may not be available to in-house PES providers. The process can help PES improve service quality by exploiting the expertise and know-how of external providers, as well as enable wider delivery, whilst also enjoying cost savings. In contrast to other Member States which tend to pre-define services to be provided by contractors, the UK has developed a model combining a substantial use of public-private partnerships with a specific form of procurement which gives the providers significant autonomy in determining the services to be provided (Case study 2).

**Case study 2- Innovative model for contracting-out of services (UK)**

In the UK jobseeker services for all of the long term unemployed and certain other hardest to integrate clients have been contracted out to private providers. The UK’s “black box approach” affords providers significant authority to devise such ALMP as they feel are required to reintegrate individual clients. Providers are paid by results and the rates are determined according to savings made through social security payments.

⇒ The UK Government has therefore transferred elements of financial risk to fund services for a section of clients to providers whilst maintaining incentives to target those most in need. (No evaluation has yet been carried out).

A third and final area of organisational reform involves changes in the deployment of human resources. These changes are connected to the modernisation of PES services, i.e. more personalised and client orientated services, but imply a significant modification in how resources are organised as part of their execution. Reforms of the PES in Wallonia, Belgium (Case study 3), which have involved a substantial reconfiguration of the role of front line counsellors, are illustrative of this kind of strategy. In Poland, where changes responded to findings from surveying both jobseekers and employers, the PES has established a new service model functionally separating the administration of active and passive measures whilst maintaining the one-stop-shop structure. Through newly introduced “Vocational Activation Centres” there is now an increased focus on ALMP and meeting employers’ requirements.

**Case study 3- Re-deploying human resources (Belgium - Wallonia)**

The Belgium PES for Wallonia, Le Forem, has redesigned the job role of its front line counsellors in order to deliver more personalised services in the context of increased client volumes. A number of previous job roles have been combined to form a new cross-cutting counsellor function through a series of supportive measures (including new HR processes and a process to re-train existing staff based on a revised staff training programme).

⇒ Staff can now offer a holistic service with personal support for clients. This more integrated structure has enabled a greater proportion of resources to be concentrated on front line delivery with a reduction in caseloads.
2. Performance management

As with all organisations, monitoring performance in PES is a crucial element in ensuring the optimised use of resources and for directing activities to achieve the overall mission effectively, whilst also improving transparency and accountability in public spending. Two areas of reforms are explored here with examples: performance monitoring mechanisms and payment models based on performance.

Innovations in mechanisms for monitoring performance management have been driven by a desire to provide the most appropriate data sets to assist PES managers in steering their organisations. Significantly, no PES has so far been able to produce an overarching holistic integrated efficiency measure. “Balanced Business Scorecards” are used in several PES adopting “Total Quality Methodology” to better monitor performance; as in Austria (Case study 4). This approach can be effective in avoiding specific targets (used in isolation) driving perverse behaviours, though it is not sophisticated enough to drive resource allocation per se. Some PES have introduced more limited cost outcome assessments for specific labour market programmes, which enable limited comparative analysis. For example, the PES in Germany introduced cost-efficiency indicators to regularly monitor inputs and outcomes in jobseeker training placements to increase transparency of the use of local budgets (Case study 5).

Case study 4- Monitoring performance through use of a Balance Scorecard (Austria)
A Balance Scorecard (BSC) is used to weight individual indicators, including customer and staff satisfaction. The BSC is not used to control or prioritise resource allocation within the PES; however, benchmarking is applied to assess comparative performance of clustered units serving as basis for continuous improvement and decisions for future planning.

⇒ Available results show that since the introduction of the BSC in 2006 until 2011, the BSC performance has improved more than costs over the same period, implying efficiency gains.

Case study 5- Monitoring performance through cost efficiency indicators (Germany)
In Germany, new efficiency indicators for active labour market measures have been developed as part of efforts to ensure the efficient use of budgets and to be used as a basis for comparison of spending between local PES offices. Indicators looked at costs per jobseeker, costs per integration and direct budget effectiveness of training measures. Local PES assessed to be more effective can then be used as a basis for identifying lessons and good practices.

⇒ Between mid-2011 and mid-2012 the costs of integration were reduced by nearly 18% (nationally); implying a better allocation of resources.

Incentivising managers through payment models based on performance as a quid pro quo for more individual accountability has facilitated increased transparency within some PES. Suitably defined measures can make it easier to identify where units within the PES are adding more value. Examples of the use of financial incentives linked to PES performance are found in Germany (Case study 6) and in Denmark, where municipalities receive differentiated reimbursement of the costs of providing ALMP (Case study 7).

Case study 6 - Management targets linked to financial incentives (Germany)
The PES in Germany implements a fully integrated set of performance agreements enabling strategic intentions to be monitored and integrated from the macro to individual team levels using incentive payments for managers.
The integrated target system has provided a significant basis for improving overall performance. The linking of targets to performance reviews, and to a certain percentage of staff salary, serves as an additional incentive for improving overall performance.

**Case study 7- Reimbursement rates which reflect effectiveness of measures (Denmark)**

In Denmark PES offices are operated by municipalities which finance programmes and are subsequently partially reimbursed by central government. Government has introduced legislation to provide higher levels of reimbursement for measures which have proved to be more cost effective. This creates a financial incentive for municipalities to provide more of the cost-effective ALMPs and fewer of those that are less cost-effective.

The use of more cost-effective measures has increased since the introduction of the new legislation. This has also resulted in an improvement in the overall effectiveness of ALMPs.

More broadly, a culture of assessing ALMP is under development in a number of PES. For example, the Spanish PES, in the context of a recent National Reform Programme, has emphasised the importance of co-ordinating, and especially evaluating the contribution of a number of autonomous Regionalised bodies responsible for delivering PES ALMPs.

### 3. Making use of ICT

Making (better) use of Information and Communication Technology (ICT) is an area of significant development for PES, as the quantity of good practices submitted for this area confirms. Two broad categories of reforms have been identified and are described below using examples: overall modernisation of the service offer for PES clients and modernisation of back-office functions (namely automation and integration).

Examples of PES modernising their service offer through better use of ICT involves cases of widening and deepening the services available to clients, as well as automating services wherever possible. For example, the introduction of digital communication channels has allowed PES to build their multi-channel offer, widening choice for clients whilst also freeing up resources for those requiring more staff-intense services. Indeed, in Belgium (Flanders), the PES (VDAB) has empowered jobseekers by allowing them to self-select from multiple communication channels (e-services, telephone or face-to-face services). User choice is also found in Austria, where the multi-channel strategy is a conscious policy choice based on evidence that effectiveness is best pursued when multiple channels are available (Case study 8). In Finland, the multi-channel strategy is designed to facilitate a more efficient allocation of resources: the use of e-services and contact points has been increased in order that the quality of face-to-face channels for the most disadvantaged clients could be improved.

Several PES, including in Belgium (Wallonia), have invested in developing the potential of social media to improve connections with clients (particular younger clients), embracing the opportunities for ICT to improve outreach to clients. In the same way, the Croatian PES has identified a requirement to integrate social networks into their communication strategy built upon delivery of tailor-made services to customers.

New services have been developed using ICT, both to encourage self-reliance amongst jobseekers in order to save resources but also to develop jobseekers’ digital skills which are essential in the modern labour market. The PES (VDAB) in Belgium (Flanders) has invested in the provision of web-based training whilst also exploiting services for self-assessment of skills and automated matching linked to an integrated skills,
competency, and job description system. For the **Netherlands**, a significant reduction in the PES’ operational budget was the driving force behind the transfer of most customer services online. Now the Dutch PES offers a comprehensive selection of high specification e-services including ‘webinars’ (online training) and interactive services, such as ‘e-coaching’. This radical shift to e-services has not been evaluated. Examples of evaluated modernised and new client services come from **France** (Case study 9) and **Malta** (Case study 10). In both cases the provision of new e-services is part and parcel of the drive to free up resources, to make efficiency gains by automating or outsourcing tasks to services users themselves.

**Case study 8 – Establishing the importance of a multi-channel approach (Austria)**

The Austrian PES used customer satisfaction and duration of unemployment measures for pilot and control groups to evaluate the impact of the provision of reintegration services exclusively through online channels.

⇒ The survey results showed some improvements in user satisfaction for those making use of online channels, whilst faster reintegration was found using the multichannel approach. The conclusion is that an individualised multi-channel strategy is necessary to optimise the benefits of investment in digital contact technology.

**Case study 9 – An integrated, modernised pre-registration system to support multi-channelling (France)**

Online pre-registration has been available in France since 2004, however, since the creation of Pôle emploi (2008) the service has been modernised and improved as part of its multi-channelling strategy. The French PES exploited the potential from merging the previously separate employment service and unemployment insurance organisations to develop an integrated online pre-registration system, which has the added benefit of allowing jobseekers to choose the date of their appointment and to prepare their first interview with their counsellor as well as input key details ahead of that interview.

⇒ The new online pre-registration service provides a more satisfactory service for jobseekers. It has also supported resource savings from a reduction in time taken in the PES to conduct transactions (reduced resources and efficiency savings), and resulted in more precise information (effectiveness of service).

**Case study 10 – Exploiting the potential of ICT to provide more automated, modernised services for employers and citizens (Malta)**

The Maltese PES sought to automate certain facilities to provide a better service to clients while making efficiency gains. The services that were automated included: submission of engagement and termination forms, the submission of vacancies, management of citizens’ employment history and employee lists.

⇒ The automation of these processes has improved customer service, led to more efficient processing of information and deployment of PES staff. Moreover, time has been saved from providing clients with services that they can now access electronically.

Many PES have been making better use of ICT through the introduction of **modernised back office functions**, making efficiency gains by managing processes more accurately and systematically. The PES in **Greece** (Case study 11) and **Belgium (Flanders)** (Case study 12) have identified potential savings in the sometimes neglected area of office support service costs through development of e-procurement to enable more effective stock control of office support requisites. Whilst in **Slovakia** the PES has integrated front-line and backroom office support services in order to make their organisation leaner and more efficient.
Integration of back-office functions (especially where partnerships are used) is a recurring theme. In some cases, PES have used their digital capability to link their organisations with other services and authorities by using shared IT systems and networks. In Belgium (Flanders) the PES has steered the adoption of a standard protocol for the electronic exchange of vacancy information amongst a group of public and private recruitment agents (Case study 13). The Greek PES has also developed the concept of electronic exchange of information across government to enable the automated exchange of PES and unemployment insurance records (Case study 14). The German PES cooperated with other organisations to develop its ‘multi-channelling’ approach and increase its own rate of online registration.

Finally, the PES in Lithuania has developed significant digital capability of the PES as part of a broader e-government initiative (Case study 15).

Case study 11 - Making use of e-procurement and improved warehouse management (Greece)
Having identified significant inefficiencies, including bureaucracy and unnecessary expense, the PES commissioned a new electronic platform capable of managing the various procurement stages, from the initial submission of requests for materials, consumables and services originating in various departments, through to final delivery.

⇒ Everything is uploaded and processed automatically, thereby improving effectiveness and efficiency. The new electronic system allows procurement to be monitored and managed to rationalise expenditure, save time and reduce costs.

Case study 12 - Automation of the procurement process (Belgium - Flanders)
Building on existing software, the PES has introduced a fully automated procurement process, exploiting ICT to ensure that the whole process was standardised.

⇒ The e-procurement system has meant certain tasks (such as deliveries, invoices) are now automated and overhead costs have been reduced. In addition, the back office of the PES is becoming “smarter” and “sleeker” and the service quality is better guaranteed.

Case study 13 - Introducing a standard e-protocol for exchange of vacancy data (Belgium - Flanders)
As part of efforts to increase the number of job vacancies available to offer to clients, the PES worked on a system for exchanging data with other regional public and private employment services (PES and PRES). The introduction of a standard e-protocol for vacancy data exchange has developed this service into an open medium widely used by employers as well as by PES and PRES to advertise vacancies.

⇒ The use of a standard e-protocol has facilitated new partnerships with organisations wishing to exchange job vacancies, and greatly increased the range of vacancies on the PES site without requiring the PES to manage all of the data and without any increase in transaction overheads. 80% of VDAB vacancies are introduced automatically (where previously this had to all be done manually).

Case study 14 – Implementing a new IT network linking PES and other authorities (Greece)
A new IT network linking PES and social insurance, work permit, and employment records, has been introduced. This has been designed to reduce costs from bureaucracy, duplication, and fraud.

⇒ The shared system has abolished bureaucratic procedures for the different organisations involved, made it possible to automatically retrieve information and provided a simplified monitoring system allowing for
automated cross checking of data and avoiding malicious practices. This saves time and frees up resources for other purposes, whilst also improving the quality and effectiveness of services.

Case study 15 - Centralising and extending e-services and e-government (Lithuania)
The main goal of this project was to create a modern, centralised, nationally accessible service which provided more efficient and effective services for the unemployed, employers and PES staff. This involved the installation of an updated client service information system and the modernisation of technical equipment (i.e. the data centre).

⇒ New services provided through an e-portal result in time savings for citizens and businesses, as well as increasing the communication opportunities between labour market participants and PES staff. Cost saving has been already identified from the reduction of number of physical servers of the system. In addition, it is anticipated that new model will generate savings through the lower costs required for software development and support services.

4. Services for jobseekers

Budgetary pressure at a time when the PES mandate demands more personalised services has resulted in a need for PES to hone their services for jobseekers. To maximise the efficiency of available resources and fulfil their obligations, PES are developing operations in at least two distinct areas: firstly, PES are embracing new or improved methods for providing better targeted services for jobseekers, and secondly they are finding new ways to meet the needs of isolated jobseekers by implementing new outreach services.

Co-ordinated services, customer segmentation, profiling systems and individual action planning are increasingly used to support better resource allocation and an enhanced return on investment through better targeted services for jobseekers. In Croatia, successful collaboration between the PES, municipalities and other national agencies involved in the rehabilitation of disabled people has facilitated the development of a tailor-made work and social integration model. This approach has increased the overall store of expertise to enable a more effective service to be offered to some of the more vulnerable clients. An example from Bulgaria illustrates the benefits of a differentiated approach to customer service. The introduction of a four phase model which better identifies and differentiates customer needs has enabled the PES to allocate a commensurate resource to meet the requirements of specific customer segments. In Estonia, procedures to identify and meet individual training needs have been adopted by the PES, replacing a previously more indiscriminate offer for training (Case study 16).

Case study 16 - Provision of training based on thorough assessment of individual needs (Estonia)
Training places were previously offered to clients on request, but new principles for individual action planning have been introduced to assess training provision based upon an individual’s skill and knowledge level as well as the needs of local employers. A flexible voucher system has been introduced to encourage training providers to respond better to individual’s needs.

⇒ A better return on public investment has been identified through improvement in employment rate and client wage levels. Evidence shows that integration rates after training have increased thus improving the value for money in training provision.
Also as part of efforts to step up services for jobseekers, PES have been seeking to ensure they reach those furthest from the labour market through outreach to rural locations. Unemployed people residing in remote locations will typically face structural barriers to re-integration as a consequence of the low density of labour market activity where they live. Poor public transport and the difficulties for a PES in maintaining an office network to support small dispersed populations present particular difficulties to ensure accessibility of services.19 PES have implemented initiatives to address this aspect of efficient service delivery as a discrete and specific concept. In Sweden, for example, ICT has been used to provide kiosks with video links to remote centres to facilitate “face to face” counselling support for rural jobseekers. In Bulgaria the PES has managed to share available resources at low/no cost and created tangible benefits for jobseekers (Case study 17).

Case study 17 - The use of mobile teams to serve rural areas (Bulgaria)

Teams from local labour offices set up temporary offices and visit rural areas once a month. The costs for the office are shared between the local municipality (cost of premises and running costs, transport expenses for the visiting team) and the PES (any other daily expenses of the team and all necessary documents for the smooth operation of the office).

Through the visits to remote rural areas, the mobile operational units have been able to monitor IAP’s, confirm registered unemployed are seeking work, deliver information about vacancies, and enhance links between the PES and rural employers. Through this programme many unemployed people living in rural areas have maintained an attachment to the labour market which may otherwise have been lost, and at little/no cost to the PES.

5. Services for employers

A well-functioning, efficiently run employer engagement agenda is a crucial component of an effective PES. A number of good practice examples, particularly in terms of the introduction of employer specialists, more intense recruitment support, and increased cooperation with other labour market mediators, illustrate that PES recognise this.

The introduction of employer specialists; both sales teams and individual account managers has enabled PES to consider the needs of particular companies and sectors and support opportunities for employment including the placement of disadvantaged job-ready unemployed. Segmentation of the employer customer base has supported this process. The Austrian PES identified improvements in the results of matching and employer satisfaction from the introduction of national sales teams to meet the needs of nationwide large companies. Substantial economies of scale can be realised from national level activity, and large companies operating nationwide recruitment systems clearly expect PES arrangements to mirror these. Similar evidence-based examples of good practices are found in Belgium (Wallonia) (Case study 18) and in Bulgaria, where teams of labour mediators have been introduced to actively market services to employers (Case study 19).

19 According to analysis of jobseekers undertaken in the Highlands of Scotland region of the UK.
Cooper, U., Nelson, J., Wright, S., Cooper, J. (2008). Achieving access to work, improved social inclusion and reducing rural access costs. The potential and effectiveness of rural Transport to Employment services.
Case study 18 - Improving relations with employers through specialist employer counsellors (Belgium - Wallonia)

The PES strategy for 2013 – 2016 outlines a new focus on core intermediation activities aimed at ensuring a better match of skills needs (detection of recruitment difficulties and skills shortages) with skills available on the labour market. This is to be achieved by restructuring human resources and specifying different pathways for employers/enterprises according to industrial sector and size of enterprises.

The impact of these changes will be evaluated through satisfaction surveys of employers (quality of the service and accuracy of matching services), measurement of progression in terms of filled vacancies (vacancy satisfaction), and evaluation of the progression of the market share (in terms of vacancies).

Case study 19 - Dedicated sales teams directed by employer feedback (Bulgaria)

As a result of an organisational reform, teams of labour mediators (or “sales teams”) were established to pro-actively service employers’ needs. Employers were systematically surveyed to ask their opinion of current PES services and how they could be improved; their responses were analysed and resulted in measures for improving services in the short and long term planning of future activities. This allowed resources to be allocated more effectively to respond to employers’ needs.

The relationship between local labour offices and employers has improved with the introduction of dedicated staff, leading to better cooperation between PES and employers. The inflow of vacancies has risen as a direct result of the development of a PES service offer that is more in tune with employer demands.

Within some PES, further resources have been devoted to improve and intensify the recruitment support offered to employers with a view to increasing the PES market share and ensuring PES are placed to support jobseekers into work. In Estonia, the PES has introduced a programme to increase the access, quality, and efficiency of employer services, focusing on recruitment services and exploiting the potential of ICT to make efficiency savings, namely through the introduction of self-service portals (Case study 20). In the UK, the PES manages the early stages of recruitment for some companies up to a pre-recruitment sift. This reduces corporate recruitment overheads and in return the PES is able to arrange for some of its more difficult to place clients to promote themselves at a job interview.

In addition, being aware of the necessity to build up and maintain effective relationships with employers, PES in Europe are adjusting their service offer to employers’ needs by developing online tools including those for automated matching (e.g. Belgium - Flanders, Germany, and the UK).

Case study 20 - Comprehensive recruitment services including online services offer (Estonia)

Services to employers have been developed, specifically regarding to recruitment support, through: pre-selection service to prepare potential employees according to employer needs; supported recruitment from pools of identified suitable jobseekers (reducing both risk and cost); and development of a self-service portal to post vacancies and find suitable employees.

Now more than 50% of job vacancies come through the self-service portal. In addition, employers can search for suitable candidates, apply for redundancy benefits for their employees, etc. As a consequence of the reforms the PES market share and employer satisfaction have both increased.
Increased cooperation with other labour market mediators is another theme emerging in PES reforms. In order to provide the best possible array of vacancies for jobseekers PES are increasingly working with other labour market mediators in the private sector to increase labour market transparency and optimise citizen’s access to vacancy information. This was seen in an earlier example in Belgium (Flanders) where ICT has been exploited to enable the electronic exchange of vacancy information amongst public and private employment services (Case study 13). A further example come from the UK, which has adopted a sector based model for managing accounts from large companies at the national level. A flexible system for vacancy reporting has been implemented and PRES are able to enter vacancies into the PES database. As part of the drive to make the system efficient, the system prioritises self-service unless particular needs have been identified. If an employer expresses willingness to interview clients referred by the PES with weaker past employment records, local partnerships can be established. This helps secure the specific responsibility of PES to disadvantaged jobseekers.
Annex of case studies

Organisational structure and resource management

Case study 1 - France: Rationalisation of organisational structure

1. PES operational context

_Pôle emploi_ was created in December 2008 as a result of the merger of two organisations: ANPE (the former National Employment Agency in charge of job support and relations with enterprises) and Assedic (the former unemployment insurance operational network). _Pôle emploi_ is now the key player in the provision of public employment services and implements both active and passive labour market policies.

_Pôle emploi_ is a national public institution with legal status and financial autonomy. A three-year agreement on objectives and management is struck between the state, UNEDIC (social partnership body still in charge of managing Unemployment Insurance Scheme) and _Pôle emploi_. _Pôle emploi_’s board of directors is tripartite; consisting of the state, trade unions and employer organisations.

_Pôle emploi_ operates through its central office, 26 regional offices and about 1,100 local offices. Its staff is about 46,600 (83.1% of which were involved with the direct contact with the public in 2012, and in 2013 the corresponding figure is expected to be 85.4%)

The merger took place during the economic crisis and was hampered by the deterioration of labour market conditions.

2. Why was action taken? What problem was identified and addressed?

The coexistence of two separate networks dedicated to employment services and unemployment insurance benefits made the process for jobseekers to register and receive support complex and inefficient, for both geographical and operational reasons. The merger allowed jobseekers - be they claimant or not - to access the same array of services in a coordinated way.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The main aims of the merger of the benefits and employment services were to simplify processes, improve accessibility and enhance services for jobseekers. Efficiency gains were expected from economies of scale and overall better organisation of service provision.

4. Description of action taken; different steps and resources used in implementation

The merger involved the consolidation of both offices’ networks and IT hardware and software systems. The reconfiguration of the PES and evolving labour market conditions made it possible and necessary to decrease administrative staff and increase some client-facing resources.

In 2008, a foreshadowing body was created in order to connect top level managers from both organisations and design the main features of _Pôle emploi_ (i.e. governance structure, methods for internal social dialogue, management, procurement, HR, IT, quantitative data system, reporting, quality, control, linkages between provisions of placement and benefits service, contacts with companies for recruitment and e-recruitment) as well as future management lines.
The Pôle emploi network’s organisational structure was defined through an organisational charter (REPERE) which outlines rules for:

- Taxonomy of operational units and local offices as well as their regional and local organisation
- Organisation of activity (working hours, activity planning, local management organisation)
- Organisation of jobseeker and enterprise support
- Line of authority
- Control and management system
- Interior design and spatial organisation in local offices

The implementation of the charter’s principles laid the grounds for a common framework and network homogenisation; both necessary to ensure equity of treatment.

Just a few days after Pôle emploi was established a single phone number (from within France, simply: 39 49) was created for jobseekers to access services and get information, and a new website (www.pole-emploi.fr) integrated all online services formerly available on both ANPE and Assedic websites. The website is the first of its kind in France.

With these elements in place, Pôle emploi is able to launch new large projects which will result in efficiency gains, namely:

- Design new performance-based indicators
- Adapt the REPERE charter to devolve more decision-making powers to regional and local levels
- On-going experimentation regarding the effects of simplified administrative procedures and the assessment of efficiency gains in order to reallocate resources towards jobseekers support
- Development of a new system of professional standards within Pôle emploi

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The merger resulted in the creation of a one-stop shop network, meaning that access to the whole array of services delivered in a single location for jobseekers is easier, as well as simplifying registration procedure.

The reorganisation also aimed at increasing accessibility. The network of PES agencies has been designed so as to ensure that at least 80% of jobseekers can reach their local agency in no more than 30 minutes via public transport, such that 98% of jobseekers live within 30 km of a local agency (and 92% within 20 km). The local office network is denser than the two former aggregated networks (922 local offices and contact points as compared to 830 offices before the merger). Accessibility has also been improved through the establishment of contact points as well as development of video counters in remote areas.

The reform included the assignment of a personal employment counsellor, responsible for payment and employment services, to each registered unemployed. To fully implement this approach the cross-function collaboration between job support and unemployment benefits is continuously being improved, for example via the training of staff (see below). The merger also allowed for cuts in unnecessary procedures.

In line with the redesign and consolidation of jobseeker services, services dedicated towards enterprises were also developed, for example through improved access to Pôle emploi’s services via a dedicated telephone line (from within France, simply: 39 95) and the development of canvassing teams.

Immediate results have been documented:

- One single coordinated network of 1,100 agencies (922 local offices, 135 specialised services offices for dedicated programmes or client groups and 42 central processing centres which provide economic of scale) instead of 1,600 uncoordinated agencies
- Reduction in operating expenditures by 8% a year in 2010 and 2011 (e.g. the consolidation of IT systems provided efficiency gains through the need for fewer hardware and software licences).
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

Most efficiency gains are likely to be realised in the medium-term. Indeed, to begin with the merger has resulted in higher costs. For example, as far as the rationalisation of the network of local offices is concerned, costs only started to decrease by the end of 2012; four years after the fundamental reorganisation began.

Staff training and the development of a common skills base among staff coming either from benefits or placement organisations is a core issue. In the first year following the merger, nearly half of the staff were trained in order to make sure jobseekers are given thorough support and when applicable that they receive their payments on time.

Beyond organisational changes, the merger had to tackle growing caseloads resulting from the economic downturn. For this reason a reduction in staff was not possible. However, since the beginning of the economic crisis, Pôle emploi has recorded a larger increase in its activity compared to its staff, suggesting that efficiency gains have been made. Performance indicators have improved or remained stable over time: the processing time for benefit claims is stable over the last three years (94-95% of decisions are taken within 15 days after registration), 82% of jobseekers have their first interview within 10 days of registration.

Providing evidence-based results is difficult because there is no basis for comparison and singling out economic context effects from structural effects is very complex.

7. Pre-requisites and comments on transferability

The practice is transferable provided the political agenda supports it. Efficiency gains appear only after the merging process has been fully carried out, which takes time. Effects on quality, segmentation of services, and increased proximity to local needs are reached after the new structure has been firmly established. Besides the aforementioned crucial aspects, some other critical issues need to be settled during the process, including the acquisition of unified methods for social dialogue or the creation of a common status for employees and the conclusion of a collective agreement.
Case study 2 - UK: Innovative model for contracting-out of services

1. PES operational context

*Jobcentre Plus* is the Public Employment Service (PES) brand in the UK delivered by the Department for Work and Pensions (DWP). DWP also delivers employment programmes and administers social security benefits. The 1973 Employment and Training Act empowers the Secretary of State for Work and Pensions with the legal authority to determine training and support provision to assist people to return to work.

2. Why was action taken? What problem was identified and addressed?

In the UK most claims for unemployment benefits are short term with around half of claims ending within three months of initial registration. However a minority of longer term unemployed people need more in depth bespoke support, which is costly for Government to directly provide.

During the 1990’s and 2000’s the UK experimented with the private provision of some employment services in designated “Employment Zones” and through the “New Deal Programmes”. Unemployed people and other welfare benefits recipients were referred to private companies which provided employment counselling and services. These programmes established that there were advantages and benefits for Government in building partnerships with private sector providers, however they also identified several issues where the process could be improved. These programmes were fragmented; interventions were over-specified by Government; and incentives were sometimes poorly designed enabling creaming and parking (allowing providers to stay in business generating payments from taking customers onto their registers without delivering strong results through job outcomes for their clients).

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The payment by results system for the Work Programme (WP) providers has been designed to pay for outcomes (exits from the unemployment register) which are better than the outcomes which would have been achieved without the intervention of a third party. Analysts have used evidence from past programmes to compare a) the exit rate from unemployment without an active intervention with b) when a client receives support from an employment counsellor. Analysts then calculated how much social security money would be saved through earlier entry to work. A proportion of the saved money is used to fund payments to providers. The scheme is therefore fiscally sustainable, as the more successful providers are, the more money Government saves by recycling a proportion of social security funding to finance performance payments for providers. The scheme, unlike predecessor programmes, does not have a cash limited budget.

4. Description of action taken; different steps and resources used in implementation

The WP was launched in June 2011 building upon past experience. Services for long term unemployed, certain people with medical conditions, and other groups which are hardest to integrate (with specific social problems, basic skills deficits, etc.) are now delivered by third party providers, many of which are for profit organisations. Many of these also sub-contract a large number of smaller organisations to source specialist support in a supply chain model.

So-called “prime providers” bid for seven year contracts to deliver services where positive results are defined as sustained job outcomes for their clients. The contract evaluation is based on quality and cost criteria. There are very limited attachment fees (i.e. fees for taking on a claimant) and only for the first three years of the contracts; most payments are dependent on a client staying in employment for at least six months, with delivery partners being paid more the longer a client stays in employment.

Each region of the UK has at least two prime providers and clients are initially randomly (but equally, i.e. on a 50/50 basis) assigned from Jobcentre Plus offices. A provider whose performance is substantially better
than their competitor can receive a higher share and bonus payments if their performance exceeds contract expectations. Conversely, a poor performing provider can eventually lose a contract.

The main resources used in implementation were for the establishment of auditing and performance monitoring systems as well as the contract tendering framework.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

Since payment is higher the longer a client stays in work, there are strong incentives to continue support once participants have entered work. The WP supports a wide range of participants but providers receive higher payments for moving the most disadvantaged and hardest to integrate back into work. The payment by results system has therefore been specifically designed to encourage providers to actively support the people with the greatest barriers to finding a job.

Under the WP, private providers are given the freedom to design support programmes with minimal prescription from Government. This approach, known as the “Black Box” approach, enables providers to innovate and focus their resources where they will add most value, offering a personalised service instead of the more standardised, less customer focussed approaches which characterised previous programmes. Under previous schemes the type of welfare benefit the customer received was a determining factor in the nature of support provided. However, now customers should benefit from specialist support which is tailored to their needs, delivered by providers whose income depends upon their client’s sustained return to work.

Providers are required to publish service standards so that clients are made aware of basic quality threshold for services they can expect to receive. An independent case examiner investigates customer complaints and can impose fines if providers fail to deliver to the published standards. Prime providers must also comply with a code of practice in working with sub-contractors. This is called the Merlin Standard.

All UK policy initiatives are subject to research evaluation (either qualitative/quantitative, sometimes both). The WP will be the subject of a review but has not yet been evaluated.

The Employment Related Services Association (ERSA) (which is a trade body for organisations either delivering or with an interest in employment services) argue the WP is achieving the lowest cost-per-job versus any comparable programme in the last 20 years. They state that the relative cost per job of the WP is £2,097 compared to a £7,495 cost per job for Flexible New Deal which preceded WP.

Results issued in July 2013 indicate that more than 130,000 jobseekers have made the transition from long term unemployment to lasting work through the WP. Around 490,000 people – 62% of those who joined the scheme in its first 12 months - have spent at least some time off benefits. According to ESRA the total number people entering work stood at 321,000 in July 2013.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

WP contracts run for seven years giving prime providers a firm basis on which to build long term partnerships with specialist sub-contracted organisations. The clear incentives in place over an extended period encourage providers to invest in their infrastructure. Private sector organisations can enjoy more flexibility than Government direct service providers to alter and amend their delivery models to respond to changing customer requirements and business needs.

In addition to the fiscal sustainability of the funding system for the performance payments (see sub-heading three above); all providers must raise their own capital to invest in their delivery infrastructure. This, in tandem with the recycling of benefit savings to fund payment by results, is transferring the risk of investing in support to address long term unemployment in the UK from Government resources to the private sector.
A major WP cost benefit study reviewing the programme’s management is planned for autumn 2014. This review will investigate cost per outcome based on time customers spent off benefits.

Comparing employment programmes running at different times (especially different economic growth levels) as well as under different rules presents certain methodological challenges. DWP is considering a future comparative study of the WP and a predecessor scheme (the Flexible New Deal). The latter afforded providers less flexibility than the WP, and had greater financial constraints due to the nature of the funding system.

7. Pre-requisites and comments on transferability

The WP strategic model is transferable to any PES that is enabled through legislation to provide compulsory employment support. The detail however, as with any practice, must be adapted to meet the specific institutional setting, and be designed in the context of a Member States’ labour market operation and regulatory framework.

“Market making” initiatives are important; a mature provider market needs time to develop, and results in new opportunities to benefit from the introduction of private capital.
Case study 3 - Belgium (Wallonia): Re-deploying human resources

1. PES operational context

Each region in Belgium has its own PES. Le Forem (“L’office de Formation professionnelle et de l’Emploi”) is the public employment service for Wallonia and operates under the supervision of the Walloon Government (specifically under the Minister for Budget, Finance, Employment, Training and Sports). It is in charge of providing support to jobseekers, working with employers and providing training to help people make the successful transition into work. Le Forem employs around 4,300 people (October, 2013).

2. Why was action taken? What problem was identified and addressed?

In 2010, Le Forem decided to concentrate more human resources on operational jobs linked to its core activity, notably the guidance and job-support process. This was underlined in the new Managing Contract (2011-2016) for Le Forem. The new individualised job-support plan (introduced in 2010) became the most important and comprehensive scheme at regional level. The plan aimed at increasing the number of coached jobseekers, and at strengthening the quality of the guidance and job-support provided to jobseekers through a tailor-made support plan.

Le Forem aimed at both dealing with a higher volume of clients covered by the individualised job-support plan, and at increasing the quality of services (and thus the level of satisfaction of clients) in this area.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The main goal was to better prioritise resources (focusing on client-facing activities) and design a more appropriate counsellor workload via the introduction of assigned caseloads, classification of caseloads by domains/sectors, and so on, and finally, for an improvement of the relationship between the counsellor and the jobseeker. From an HR point of view, this implied increasing the number of counsellors from 256 FTE before the launch of the measure to 490 FTE in December 2012.

Since the reform, Le Forem has been monitoring the number of allocated resources to client facing functions, specifically those dedicated to the individualised job-support plan. The average workload of counsellors is also being measured (e.g. the fixed target for 2012 is an average of 160 jobseekers per counsellors).

4. Description of action taken; different steps and resources used in implementation

In 2012 108,741 Individual Action Plans (IAP) were concluded in Wallonia. The implementation of the new approach was achieved following the actions described below:

- Setting up a HR plan which includes: a recruitment procedure without any additional budget (partly on based on ESF funds); the reconversion (repositioning) of former “specialised” counsellors into general functions of personal job-support counsellors; and a general HR training process (in-training process and skills validation process) for PES staff, and a promotion mechanism within the PES.

- Decreasing caseloads: caseloads have been adjusted over time, from around 200 jobseekers per counsellor at the beginning (heavy workload, large variations from one counsellor to another) down to around 160 jobseekers in 2012 (stabilisation, fully operational caseloads).

- Adapted IAP: the target number of IAP has also been adapted, to reach 240 action plans/year/counsellor (instead of the 300 initially considered). Furthermore, segmentation of caseloads according to the types of professional sectors or jobs is now under consideration.

- In parallel with productivity objectives, a quality plan was designed and set up in 2011. This quality plan included a result-oriented approach to be applied at regional level and priority actions for “upstream” (staff training, investment into experienced proximity-managers, development of adequate ICT tools...),
“downstream” (evaluation of the quality of service offer, integration of an assessment culture at the team managers level...) and during the implementation (networking, contracting out and partnerships...). Consequently, at the monitoring level, there was a shift in the monitored data and targets, because the tasks and services delivered by the staff were organised differently. In general, services delivered by counsellors are now more quality-based than in the past.

5. **Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results**

Regarding performance management and quality measurement, adapted indicators and targets have been fixed. In particular the degree of customer satisfaction regarding the service provision of the individualised job-support plan is measured.

An in-house survey on beneficiaries' perception of individualised job-support services was carried out in 2011 through a telephone-questionnaire to a representative sample comprising 600 people. The survey targeted jobseekers who had benefited from PES services between July 1, 2010 and January 31, 2011. Overall, jobseekers who received services through an “Individualised job-support process” had an excellent perception of them: 84% of respondents confirmed that they would recommend a friend use the service. Despite the fact that the advisors were implementing a new coaching process which involved areas previously not covered, beneficiaries seemed unaware of any of the potential difficulties and they almost unanimously perceive their referent/personal advisor as a professional with all the necessary expertise. However, despite jobseekers being very satisfied with guidance and job-support services, some had doubts about their effects on their insertion into employment, and thought other variables (such as the economic context) have a more important role than the services offered by the PES.

The results of the last “Barometer Surveys on qualitative impact” (2012-2013) on individualised job-support services, conducted by Le Forem’s marketing service and external operator Survey & Action, will be available end-2013.

6. **Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results**

A stabilised, fully operational caseload has been achieved: caseloads have been lowered from around 200 jobseekers per counsellor initially to around 160 jobseekers in 2012. The number of individual action plan has also been adapted (from 300 to 240 per year/counsellor).

7. **Pre-requisites and comments on transferability**

The following pre-requisites and comments on transferability have been identified:

- Prioritising HR: PES aiming at achieving a quality level of services in terms of activation measures need to reconsider staffing and number of allocated resources to client-facing functions.

- Definition of a new recruitment profile and setting of training standards for personal job-support counsellors: the restructuring of HR and operational aspects (single/referent counsellors, assigned caseloads ...) has led to a reconsideration of the training processes (for adequately trained staff) and the profile of job-coaches.
Performance management

Case study 4 - Austria: Monitoring performance through use of a Balance Scorecard

1. PES operational context

_Arbeitsmarktservice Österreich_ (AMS Austria) is a public service enterprise under the Public Employment Service Act and Austria’s leading provider of public employment services. Its main tasks are: placing suitable workers in jobs, helping eliminate obstacles to placements, taking measures to improve labour market transparency, reducing disparities between labour supply and demand and providing subsistence income to the unemployed.

The AMS comprises three hierarchical levels (federal, regional and local levels), mirroring the Austrian governmental structure. The AMS consists of: 1 federal office, 9 regional offices and 100 local offices. Representatives of employers’ and labour organisations are involved at all levels and are instrumental in designing labour market policies. In 2011, AMS employed a total of 4,816 staff (FTE).

2. Why was action taken? What problem was identified and addressed?

The Austrian PES has used a successful results-based management system to define its annual labour market policy objectives since 1996. However, by 2006 there was a consensus that the system should include a performance measurement tool which covered indicators such as: customer satisfaction, process indicators, and staff job satisfaction.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The desired effect was better performance, more transparency and better indicators which would, if successful, improve PES performance.

4. Description of action taken; different steps and resources used in implementation

In 2006, AMS Austria introduced a specific type of a Balance Scorecard (BSC) which was developed internally with the exception of the IT tool, which is managed by an external IT provider.

The BSC is used for the continuous monitoring and annual management assessment of all 100 local PES offices, the 9 regional offices and the central federal office. Annual bonuses for PES staff are linked to the relevant offices’ BSC.

_Description of BSC:_

The BSC is a strategic management information tool. It facilitates an objective assessment of the organisational units avoiding the often lengthy discussions about strengths and weaknesses of a local branch or provincial office and helps to identify targets and main points for development for each organisational unit.

In contrast to classic balanced score cards, what actions should be taken to achieve the “main goals” are not derived from the BSC, rather it is a tool for weighted performance measurement. The BSC takes into account that key resource dimensions of the regional or local offices (financial and human resources) are predetermined. The measurement used is based on a benchmarking system which weights the indicators individually. Benchmarking is carried out by measuring the performance of the 100 local branches, grouped into 6 clusters. Ultimately the BSC answers the “simple” question: “What constitutes a good local branch or provincial organisation for AMS Austria?” which is also expressed in a single numerical value.
Management of improvement:

The results of the BSC are subject to systematic monitoring. In the case of poor results, either the same office can initiate possible management changes to improve performance results or a higher organisational unit can be called in. One way to promote improvement is the exchange of good practice with successful organisational units. A useful tool in this respect is the “Management Assessment”, whereby the federal organisation analyses each regional organisation every 3 years and an agreement between the two organisations is reached outlining the main activities and actions to be taken.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The success of the BSC depends on the PES performance. Both the performance improvement and PES costs evolution between 2006 (when BSC was introduced) and 2011 are shown below. It would appear that, although there is some variation (see “BSC Performance 2006 – 2011”), overall the BSC performance has risen more than costs (see “Index of BSC performance and PES costs”); implying efficiency gains.
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

(See above)

7. Pre-requisites and comments on transferability

The following pre-requisites and key elements for transferability have been identified:

- Senior management must be willing to work with a BSC
- Existence of an adequate business intelligence IT system
- Ensure BSC is well-designed, i.e. takes into account dimensions and indicators which are of central importance for the PES
- Existence of a management culture which accepts the importance of the results of the BSC and takes them into account in future planning
- Use of tools and instruments to ensure the BSC and its indicators are known and discussed on all organisational levels of the PES
- Implementation of management tools and management loops to strengthen the importance of the BSC and the use of the BSC as a steering instrument.
Performance management

Case study 5 - Germany: Monitoring performance through cost efficiency indicators

1. PES operational context

The Bundesagentur für Arbeit (BA) sees itself as the foremost employment service provider in the German labour market. BA is responsible for the provision of national unemployment insurance, and thus fulfills the tasks stipulated in the German Social Code, in particular job and training placement, as well as the provision of benefits such as unemployment benefits or bankruptcy allowances.

In the field of basic social security for jobseekers, the BA is responsible for welfare benefit payments in accordance with the German Social Code, insofar as they relate to integration into employment.

The BA employs some 110,000 staff, making it the largest government agency in Germany. The head office of the self-governed authority is located in Nuremberg. At the regional level the 10 Regional Directorates supervise a total of 156 local employment agencies. At the same time they maintain contact with the federal state governments to coordinate issues connected to regional labour market and structural policies.

2. Why was action taken? What problem was identified and addressed?

With respect to training placement of jobseekers, cost-efficiency is one of the major management principles of the BA. While the implementation of a target system provided transparency of outcomes, the relation between input and outcome was not as transparent.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The desired goal is an efficient use of the local budgets for active labour market policy measures. Whether this has been achieved or not, can be ascertained through a comparison of inputs and outputs within labour market clusters.

4. Description of action taken; different steps and resources used in implementation

To pursue transparency of both inputs and outcomes in training placement, the BA introduced several analysis indicators in 2011:

- Costs per jobseeker: average “investment” in training per jobseeker taking into account all jobseekers, irrespective of whether the investment resulted in successful integration into labour market or not.

- Costs per integration: average training cost per integration. Since not all jobseekers receive or require training measures, “bad investments” in ineffective training can be compensated by increasing the number of non-supported integrations (integrations without training measures). In other words, some of the integrations included in the calculation did receive investment in training and some did not but this measure takes both into account.

- Direct budget effectiveness of training measures: this indicator measures how much money has to be invested in jobseeker training to lead to integration. The indicator provides information on “bad investments” since it also includes the training costs which did not result in integration.

All of the indicators above are monitored on a quarterly basis. Cost-efficiency, however, is only a secondary criterion in the allocation of training measures. The primary criterion is always the jobseeker’s needs and the prognosis for success of the training measure in question.
5. **Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results**

Improved transparency and monitoring of effectiveness of training should facilitate identification of successful strategies and improvements in effectiveness.

6. **Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results**

The analysis of training costs in relation to training effectiveness is a first step in avoiding ineffective training measures. It also allows for a better allocation of resources to jobseekers who are truly in need.

Between mid-2011 to mid-2012 the costs of integration had been reduced by nearly 18% (nationally).

<table>
<thead>
<tr>
<th>Region</th>
<th>Cost Reduction in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutschland</td>
<td>-18.0</td>
</tr>
<tr>
<td>RD Hessen</td>
<td>-22.3</td>
</tr>
<tr>
<td>RD Baden-Württemberg</td>
<td>-21.8</td>
</tr>
<tr>
<td>RD Nordrhein-Westfalen</td>
<td>-20.8</td>
</tr>
<tr>
<td>RD Berlin-Brandenburg</td>
<td>-20.1</td>
</tr>
<tr>
<td>RD Bayern</td>
<td>-18.9</td>
</tr>
<tr>
<td>RD Nord</td>
<td>-17.2</td>
</tr>
<tr>
<td>RD Sachsen</td>
<td>-14.8</td>
</tr>
<tr>
<td>RD Rheinland-Pfalz-Saarland</td>
<td>-13.8</td>
</tr>
<tr>
<td>RD Niedersachsen-Bremen</td>
<td>-12.9</td>
</tr>
<tr>
<td>RD Sachsen-Anhalt-Thüringen</td>
<td>-8.7</td>
</tr>
</tbody>
</table>

It is important to note that the efficiency indicators are not simply used as instruments of cost reduction. They represent an instrument to question the efficiency of choices made about the mix of active labour market policy measures provided by the local PES. For example: can the local mix be improved by identifying other agencies within the same cluster which achieve more successful integrations with less financial input? Whilst developments in training strategy over time (e.g. the introduction of more thorough professional retraining) may increase the costs of integration measures, comparison of costs between agencies within an accounting year can still indicate which local units provide the most efficient training mix to jobseekers.

7. **Pre-requisites and comments on transferability**

The practice is generally transferable. The pre-requisite is essentially the availability of the relevant financial data.
Case study 6 - Germany: Management targets linked to financial incentives

1. PES operational context

The Bundesagentur für Arbeit (BA) sees itself as the foremost employment service provider in the German labour market. BA is responsible for the provision of national unemployment insurance, and thus fulfills the tasks stipulated in the German Social Code, in particular job and training placement, as well as the provision of benefits such as unemployment benefits or bankruptcy allowances.

In the field of basic social security for jobseekers, the BA is responsible for welfare benefit payments in accordance with the German Social Code, insofar as they relate to integration into employment.

The BA employs some 110,000 staff, making it the largest government agency in Germany. The head office of the self-governed authority is located in Nuremberg. At the regional level the 10 Regional Directorates supervise a total of 156 local employment agencies. At the same time they maintain contact with the federal state governments to coordinate issues connected to regional labour market and structural policies.

2. Why was action taken? What problem was identified and addressed?

The BA had been working with target agreements for top level management for several years. However, the system did not apply to all managers and was not connected to the overall performance reviews or variable salaries. As such, the intention of having an integrated incentive system to foster decentralized responsibility was not previously fully addressed.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The introduction of target agreements had several objectives:

- Strengthen the idea of management by objectives: provide clarity on the main goals for management and employees
- Provide an instrument which consistently links overall policy goals and the personal responsibilities of management throughout all levels of the organisation
- On a more general level, improve the overall performance of the organisation.

4. Description of action taken; different steps and resources used in implementation

In 2008 the BA introduced a fully integrated system of target agreements which included the following elements:

Firstly, target agreements were made obligatory for all managers at all levels of the BA.

- Those target agreements are based on standardised templates with a set of targets for comparable managerial functions (e.g. managers of job counselling teams). The overall degree of target fulfilment is a weighted average of the target fulfilment for the individual goals.

- The standardised templates are used as an input for the overall performance review of the manager.

Secondly, in 2009, the templates were linked to variable salaries, that is, a certain percentage of one’s salary – depending on the managerial level – is linked to how far the targets are achieved.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

(Not directly relevant, however, improved management of PES clearly ought to improve the services received by jobseekers and employers).
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The fully integrated target system has provided a significant basis for improving the overall performance of the BA:

- Clear expectations: All managers have clarity on their goals and on what is expected from them (basis for management by objectives). Consequently, the departments and teams also have clear goals. A recent internal survey suggests the system is helpful and accepted. Moreover, the German Federal Court of Auditors acknowledged in one of its 2012 reports that the ideal of management by objectives is well implemented and accepted in the BA and a strong motivational factor for managers and employees.

- Consistent management model: Goals are consistent on all organisational levels, providing comparability between different units (e.g. local agencies) and thereby stimulating internal competition and benchmarking.

- Incentive system: The linkage of targets to performance reviews and to a certain percentage of one’s salary serves as an additional incentive for improving overall performance.

The strong performance of the BA during the last few years indicates that the on-going reform process, with management by objectives and target agreements as main elements, is heading in the right direction. The following graphs show for a selection of indicators, how the BA’s overall performance has improved during the last six years:

7. Pre-requisites and comments on transferability

In general, the integrated target system is fully transferable. Pre-requisites are a qualification programme and support for standardised templates. In the BA, support is provided by the 45 decentralised controlling and personnel departments. Moreover, the government pay scale system must permit variable income depending on performance.
Case study 7 - Denmark: Reimbursement rates which reflect effectiveness of measures

1. PES operational context
The Danish PES (“Arbejdsmarkedsstyrelsen”) is not operated by the national government, but by municipalities through local jobcentres. Inbetween there are four employment regions (part of the PES), which support the job centres and ensure they perform well. In addition, the regions monitor general labour market trends.

All costs – administration, benefits and measures - for all target groups are financed by the municipalities but reimbursed in a differentiated way by the state. The principle is the more active efforts, the higher the reimbursement rate. At all three levels, social partners are involved through their participation in the Employment Councils. There is one employment council at the national level, four employment councils at the regional level and 98 employment councils at the local level, one in each municipality.

2. Why was action taken? What problem was identified and addressed?
In 2010 the PES did a study illustrating that the municipalities responded consistently to the imbedded economic incentives in the system. Early and active efforts were a general priority for the jobcentres. But since there was no differentiation in reimbursements depending on the type of active measures put in place, the jobcentres tended to apply the less expensive measures with less focus on what is proven to be most effective.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?
The desired effect was that resources should be redirected towards more effective measures, which could be seen by a change in the share of funds aimed at the more successful measures.

4. Description of action taken; different steps and resources used in implementation
In order to improve the use of more effective measures, the legislation was reformed by the parliament as proposed by the Minister of Employment and based on evidence based studies. The cost of Enterprise Based Measures (EBM) would be reimbursed with 65%, training with 50% and traditional public employment projects with 30%.

In Denmark, EBM are defined as activities for jobseekers taking place at real workplaces in public and private enterprises (i.e. wage subsidy jobs, internships, and work practice, etc.).

The legislation which took effect from January 2011 was introduced and implemented within a very short notice period (2 months). An intensive information process (explaining the specific technicalities of the legislation and why this new reimbursement rate was introduced), in conjunction with an equally intensive dialogue between the Jobcentres and the PES employment regions, backed by individual business case models, led to a very swift reorientation of the Jobcentres use of active measures.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results
The use of EBM increased in the first year by more than 50%. The change was most significant for the traditionally hard to place groups.

As a consequence, the overall effectiveness of active labour market programmes in 2011 improved by an estimated 10%. This was simply a consequence of changing the relative weight in the direction of measures with a documented higher employment effect.
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

EBM are the most effective and among the less costly active labour market measures. Business cases show that increasing the relative use of EBM reduces cost and improves effectiveness and outcomes. Thus, by assigning higher reimbursement to measures known as effective (such as this one) it is possible to steer active employment policy in the direction of a more cost effective strategy.

7. Pre-requisites and comments on transferability

The Danish approach illustrates that economic incentives based on evidence can lead to a more cost effective system and an employment policy with better outcomes.

The example set by this case is that it is necessary to work systematically with not only generating and disseminating knowledge on what works but also to develop methods for actually implementing knowledge in an effective way in policy development and delivering employment measures.

Adjusting economic incentives consistently with evidence based knowledge is one method which has proven very effective in Denmark. However, the institutional set up in Denmark (with a PES system run at municipal level) is a special case. The example could be applied to other more traditional state-run PES systems by adjusting and differentiating the financial conditions for local PES according to the use of the most effective active measures.
Making use of ICT

Case study 8 - Austria: Prioritising a mixed-channel strategy as result of evaluation

1. PES operational context

Arbeitsmarktservice Österreich (AMS Austria) is a public service enterprise under the Public Employment Service Act and Austria’s leading provider of public employment services. Its main tasks are: placing suitable workers in jobs, helping eliminate obstacles to placements, taking measures to improve labour market transparency, reducing disparities between labour supply and demand and providing subsistence income to the unemployed.

The AMS comprises three hierarchical levels (federal, regional and local levels), mirroring the Austrian governmental structure. The AMS consists of: 1 federal office, 9 regional offices and 100 local offices. Representatives of employers’ and labour organisations are involved at all levels and are instrumental in designing labour market policies. In 2011, AMS employed a total of 4,816 staff (FTE).

2. Why was action taken? What problem was identified and addressed?

The AMS wanted to find out if providing job search coaching and assistance to certain groups of jobseekers exclusively via web-based channels was effective and efficient.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The objective was to speed up the reintegration of unemployed into the labour market; improve customer satisfaction; and make better use of staff resources.

Evidence of success of the practice would have been visible from: shorter duration of unemployment and faster reintegration into the labour market, higher customer satisfaction, higher customers (jobseekers) per counsellor ratio.

4. Description of action taken; different steps and resources used in implementation

A pilot project was launched to find out if providing coaching exclusively via web-based channels led to efficiency gains. One provincial and one regional office took part in the pilot. The target group were newly registered jobseekers who were in principle job ready, had no obvious obstacles to reintegration and were willing to be served exclusively via e-channels. The control group had similar characteristics but was supported using a multi-channel approach. The pilot was evaluated via two internal analyses and an external evaluation carried out by a research institute, in order to find out if the target group performs better than a control group.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The evaluation showed that duration of unemployment and the reintegration into the labour market were actually less favourable for jobseekers using only e-channels only (pilot group) compared to clients using a multi-channel strategy (control group). However, customer satisfaction was found to be higher for the pilot group in some areas.

Following the pilot and the findings of the evaluation, internal rules for the use of the different communication channels with jobseekers were revised and a flexible approach was implemented. The exclusive use of e-channels for a long coaching period is no longer allowed.
Results of the studies:

<table>
<thead>
<tr>
<th></th>
<th>Pilot group (online services/mail)</th>
<th>Control group (multichannel approach)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer satisfaction (%) of answers very good and good</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counselling interview</td>
<td>75.4%</td>
<td>60.4%</td>
</tr>
<tr>
<td>Service contacts</td>
<td>72.1%</td>
<td>62.7%</td>
</tr>
<tr>
<td>Vacancies offered</td>
<td>73.5%</td>
<td>45.2%</td>
</tr>
<tr>
<td>Help of AMS staff</td>
<td>66.0%</td>
<td>73.4%</td>
</tr>
<tr>
<td>Assistance during job search</td>
<td>48.7%</td>
<td>60.0%</td>
</tr>
<tr>
<td><strong>Average duration of unemployment (days)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial office</td>
<td>78.7</td>
<td>68.6</td>
</tr>
<tr>
<td>Regional office</td>
<td>80.1</td>
<td>54.5</td>
</tr>
<tr>
<td><strong>Comparison of successful reintegration</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

65% of the target group using online-services only did not find a job faster than the control group.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

Not applicable.

7. Pre-requisites and comments on transferability

The following pre-requisites have been identified:

- Availability and options for the use of different communication channels
- Structural framework (regulations) in place to manage different communication channels
- Flexibility within this structural framework for different kinds of support to be organised for jobseekers and delivered by individual counsellors.
Case study 9 - France: An integrated, modernised pre-registration system to support multi-channelling

1. PES operational context

*Pôle emploi* was created in December 2008 as a result of the merger of two organisations: ANPE (the former National Employment Agency in charge of job support and relations with enterprises) and Assedic (the former unemployment insurance operational network). *Pôle emploi* is now the key player in the provision of public employment services and implements both active and passive labour market policies. *Pôle emploi* is a national public institution with legal status and financial autonomy. A three-year agreement on objectives and management is struck between the state, UNEDIC (social partnership body still in charge of managing Unemployment Insurance Scheme) and *Pôle emploi*. *Pôle emploi*’s board of directors is tripartite; consisting of the state, trade unions and employer organisations.

*Pôle emploi* operates through its central office, 26 regional offices and about 1,100 local offices. Its staff is about 46,600 (83.1% of which were involved with the direct contact with the public in 2012, and in 2013 the corresponding figure is expected to be 85.4%)

The merger took place during the economic crisis and was hampered by the deterioration of labour market conditions.

2. Why was action taken? What problem was identified and addressed?

Online pre-registration has been available since 2004; however, the previous systems had a number of drawbacks and were not designed to provide the range of services offered by *Pôle emploi*; a jobseeker’s journey was long and fragmented, with different administrative forms (registration claim, benefit claiming), with the result that both the quality and quantity of collected information (mainly concerning benefit claiming) was often poor.

Since the creation of *Pôle emploi*, the service has been modernised and improved as part of its multi-channelling strategy. The online pre-registration service is now linked with the implementation of the registration and assessment interview (EID), during which registration is confirmed. This process allows for more flexibility and a systematic approach to connecting benefit claiming and placement. It was designed as a way to simplify and provide better accessibility to services for jobseekers.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

1. Increasing the use of online services (starting with pre-registration)
2. Freeing up time for value adding tasks, notably related to EID, thus enabling counsellors to focus more on getting to know the jobseeker and building an individual action plan
3. Providing information early in order to support the processing of benefits claims at back-office level
4. Providing consistent quality and accessibility of registration process (by telephone or online)

Indicators have been set up in order to measure the efficiency and effectiveness of online registration, including content and average duration of online registration.

4. Description of action taken; different steps and resources used in implementation

Improvement of online pre-registration has been implemented in several steps.

One of the main projects linked to the creation of *Pôle emploi* in December 2008 was the merging of IT systems and the creation of a unique website for all online services. Online pre-registration was rebuilt in 2010. The process was developed so as to include an occupational section in addition to registration and
Making use of ICT

benefits claiming. The internet form is structured in the same way as the registration and assessment interview. The process is made as simple as possible for jobseekers, with support provided throughout. All administrative data concerning registration, benefits claiming (where applicable) as well as information about skills and knowledge or vocational projects form part of the online pre-registration form. A personal space online is simultaneously created and jobseekers are invited to prepare for their first interview.

The rebuilding of the pre-registration system drew on feedback from jobseekers following regional pilot projects. One of these surveys showed that more than half of jobseekers who had been registering by phone would have preferred to use an online service. This prompted the development and implementation of a new service in 2011, “Rendez-vous en ligne” (RDVL) which made it possible for jobseekers to make their first appointment online with their counsellor, choosing between up to three possible dates.

Among the most recent services featured to be incorporated into the online pre-registration process is Prép@emploi (implemented July 2013). It helps the jobseeker to prepare for the first interview with the counsellor through a self-assessment questionnaire that invites jobseekers to think about their vocational interests, geographical mobility, skills, occupational mobility and strengths.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The new online pre-registration service provides a more satisfactory service for jobseekers since it both allows them to choose the date of their appointment and to prepare their first interview with their counsellor. The latest figures for 2013 show that about 75% of users have been available for at least one appointment, over 97% of which having been able to choose an appointment between three different options (replacing the former no-choice fixed appointment). Registration files returned following the first interview are more complete.

The last available figures on duration of online pre-registration (including benefit claiming) show that in 2012 the process duration has dropped from 44 minutes to 23 minutes on average, whilst the data and information collection automatically sent to IT systems has increased.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

For Pôle emploi, efficiency gains arise from an improved and increased use of online pre-registration services. Figures for 2012 suggest that internet is now the most used channel for pre-registration, accounting for over 40% of pre-registrations.

Gains for counsellors are both quantitative and qualitative: time saved for EID preparation since most of administrative data has already been filled in online by jobseekers; online appointment making is expected to lower the no-show rate at first interview (20-25% before implementation), making it easier for staff to plan activity; and information concerning jobseekers is more complete and precise.

The implementation of RDVL is too recent to provide evidence-based insights in terms of efficiency. As already mentioned, there is certainly evidence that the online appointment system put in place is desirable. Further performance management development includes opening up the possibility to track every online event from preregistration to EID in order to track effects of RDVL on the rate of no show at EID.

7. Pre-requisites and comments on transferability

- Implementation could not have been carried out without the existence of a registration line ahead of EID.
- The specific operational context of Pôle emploi characterised by two essential missions towards jobseekers (paying benefits and placement) had to be taken into account.
- Satisfaction surveys to ensure the services live up to users’ expectations were deemed essential.
- Finally, development and implementation rely on a mature and flexible IT system.
Case study 10 - Malta: Exploiting the potential of ICT to provide more automated, modernised services for employers and citizens

1. PES operational context

The Employment and Training Corporation (ETC) is the Maltese PES set up by an Act of Parliament in 1990. It is primarily responsible for providing public employment services, maintaining an official register of persons seeking employment, managing state-financed vocational training schemes and storing labour market information. The ETC is responsible for the implementation of active labour market policies.

2. Why was action taken? What problem was identified and addressed?

The ETC realised that through further automating certain services, it might be able to provide a better service to its clients while making efficiency gains. The services that were automated were:

- **Submission of engagement and termination forms:** The ETC is obliged by law to keep an up to date register of those in employment in Malta. The register is updated using completed engagement/termination forms. It is estimated that around 10,000 forms are submitted per month, of which approximately 3,500 forms are submitted through the website. Prior to the automation, the latter forms had to be printed and input into the system.

- **Submission of vacancies:** Employers may submit vacancies through different means, including by e-mail and/or via web input forms. The vacancy profile form is used as a template and contents are checked prior to manual entry into the system. The update is intended to allow for automatic update after due checking by the ETC’s personnel.

- **Employment history:** Citizens may require their official employment history in order to receive benefits or for other reasons. Previously, they had to visit the job centre and request a print out of their employment history but it is now possible for citizens to go to a webpage and download this information.

- **Employee list:** The maintenance of the employment register makes it possible for ETC to issue an employee list on demand. These lists assist ETC monitoring. Employers may be requested to provide a list of their employees on specific occasions. Prior to automating the services employers needed to contact ETC or visit a job centre to obtain a copy of their employees list; now they have the facility to access their employees list online.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The desired effects were principally the following:

1) Improved customer service
2) Better use of personnel
3) Saving costs

Over the past year (November 2011 to October 2012), approximately 2,170 visits to the “Employment history” page were recorded. This is a new function that was not previously available.

Approximately 250 termination forms a month were submitted by electronic identity (eID) users. In 2012, approximately 3,600 engagement and termination forms were submitted through the website on a monthly basis.
4. Description of action taken; different steps and resources used in implementation

As a result of business process analysis a number of tasks have been automated. The automation process required some business process restructuring and development to amend the current systems to accommodate developments, as well as creating the new functionalities required for the new website.

- **Submission of engagement and termination forms:** The electronic submission of engagement and termination forms was further automated, leading to cost saving. Once the employer submits the relevant form through the website, ETC staff only have to check the data entered.

- **Submission of vacancies:** The submission of vacancies was further automated. Vacancies submitted through the website do not need to be re-input. Instead, ETC personnel only need to verify the details of the vacancies before they are automatically input to the IT system for processing.

- **Employment history:** The website includes a function for eID users whereby they can access their employment history online and print a copy directly.

- **Employee list:** The website includes a function for eID users whereby they can access a list of employees online and print a copy directly.

The list of employees and employment history are provided on the website following a user’s login. These documents are generated as a PDF from the available data within the ETC’s database.

The employment and termination forms, as well as the vacancy submission form, require the user to input the details into online forms designed for the specific function. ETC personnel are then given access to vet these forms and upon completion these are stored within the ETC database.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

Employers can submit engagement and termination forms online. The added customer benefit is that eID users submitting termination forms do not need to input the personal details of the employee whose employment is being terminated since the employer can select the employee in question from the employees list and just enter the termination details. Employers using eID can also access their employees list, which is a new function made available online.

Jobseekers can check vacancies online at any time of the day and as frequently as they like. The added benefit to jobseekers is that the website includes auto-matching, whereby vacancies matching the jobseeker’s preferences are suggested to the jobseeker. eID users can also now access their employment history, at any time, through the website.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The automation of a number of processes has led to more efficient processing of information. Moreover, time has been saved from providing clients with services that they can now access electronically.

An estimated annual saving of €785 has been made on paper and toner by not printing the engagement/termination forms. Moreover, the personnel’s time saved through the elimination of printing, sorting of forms and stamping of forms with the received date, amounts to approximately 720 FTE hours annually. Further time was saved by the elimination of the inputting process.

7. Pre-requisites and comments on transferability

In principle automating processes and allowing for self-service is transferable to other PES organisations. However, the specific functions provided through the website will depend on the services provided by the PES and the legal obligations on employers.
Case study 11 - Greece: E-procurement and warehouse management system

1. PES operational context

The Greek Manpower Employment Organization ("Οργανισμός Απασχολήσεως Εργατικού Δυναμικού" - OAED) is the national public employment service, which operates under a public legal status and is supervised by the Ministry of Labour, Social Insurance, and Welfare. OAED has four distinct areas of responsibility: insurance (PLMPs), employment (ALMPs), education services (vocational education and training) and welfare-related services (recently added). The OAED currently operates 121 local PES, 51 Apprenticeship-Vocational Education Schools (EPAS), 30 Institutes of Vocational Training (IEK) and 6 Vocational Training Centres (KEK) throughout Greece.

2. Why was something done, which problem was addressed

Up until June 2012, there had been a manifest need for centralised monitoring and a unification of the whole procurement process (for services, materials, and office consumables), since marked financial differences were found to exist between the various departments and local offices of the OAED. Moreover, OAED acknowledged that the process of warehouse management and procurement tended to involve excessive bureaucracy, considerable expenditure and administration time. Thus, it was decided that a rationalisation of this expenditure and a better system to manage procurement - by closely monitoring each stage in the process – would lead to gains in efficiency and effectiveness. A specialised system of electronic procurement (e-Procurement) and warehouse management was launched 1 June, 2012.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The e-Procurement platform falls under OAED’s Financial Management Information System. The e-Procurement and warehouse management system was designed to automate the procurement of materials required for the completion of OAED’s administrative functions and the overall management of that process. A further aim was to provide an innovative series of services both within the OAED and in dealing with suppliers. Overall, the system primarily aimed to plan and rationalise OAED’s expenditure, save administrative time and reduce costs.

4. Description of action taken; different steps and resources used in implementation

In essence, the system involves an electronic platform capable of monitoring and managing the various procurement stages, from the initial electronic submission of requests/applications for materials, consumables and services originating in various departments, through to the final delivery of the items requested. The system enables all OAED offices and departments to maintain an overview of all items purchased from the moment they arrive on their premises until they are consumed or worn out. Thanks to this system it is possible to monitor the materials transferred both into and between the various OAED departments; moreover, the system ensures adherence to procurement legislation. Additionally, the system monitors and produces statistics concerning the purchase price of each item at regional, cost-centre and national levels.

The various OAED offices and departments are requested to submit their anticipated procurement requests twice a year. In this way, it is possible to plan all procurement needs and processes well in advance and thereby manage them more efficiently. All financial management functions are performed in real time for all of OAED services; this also results in monitoring the budget execution in real time. The system, as stated, has an integrated platform of electronic procedures which covers the entire procurement procedure, thus helping to reduce and rationalise expenditure overall.
5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The system offers the following supplier (client) benefits:
- It ensures faster services
- It reduces bureaucracy
- It ensures safety of data and transaction details
- It minimises the amount of time spent on the clearance of expenses
- It establishes good business relations and enhances confidence between OAED and its suppliers

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The e-Procurement system is a platform that was added to OAED’s existing Financial Management System. It performs over 5 million transactions per year in a completely secure, transparent and accountable manner. Its overall organisational benefits can be summarised as follows:
- Rationalisation and reduction of expenditure (a 30% reduction in operating costs - excluding payroll costs - has been achieved)
- Considerable reduction in time required to complete administrative operations
- Enhancement of transparency
- Materials and warehouse management
- Support in budget planning and implementation
- Recoveries of improper payments
- Improved asset management
- Automated Budget Commitment Appropriation process – Publication on the “Diavgeia” website20.

7. Pre-requisites and comments on transferability

The idea of introducing an e-Procurement system is fully transferable to other PES. However, the specific functions provided through this system depend on the legal framework governing public procurement in the country of the PES interested.

20 The “Diavgeia” Programme, introduced by the Greek government in 2010, aims to achieve the greatest possible publicity for the government policy and overall administrative activities, and also ensure transparency and accountability on the part of all public authorities in Greece. No administrative decision can be implemented unless it has first been published on the “Diavgeia” website: http://www.diavgeia.gov.gr/
Case study 12 - Belgium (Flanders): Automation of the procurement process

1. **PES operational context**

Every region in Belgium has a public employment service. The *Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding* (VDAB) is the public employment service for Flanders. VDAB, founded in 1989 to make the labour market in Flanders as transparent and dynamic as possible, offers employment services, training and career guidance. The RVA (National Employment Office) is responsible for determining eligibility for unemployment benefits.

2. **Why was action taken? What problem was identified and addressed?**

VDAB already used Enterprise Resource Planning software (Peoplesoft Oracle) but there was a desire to automate the procurement process and exploit new channels (e.g. online) and to ensure that the whole process was standardised.

3. **What was the desired effect? What assurance is available to prove that the practice has met this objective?**

*Desired effect*
- The optimisation of the VDAB purchasing process
- Provide a faster, high-quality service
- Turn VDAB into a modern, flexible PES (in terms of keeping up with trends and in timeliness of services) whilst ensuring quality of services

*Proof of success*
- The optimisation of purchasing procedures has facilitated the adaptation of a provincial structure
- Measurement indicators prove that these supporting processes are now much faster and ensure better quality in services provided
- Moreover these supporting processes leave space for further growth
- VDAB purchasing process will be measured more precisely via Business Process Management (BPM), which will allow for improved monitoring.

4. **Description of action taken; different steps and resources used in implementation**

- The implementation of the new system involved a very technical process and existing procedures had to be modified. It involved the whole organisation, but ICT support was particularly important. Dedicated ICT staff from within the PES were allocated to support the process.
- The purchasing process is a function of the ancillary services (back office). An ERP is managed from the ancillary services as well.
- Proper agreements with the suppliers are crucial; this is now even imposed on “bigger” suppliers through framework agreements.

5. **Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results**

Initially this practice resulted in benefits to the PES, but also to the suppliers, since framework agreements are signed which support planning and provide clarity. For the most part, the procurement procedures take place electronically and automatically (mostly by processes that run at night), smoothing away tasks (such as deliveries, invoices) and reducing overhead costs. In addition, the back office is becoming “smarter” and “sleeker”. The ERP is used as a fully-fledged purchasing tool.
Results:
- In 2010, there were 2,000 e-procurement users (out of 5,000 staff members)
- In the same year, 70% of order lines went through e-procurement
- The manual input (data entry) diminishes visibly every year (both purchase orders and invoices)
- Nightly processes are possible (performance enhancing)
- Less paper (cost efficient and environmentally friendly)
- Automisation has made processes less vulnerable to human error and uploading larger volumes is now possible.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

Everything is uploaded and processed automatically improving effectiveness and efficiency.
E-procurement has been given a further boost by the emergence of e-invoicing, a process supported by a European draft directive proposal on e-invoicing.

7. Pre-requisites and comments on transferability

The following observations regarding pre-requisites and transferability are relevant:
- Change management is very important; the whole organisation must support the process.
- ICT support is critical to success
- It is important to take the supplier into consideration: can they handle automatisation?
- Procedures and agreements are very important: it is a supply chain system therefore every step in the process depends on the quality of the previous one
- The use of ERP is necessary
Case study 13 - Belgium (Flanders): Introducing a standard e-protocol for vacancy data exchange

1. PES operational context

Every region in Belgium has a public employment service. The Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsonderwijs (VDAB) is the public employment service for Flanders. VDAB, founded in 1989 to make the labour market in Flanders as transparent and dynamic as possible, offers employment services, training and career guidance. The RVA (National Employment Office) is responsible for determining eligibility for unemployment benefits.

2. Why was action taken? What problem was identified and addressed?

VDAB wanted to expand the number of job vacancies advertised without having to manage all the data. In the first instance, examples of standard protocol for the exchange of vacancy data between different private partners on the labour market used amongst other regional mediation services were sought.

In order to avoid a situation whereby different exchange protocols were required with every partner, a common standard – preferably based on an existing industry standard – was pursued.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

Desired effect: VDAB clients will have a much broader offer of job vacancies, which will not have to be managed by VDAB itself nor be inputted by VDAB counsellors.

Proof of success: Since the introduction of this standard exchange protocol, 80% of VDAB vacancies are introduced automatically. Previously, this was done entirely manually.

4. Description of action taken; different steps and resources used in implementation

VDAB used the HR-XML Staffing Exchange Protocol 2.4, more specifically the Position Opening scheme. This is a predefined set of XML-tags, specifically designed for the HR Market, initially in the USA. A user group – including VDAB among its members – was established in Belgium. The main goal of this user group was to test the international standard against the Belgian context and to modify it where needed in order to comply with Belgian legislation. This enabled the creation of a standard protocol for Belgium. The main differences involved removing certain optional tags whilst making other “optional” tags obligatory.

To be exchanged, vacancies had to measure up to the structure of the aforementioned XML specifications. VDAB drafted documentation based on the Belgian standard and complemented it with code lists. In addition, pivot tables were created in order to facilitate large conversions for vacancy exchanges with major partner organisations.

Once these matters were agreed, integration and implementation of the systems and applications proceeded.

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The following benefits are identified:

- Employers, temporary work agencies and recruitment offices can publish their job vacancies automatically and free of charge
- The offer of job vacancies on the VDAB website is much broader
- VDAB can exchange job vacancies with other regional mediation agencies (FOREM, Actiris and ADG)
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The following efficiency gains are identified:

- By using a fully documented standard protocol, the joining of new partners wishing to exchange job vacancies is a manageable process which can be operated with minimum guidance.
- VDAB can offer its clients a much broader offer of job vacancies without having to manage them and the whole process is automated.
- Since the introduction of the standard exchange protocol, 80% of vacancies are gathered automatically.

7. Pre-requisites and comments on transferability

The standard protocol used is available, together with lots of examples, on http://partners.vdab.be/hrxml/.
Case study 14 - Greece: Implementing a new IT network linking PES and other authorities

1. PES operational context

The Greek Manpower Employment Organization ("Οργανισμός Απασχολήσεως Εργατικού Δυναμικού" - OAED) is the national public employment service, which operates under a public legal status and is supervised by the Ministry of Labour, Social Insurance and Welfare. OAED has four distinct areas of responsibility: insurance (PLMPs), employment (ALMPs), education services (vocational education and training) and welfare-related services (recently added). The OAED currently operates 121 local PES, 51 Apprenticeship-Vocational Education Schools (EPAS), 30 Institutes of Vocational Training (IEK) and 6 Vocational Training Centres (KEK) throughout Greece.

2. Why was action taken? What problem was identified and addressed?

In the summer of 2012, OAED launched a common IT network comprising of the Greek Ministry of Interior (MI), the Social Insurance Institute-Unified Insurance Fund of Employees (IKA-ETAM), and the Greek Labour Inspectorate (SEPE). The network was primarily aimed at reducing excessive bureaucracy, saving valuable administrative time and preventing malicious practices. Indeed, all of these three issues had been found to adversely affect the OAED’s efficiency in terms of both quality and speed of service delivery.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

OAED proceeded to use special ICT in cooperation with the aforementioned public entities, in order to promote the triptych of quality-speed-flexibility. Specifically, it was deemed necessary to (i) simplify the issuance of documents required for the renewal of the residence permit for foreigners living and working in Greece (in collaboration with the MI); (ii) eliminate cases of document falsification (in collaboration with the MI); (iii) obtain full and automatic access to the social insurance history of applicants before granting a number of benefits and allowances (in collaboration with IKA-ETAM); (iv) obtain full and automatic access to employer and employee information regarding lists of employees, overtime hours, dismissals, etc. (in collaboration with SEPE).

4. Description of action taken; different steps and resources used in implementation

Within the framework of OAED’s IT network and interaction with the aforementioned bodies, OAED co-signed cooperation agreements with:

- MI: ensuring, among other things, the verification of the foreign applicants’ personal information before issuing unemployment cards or the granting of benefits
- IKA-ETAM: ensuring automatic access to the social insurance history of persons applying for an OAED service or benefit
- SEPE: ensuring mutual access to employer and employee information that is essential for the issuance of administrative documents and close monitoring of employment conditions and data

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The new communication system has played a key part in the development of a much simplified process of monitoring the requirements for granting OAED benefits, which is in the best interest of both the beneficiaries and the services involved.

21 The Greek Labour Inspectorate, or SEPE, is a public authority supervised by the Ministry of Labour, Social Insurance, and Welfare. Its aim is to closely monitor employment relationships and safety and health issues in the workplaces.
Within all of the three cooperative agreements mentioned above, OAED applicants and beneficiaries do not have to visit the relevant services in person in order to have their documents issued, since all necessary information can be automatically retrieved from the system. Indeed, OAED beneficiaries are no longer responsible for the submission of documents, since it is estimated that 80% of the documents required can now be automatically retrieved.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

In general, the system saves valuable administration time and contributes to the prevention of malicious practices.

Specifically, the creation of a shared IT network between OAED and IKA-ETAM has effectively abolished a number of bureaucratic procedures (such as the submission of documents) for both organisations. Furthermore, it has facilitated OAED’s work in monitoring and addressing malicious practices by allowing for automated crosschecking of data.

The network between OAED and MI has enabled the former to verify in real time the foreign beneficiaries’ personal information and residence permit validity. This has significantly reduced the administrative procedures required for the residence permit issuance and, more importantly, it has eliminated document falsifications.

Finally, the creation of an electronic Employer-Employee Registry, recording information about changes in employment status, comprehensive lists of employees and their overtime work, can be used both by OAED and SEPE in crosschecking data and efficiently monitoring employment in Greece.

7. Pre-requisites and comments on transferability

The idea of establishing an IT network with other public organisations and services is fully transferable. However, the specific requirements and functions of such a system depend on the type of services provided by the PES, the administrative procedures it follows, and the legal framework including data protection and data transfer governing its operation.
Case study 15 - Lithuania: Centralising and extending e-services and e-government

1. PES operational context

In October 2010 the Lithuanian labour exchange ("Lietuvos darbo birža"), which is the Lithuanian PES, went through a restructuring process. A new working model was introduced for the regional labour exchanges and 46 local offices were replaced by a more customer-oriented system comprising 10 local labour exchanges operating in almost all municipalities across Lithuania.

It is expected that the new management model will facilitate a flexible and effective planning and implementation of the active labour market policy measures, taking into account the needs of employers in the region and in response to the situation in the labour market. About 90% of PES employees are anticipated to work directly with customers after the reform.

2. Why was action taken? What problem was identified and addressed?

The previous information system, established more than 10 years ago, was fragmented and out-dated. There were more than 40 servers in local offices which resulted in high costs for the licensed software installed, maintenance and support (hardware, databases, etc.). There were also problems caused by data mismatches between the data held in central and local offices.

The previous IT system primarily focused on the internal processes of the PES. The limited e-services available to clients were not always effective, for example, when a person updated his/her data online, in most cases it did not reach an agent. There was an absence of an effective and uniform means of communication between the PES, clients and employees. In addition, the online portal was lacking a secure means of identification of individuals which limited the scope of potential services.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

One of the main goals of this project was to create new, nationally accessible services for the unemployed and employers and a unified system for PES staff.

**E-services available to jobseekers:**
- CV writing and editing
- Transfer of CV to the employer
- Management of requests for employment and job offers received
- Save job proposals, to view them later
- Save job search parameters
- Subscription to notifications about jobs
- Completion of a simplified pre-registration form and selection of time of the visit to the PES office
- Creation of a preliminary individual employment action plan
- Review the recommendations issued by the PES and corresponding job offers
- Review of services provided by PES
- Interaction with dedicated specialists
- Change and approve new time of visit to PES

**E-services available to employers:**
- Publishing and editing of job vacancies
- Participation in organized active labour market measures, supporting employment
- Registration of job offers for students;
- Registration for a job fair based on published vacancies
- Interaction with dedicated labour exchange professionals
- Messaging with candidates
- Save candidate profiles and search parameters
- Download filled in contracts of active labour market measures
- Fill in preliminary attendance timesheets
- Receive labour exchange recommendations on the candidates
- Fill in and correct information about the company's operations, staffing, planned recruitment or dismissal
- Authorize one or more undertakings to carry out recruitment procedures
The two project efficiency indicators targets set in the project requirements were the following:

1) Share of e-service users, counted respectfully from the total number of the users of particular service (after 2 years when project is finished, percentage) – not less than 30%;

2) Share of e-services users, who give a positive feedback on new electronic services (after 2 years when project is finished, percentage) – not less than 70%.

The project officially came to an end only very recently and evidence from an evaluation is not yet available.

There are two areas of cost saving related to this project:

1) The main source of cost saving has been generated through a significant reduction in the number of physical servers of the system (from about 50 to 4 servers) after a consolidation and centralization of databases. Savings have come from reduced system maintenance costs, power costs, etc.

2) It is also anticipated that the new model will generate savings through the lower costs required for software development and support services.

4. Description of action taken; different steps and resources used in implementation

The key change involved the installation of an updated client service information system which makes better use of internet technologies. The technical equipment (i.e. the data centre) was also modernised: two e-services for citizens and business were made available.

The steps involved in the modernisation process included: design, development, test operation and installation, acquisition of the hardware and software, installation services, a vulnerability audit, preparation of the control measures plan, server rooms and equipment installation work.

The EU Structural Fund provided support for the modernisation process. The total cost of the project was 8,091,875.61 LTL (around 2,340,000 EUR).

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

As a result of the project an e-services portal is available to all clients (citizens and businesses), saving both of them time by providing services online as well as improving the availability of services (i.e. continuous working hours and an alternative service channel selection). Furthermore, the change meant that communication opportunities between the labour market participants and PES staff were increased.

In the first half of 2012, six months following the implementation of the project, 2,300 new employers registered with the portal and 30,500 jobseekers registered as e-service users. During the same period, over 23,000 new job vacancies were registered and 9,200 CVs were submitted.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

It is estimated that after the new system installation (i.e. centralised maintenance system) the PES will save approximately 160,000 LTL (around 46,000 EUR) every year since there are fewer servers and separate databases, and all major hardware is concentrated in one room.

In addition, it is calculated that the implementation of the central database system contributed to reducing costs by about 20%.
7. Pre-requisites and comments on transferability

(Not submitted)
Services for jobseekers

Case study 16 - Estonia: Provision of training based on thorough assessment of individual needs

1. PES operational context

The Estonian Unemployment Insurance Fund (UIF) is an independent public body with tripartite management (equal representation of trade unions, employers and the government). The UIF was founded in 2001 to administer unemployment insurance; however, since 1 May, 2009, the UIF also performs the role of PES and now provides all active and passive labour market policies (previously responsibility of the Labour Market Board). The PES is made up of one central office and 15 regional offices (about 500 employees altogether).

The reform took place during an extremely turbulent period economically (the unemployment rate increased more than fivefold between the third quarter of 2008 and the first quarter of 2010).

2. Why was action taken? What problem was identified and addressed?

The main objective of merging the management of benefit and employment services in Estonia in May 2009 was to improve the access, quality and efficiency of employment services. The provision of measures used to be more project-based than determined by any strict principles. Hence, employment services were thoroughly redesigned and the new principles of provision of services, including for jobseekers, were laid down.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

With regards to services for jobseeker, the following criteria and objectives were pursued: more personalised customer service, more sustainable employment, better and more efficient directing to ALMP.

4. Description of action taken; different steps and resources used in implementation

Since 2009, fundamental changes have been made in all areas of the organisation and service processes that have significantly improved the performance and quality of services. One of the most important reforms involved the principles of providing the services. The major development was changing the provision of ALMPs based on “wishes” or “risk groups” of the unemployed to base them on the individual “needs” of the unemployed. So, it is now very important to correctly assess these needs i.e. what specific measure could best help this person get a job. The provision of measures has become very individualised. Also, all the measures were redesigned to be more flexible to the needs of the unemployed, above all training measures.

By the new principles, labour market training is provided for those unemployed who need it for entering employment (taking into account both the individual features, skills and knowledge of the unemployed as well as the needs of the local labour market). In addition, much more focus is placed on tailor-made training which responds to the needs of employers who are not able to find employees with appropriate qualification among the unemployed.

In addition, at the end of 2009, a voucher-based training programme was introduced that enables (and incentivises) training providers to satisfy individual needs through a more flexible system. In 2010, the share of voucher-based training programmes was 40%, in 2011 62% and in 2012 65%.
5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

In 2011, the UIF estimated the effects of labour market training on two different periods: training that ended in 2009 and those that ended in 2010. In 2009, the provision of services was still based on “wishes”, but in 2010 it was based on the “needs” of employers and individuals.

The analysis shows that labour market training had a positive impact on labour market outcomes for participants in 2009 and in 2010. However, the training programmes in 2010 had greater impact than those in 2009 both in the employment rate of the participants and their wage level. It is possible that, as well as the new principles of service provision, the improved labour market situation in 2010 might have had an impact on the effects of labour market training (though the unemployment rate was on a similar level during both periods studied).

![Graph showing employment rate over time](image)

Note: average treatment effect on the treated is the estimated difference in the employment rate between the participants in training programs and the control group.

The impact of courses on Estonian language was evaluated separately from the impact of occupational training. The impact on labour market outcomes of Estonian courses turned out to be significant and positive in 2010, but not significant in 2009. In 2009, the Estonian courses covered merely general language aspects, whereas in 2010 the Estonian courses had occupation-related content. Hence, after this shift courses resulted in similar labour market outcomes as occupational courses.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The cost-benefit analysis of labour market training in 2010 showed that training has been cost-effective. Total social benefits from training exceed the costs eight month after training, whereas this threshold was reach on the sixteenth month in the government sector alone. In a period of two years, one Euro invested in training results in four Euros flowing to society as a whole, of which to the government sector directly recuperates 1.63 Euros.


---

22 Propensity score matching was used as the analysis method to estimate whether the labour market outcomes (employment and income) were improved by participation in training. Tax data were used to estimate the labour market outcomes. UIF has access to tax data with regards to wages. Hence, it is possible to detect when a former registered unemployed person has picked up a job and what wage level is associated with it.
An external impact evaluation published in 2012 by CentAR shows similar results (though slightly different study period and evaluation method):


7. Pre-requisites and comments on transferability

Staff involved in the face-to-face client service provision must be highly qualified and able to detect the real needs of the unemployed.
Case study 17 - Bulgaria: The use of mobile teams to serve rural areas

1. PES operational context

The Bulgarian Employment Agency (EA) is an executive agency of the Ministry of Labour and Social Policy, conducting its activity in accordance with various legislative documents. The EA is structured as follows: 1 central administration; 9 regional employment services directorates and 109 local labour offices.

When necessary, new administrative units subordinate to the local labour offices can be set up, as is the case for remote operational units.

2. Why was action taken? What problem was identified and addressed?

One of the main objectives of the EA is to provide equal opportunities and services for all unemployed people. In Bulgaria, one of the most vulnerable groups of unemployed persons are those living in remote areas. The EA has thus previously provided temporary employment offices to serve remote areas.

The number of unemployed persons in Bulgaria increased significantly as a result of the economic crisis, those living in remote areas were also affected by the rise in unemployment. To address the situation, in 2012 the number of temporary offices increased almost fourfold so that there are now 476 remote operational units, operated by 74 local labour offices in 151 municipalities.

A remote operation unit or an office in a remote area consists of a team from the nearest local labour office that visits the respective area once a month and provides the following services:

- Information about vacancies, programmes and measures for employment and training
- Counselling and mediation services, referral to vacancies, inclusion in programmes and measures
- Preparation of Individual Action Plans (IAP) when the person has not found a job within a month of registration
- Confirmation of the unemployment status of the jobseekers (if they don’t renew their registration as unemployed every month they are not eligible for social benefits and/or can’t participate in programmes and measures which the EA provides)
- Services to employers (where relevant): collecting vacancies from employers and assisting them in recruiting staff, informing employers about different programmes and measures for employment and training for which they would be given preference

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The main problem people face in these areas is the expense associated with travel and lack of regular transport to bigger villages or towns. The desired effect is primarily to provide outreach employment services to populations in remote areas for people who would otherwise struggle to access services.

An effective practice can be observed by the number of unemployed who receive employment services on the spot using the temporary employment offices.

4. Description of action taken; different steps and resources used in implementation

For the operation of a remote office the local labour office and the mayor of the respective municipality sign an agreement for regulating the duties and responsibilities of both sides. The municipality provides the premises and takes care of the running costs, as well as the transport expenses for the visiting team from the local labour office. The EA takes care of the any other daily expenses of the team and all necessary documents for the smooth operation of the office.
The functioning of these offices does not require additional financial and human resources; the local labour offices reorganise their operational procedures to ensure the necessary human resources are available.

5. **Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results**

The temporary offices are extremely beneficial to unemployed people living in remote areas; it enables them to get information on the spot about vacancies, programmes and measures for employment and training, as well as job-search support, they are able to ensure their registration remains live and have their IAP updated. The teams provide services to local employers as well, providing them with information about the measures and programmes which they can benefit from.

Unemployed people living in remote areas are usually the most inactive. These people are the target group of almost all programmes and measures provided by the EA. About 42,000 people are reached via remote offices. Most of them would have remained without any access to information and services if the temporary employment offices did not serve them.

6. **Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results**

(See above)

7. **Pre-requisites and comments on transferability.**

Since no additional resources are needed the implementation is relatively simple. A basic requirement is the willingness of municipalities to provide premises for the delivery. As such, the practice is easily transferable although adjustment might be needed to account for the specificities of rural areas of other countries.
Case study 18 - Belgium (Wallonia): Improving relations with employers through specialist employer counsellors

1. PES operational context

Each region in Belgium has its own PES. Le Forem (“L’office de Formation professionnelle et de l’Emploi”) is the public employment service for Wallonia. Le Forem, which operates under the supervision of the Walloon Government (specifically under the Minister for Budget, Finance, Employment, Training and Sports), is in charge of providing support to jobseekers, working with employers and providing training to help people make the successful transition into work. Around 4,300 people are employed by Le Forem in total (October, 2013).

2. Why was action taken? What problem was identified and addressed?

In the last few years, Le Forem’s Barometer Survey has shown that, despite a consistent increase in the number of available (and posted) vacancies, employers were not always convinced that Le Forem was really meeting their needs in terms of anticipation of skill needs and labour supply matching. Employers expressed satisfaction regarding training activities and HR services, but dissatisfaction was reported as far as intermediation services were concerned.

In order to address this situation, Le Forem’s 2013-2016 Business Plan outlines a new focus on core intermediation activities aimed at ensuring a better match of skills needs (detection of recruitment difficulties and skills shortages) with skills available on the labour market. This is to be achieved by specifying different pathways for employers/enterprises according to industrial sector and size of enterprises. Furthermore, a job-profile for the counsellor devoted to employers is planned.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The goal is to develop a personalised and long-term relationship between Le Forem and each employer based on their needs. The implementation of a segmented approach to servicing employers’ needs is still in progress. The impact has not been measured yet.

4. Description of action taken; different steps and resources used in implementation

- Investment in HR: definition of a job profile for the counsellor devoted to employers, definition of a quality-based intervention, design of adequate staff training programmes, etc.
- Definition of a functional and organisational model:
  - New service offer: a working group composed of different services was set up at the end of 2012 to reconsider processes, and content and modalities of delivering. The goal was to identify and define different “process pathways” for employers (which were based on the expected pathways from the employers’ point of view regarding the service offered) to draw out three levels of action plan (short, middle and long-term).
  - Organisation: organisational chart, repartition head office/regional services, HR expertise.

---

23 Starting from 2007, Le Forem has developed new marketing – monitoring studies called “Barometer Surveys on Qualitative Impact”. These surveys aim at understanding and explaining the way the clients – enterprises and jobseekers – perceive the qualitative impact of PES services (impact resulting from the various actions of the PES and its partners/contracting operators during the guidance and intermediation process).
On the basis of this analysis, an action plan is set to be piloted in a regional district (Nivelles) and if that proves to be successful, deployment of the scheme across Wallonia will take place in 2014-2015. The operational plan will involve: sphere of operation, duration, conditions to be met, steering, follow-up, evaluation and monitoring, association of social partners ...

5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The decision to implement a single enterprise contact and to specify the pathways (segmentation by type of industrial sectors and size of enterprise) is still under evaluation (since 2012). The impact will be evaluated through:

- Satisfaction surveys on employers (quality of the service and accuracy of matching services)
- Measurement of progression in terms of filled vacancies (vacancy satisfaction)
- Evaluation of the progression of the market share (in terms of vacancies)

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

(See above. No results yet)

7. Pre-requisites and comments on transferability

Keys elements of implementation for new strategy to support employers:

- Definition of a functional and organisational model, definition of key-processes (client-oriented and integrated business process) taking into account: existing resources, common targets, synergies, process efficiency, etc.
- Development of a transversal data management system on clients (common information system) in order to improve the quality of the intermediation process
- Implementation of a pilot at local /regional level
- Setting up of the function “referent counsellor” for employers (definition of a recruitment profile).
Case study 19 - Bulgaria: Establishment of dedicated “sales teams” for employer services

1. PES operational context

The Bulgarian Employment Agency (EA) is an executive agency of the Ministry of Labour and Social Policy, conducting its activity in accordance with various legislative documents. The EA is structured as follows: 1 central administration; 9 regional employment services directorates and 109 local labour offices.

2. Why was action taken? What problem was identified and addressed?

To facilitate client access to EA services and to alleviate the administrative burden of EA, a new operational model was introduced in 2004. The aim was to improve the provision of information, to apply a more individualised approach to services for both jobseekers and employers, to improve client satisfaction and to increase the commitment of EA staff. In this context, teams of labour mediators (or “sales teams”) were established to provide services to employers, monitor labour market trends, and analyse labour demand.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The sales teams’ objective is to improve the provision of services and to actively support employers in order to motivate them to announce vacancies and work with the EA.

The actions taken and the results achieved in terms of changes to organisational procedures and services offered were judged based on survey feedback from employers.

4. Description of action taken; different steps and resources used in implementation

A new operational model was implemented in 2004; with all operational processes properly outlined and respective duties and responsibilities assigned. Teams of labour mediators or sales teams were created and involved in providing services to employers. Sales teams were also responsible for surveying and collecting information on all new employers in the region and initiating contact with them, informing employers about the availability of workers (i.e. unemployed persons registered with EA), measures and programmes, and developing partnerships with them.

In order to measure the effectiveness of the sales team and obtain feedback from employers, a survey template was created; this included profiling questions to ascertain employer characteristics. The survey offers a mechanism to discover what employers are most interested in (e.g. programmes for employment, training or both), as well as satisfaction with services provided. Employers were also asked to make proposals for improvements. From June to December 2012, 10,270 employers were interviewed.

Information from these questionnaires was analysed by EA management, and on this basis measures were taken to rectify discrepancies between employers’ interests and services offered. Some of the recommendations drawn from the survey analysis are:

- Request for provision of e-services – a database of e-mail addresses of employers was created at every local labour office
- Request for more subsidised jobs
- Request for more information events – this request led to the organisation of regular reception days at the local labour office and at the Head Office
- Request for organising more job fairs for young unemployed – as a result more than 40 specialised job fairs for young people were organised and 1,901 young people found jobs in the regular labour market.

Since 2011 Directors and Head of Departments of local labour offices were included into the sales teams and they were in charge of key account management.
5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

Developing new key contacts and involving them in mutual initiatives was expected to reap benefits in terms of increased registered job vacancies. In 2012, 53,738 visits to employers were planned and 77,566 were conducted. As a result more than 200,000 vacancies were announced.

Following a reform in the organisational structure in 2011, Directors and Head of Departments of local labour offices were put in charge of key contacts. Between May and December 2012 meetings were held with 15,000 employers who since announced more than 21,000 vacancies. These teams have managed more than 12,000 requests from employers for inclusion into programmes and measures under “Human Resource Development” Operational Programme, financed by ESF.

6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

The recommendations made by the employers reported in the survey have been analysed and measures for improving services have been undertaken in the short and long term planning of future activities. The relationship between local labour offices and employers has improved and cooperation has been enhanced. This is an active approach which eventually leads to a greater inflow of vacancies.

Prior to the establishment of “sales teams”, there were no designated staff members responsible for this work; now they operate in 98 local labour offices.

7. Pre-requisites and comments on transferability

Two principal pre-requisites are identified for the transferability of the approach: firstly, tailored training for sales teams and secondly organisational procedures for ensuring the smooth running of the activities with the available resources.
Case study 20 - Estonia: Comprehensive recruitment services including online services offer

1. PES operational context

The Estonian Unemployment Insurance Fund (UIF) is an independent public body with tripartite management (equal representation of trade unions, employers and the government). The UIF was founded in 2001 to administer unemployment insurance. Since 1 May, 2009 the UIF has taken on the additional role of PES and provides all active and passive labour market policies (previously responsibility of the Labour Market Board). The PES is made up of one central office and 15 regional offices (about 500 employees altogether).

The reform took place during an extremely turbulent period economically (the unemployment rate increased more than fivefold between the third quarter of 2008 and the first quarter of 2010).

2. Why was action taken? What problem was identified and addressed?

The main objective of merging management of benefit and employment services in Estonia in May 2009 was to improve the access, quality and efficiency of employment services. Hence, both supply-side as well as demand-side services were thoroughly redesigned. One of the main expectations of the social partners from the reform was that there would be more focus on helping people back to work. Before the reform, while the supply-side services tended to be project-based and lacked strict principles, the demand-side services and cooperation with employers was seriously lacking. It was recognised that the PES should focus on both sides of the labour market to be successful.

3. What was the desired effect? What assurance is available to prove that the practice has met this objective?

The following objectives and criteria were identified: better services to employers, satisfaction of companies, and higher vacancy intake.

4. Description of action taken; different steps and resources used in implementation

Fundamental changes have been made in all areas of the organisation and service processes that have significantly improved the performance and quality of services to employers. One of the cornerstones of the reform in the Estonian PES was developing more comprehensive services for employers through:

- Pre-selection services
- Up-skilling employees according to the needs of employers
- Supporting recruitment from the pool of jobseekers (decreasing risks and costs)
- Developing a self-service portal to post vacancies and find suitable employees

Prioritising cooperation with employers meant first making employers more aware of possible services and showing that they can benefit from cooperation with the UIF. The enhancing of employers services included developing recruitment services for employers by not only mediating job adverts, but also developing possibilities that the UIF helps to find the most suitable candidates, as well as finding ways to meet specific recruitment needs in case there are no qualified jobseekers available such as through tailor-made training. Also services like apprenticeships and wage subsidies were further developed in order reduce risks and costs for employers. During the peak of the crisis in 2010, the criteria for wage subsidies were also more relaxed for a year.

An important feature of successful cooperation with employers involved developing the self-service portal such that now more than 50% of job vacancies come through the self-service portal. In addition, employers can search for suitable candidates, apply for redundancy benefits for their employees, etc.
5. Client benefits achieved through more effective PES service delivery, evaluation of impact (quantitative or qualitative), and results

The number of vacancies has been increasing since the beginning of 2010. However, the number of vacancies mediated by the UIF has been increasing faster than the number of vacancies in the economy as a whole (the market share of the UIF has increased). It shows that employers are increasingly valuing cooperation with the UIF.

The inflow of vacancies to the UIF has been at an even higher level in recent years than it was during the boom period of 2006-2007 (pre-reform period).

The satisfaction index and the net promoter score of employers have risen (surveys among those employers who have used any services of the UIF). In 2012 as many as 98% of employers who have used services of the UIF would suggest cooperation with the UIF to other employers.

<table>
<thead>
<tr>
<th>Employer Net Promoter Score</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers’ satisfaction</td>
<td>73%</td>
<td>82%</td>
<td>79%</td>
</tr>
</tbody>
</table>
6. Efficiency gains for organisation through better resource allocation; cost-benefit analysis, comparative analysis and results

(See above)

7. Pre-requisites and comments on transferability

In terms of pre-requisites, staff are required to actively manage relationships with employers and find solutions for their issues (above all concerning labour demand); sufficient planning and human resources are thus required. Preferably, resources for building online tools for employers should be made available.