

PRACTITIONER'S TOOLKIT

SUSTAINABLE INTEGRATION INTO THE LABOUR MARKET



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**SUSTAINABLE INTEGRATION
INTO THE LABOUR MARKET**

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Introduction



What is the purpose of the toolkit?

This toolkit **assists PES in designing and implementing their approach to promoting sustainable integration into the labour market.**

Why have a toolkit on measures to promote sustainable integration?

The PES 2020 Strategy encourages Public Employment Services to promote sustainable employment of jobseekers (that is, lasting employment over a significant amount of time). This implies that PES need to consider different options to adapt their approach to the integration of jobseekers. In addition to finding placements and active measures for jobseekers, PES need to find those services and measures which equip jobseekers with the right set of skills that help them sustainably integrate into the labour market. Moreover, a greater emphasis might need to be placed on building a more continuous and long-term connection between job counsellors and their clients. This connection would support less-autonomous jobseekers beyond the point of re-employment. Finally, PES need to build active partnerships with employers in order to understand the situation that unemployed jobseekers face after re-employment, especially those from disadvantaged groups.

Sustained employment has significant advantages for PES. It reduces the risk of an individual re-registering with the PES, which has several adverse implications. Re-registration implies an increase in direct costs associated with benefit payments and indirect administrative costs, including the repeated assessment of benefit entitlement. In addition, recurrent unemployment leads to dead-weight effects, as the effort that goes into job matching and employer referrals is lost when the employment relationship weakens. Recurrent unemployment also significantly decreases the cost-effectiveness of active labour market policies (ALMP): the absence of adequate safeguards against system gaming can also result in employers 'churning' workers on hiring subsidies – thus a programme does not lead to any (net) employment.

Most PES lack experience in this area and there is only a limited body of good practice. In this toolkit – instead of having an encompassing discussion of all possible services and measures that may increase sustainable integration – we concentrate on four services with proven benefit*.

These are:

- ▶ competence-based matching
- ▶ counselling services for jobseekers
- ▶ post-placement support for jobseekers
- ▶ engaging with and supporting employers.

Who is the toolkit aimed at?

The toolkit is aimed at all PES policy, performance and operational practitioners who are involved in designing or implementing services and measures promoting sustainable integration into the labour market for jobseekers. It is written to encourage fresh thinking and new ideas for evaluating and improving existing practices.

How is the toolkit structured and how do I navigate around the information?

The toolkit is divided into three main chapters organised around **three main steps**, based on a cycle of continuous improvement:

1. **Planning and designing** – providing practical advice on the development of new or existing approaches to service integration and job integration agreements;
2. **Implementation** – providing practical advice on implementation issues;
3. **Monitoring and evaluation** – reviewing the whole process and feedback to the design phase.

Each step contains practical information concerning what to think about and which actions to take. This includes 'practical tips', tools and templates, PES examples and signposts to further information.

The toolkit is developed for people in a variety of PES functions. You can navigate around the information in various ways depending on your role.

Are you a practitioner charged with designing, services and measures to promote sustainable integration?

If Yes, reading Step 1 of the toolkit is highly recommended.

Are you an operational delivery manager?

If Yes, you may find Step 2 especially relevant.

Are you a policymaker in PES and/or a government ministry?

If Yes, you should especially consider Step 1 and Step 3.

Are you a performance and change implementation manager?

If Yes, you should especially consider Step 3.

* See Analytical Paper on Sustainable Integration into the Labour Market. <http://ec.europa.eu/social/BlobServlet?docId=17216&langId=en>



Step 1.

Planning and designing services and measures to support sustainable integration into the labour market



KEY HIGHLIGHTS

In this step, you will learn:

- ▶ How to define sustainable integration;
- ▶ How to assess needs of your sustainable integration target groups;
- ▶ The importance of aligning your service proposals with your PES strategic goals;
- ▶ How to capture sustainable integration in your performance management and resourcing systems.



KEY MESSAGES

- ▶ The key target group for sustainable integration in the labour market are the long-term unemployed and displaced workers likely needing to switch occupations;
- ▶ Measure your success by the duration of each new employment;
- ▶ Regular and frequent job counselling is the foundation of effective sustainable integration, reinforced by swift job matching and active partnerships with employers;
- ▶ Embed sustainable integration targets and incentives within your performance management and resourcing systems, and when commissioning outsourced services.

1.1 How to define sustainable integration?

Broadly speaking, PES have three important goals:

- (1) Help jobseekers find gainful sustainable employment quickly;
- (2) Ensure that the needs of employers and jobseekers are matched as closely as possible;
- (3) Prevent the recurrence of unemployment.

The main issue is how to strike a balance between these three goals, which can occasionally be in conflict with one another.

Your interpretation of sustainable integration (as framed within a target-setting system) will ultimately determine the design of services for clients, and precisely how this service offer will seek to support rapid and sustainable integration.

In order to do that, you will have to consider the following questions:

- ▶ What is the overall goal of employment policy in your country? In particular, what is the policy balance between labour market flexibility and the level of security provided by the welfare regime?
- ▶ What are the strategic goals of your PES? Is rapid integration into the labour market your primary goal? Does ensuring the best possible match between jobseekers' skills and employers' needs (and ultimately quality of employment – securing jobs for jobseekers with chances for career progression) figure (directly or indirectly) among your goals?
- ▶ How tight is the labour market, and what is the structure of the economy and the technology in your country? How frequently are jobseekers (and employees) expected to switch occupations?

Broadly speaking, it is sensible to focus on rapid re-integration (including temporary stepping-stone jobs) and work towards having jobseekers stay longer in employment if any of the following conditions apply:

- ▶ If employment policy emphasises labour market flexibility;
- ▶ If your organisation has a clear 'work first' approach;
- ▶ When unemployment is relatively high and/or your labour market is undergoing structural transformations.

Conversely, finding sustainable jobs – ones which incorporate career advancement – is a more suitable approach under these conditions:

- ▶ If the labour market is more segmented;
- ▶ If the labour market is relatively tight;
- ▶ If ensuring 'good matches' is among your organisation's goals.

There is currently no common approach to sustainable integration in PES. There is however a broad consensus on its meaning – in line with the PES 2020 Strategy. First, it is understood that sustainable employment (lasting employment over a significant amount of time) is a key element. Second, it requires a strong alignment between the jobseekers' skills and attitudes, and employers' needs. In other words, equipping individuals with both vocational and personal skills so that if they lose their job, they will likely be re-employed as quickly as possible and have the skills required to remain employed.

Your organisation's definition of sustainability will then come down to choosing how extensive the definition of sustainability ought to be, in your organisation and in line with strategic goals. There are three dimensions to consider:

- ▶ Long-term integration into employment (focussing on the quantity of work as measured by employment duration), typically measured at quarterly or six-monthly intervals;
- ▶ Integration into employment that represents career advancement (focusing on the quality of job matches), typically measured by pay/income progression;
- ▶ Jobseekers' employability (extent to which jobseekers' skills are in line with labour market needs), typically measured by speed of re-employment or job-changes.

There are several issues to consider when choosing a definition from among the three above. Your organisation's strategic goals – and hence your interpretation of sustainable integration – will largely influence the definition used. There are several practical arguments (simplicity and clarity, while operational practice is in its early stages) which imply that, at the current level of development in many PES, it will be advisable for many PES to focus on the first dimension.

The first question to ask is if it is possible to strike a balance between rapid and long-term re-integration into the labour market using your organisation's definition of sustainability? In this respect, the definition

based on the quantity of work seems best suited, since it can take into account both the length of the unemployment spell(s) and the length of subsequent employment. By contrast, focusing on the quality of work might imply 'waiting for the right match' and is less conducive to rapid re-integration. Upskilling jobseekers will ultimately lead to better prospects on both potential dimensions, but arguably takes time.

Second, does your PES have (direct) influence over these outcomes? In this respect, upskilling is directly affected by the measures and services offered while in unemployment, and PES can indirectly have some leeway over the amount of initial learning that takes place on the job following placement by a careful design of measures and services for employers (for instance by using subsidised on-the-job training). Long-term duration in work can also be directly impacted upon by PES using a selection of measures and services. PES can only exert very modest influence over the quality of work, in terms of job design and over a fairly limited time (directly after placement) by improvements in matching jobseekers to workplaces.

Third, are the outcomes – implied by the definition – measureable in a fairly easy and robust way? The duration of employment is the easiest to measure and thus optimal – as it is currently already being measured in many organisations. An emphasis on measuring the quality of job matches also seems feasible (given current datasets accessible to a number of PES), but is more analysis- and work-intensive. Measuring jobseekers' employability requires new ways of data collection and, hence, is likely to be costly.

Fourth, is the definition understood, credible, and easy to communicate? Long-term employment (quantity) is likely to correspond well to these criteria, as it directly (in case the PES is also responsible for benefits) or indirectly (in case the PES only finances services and measures) affects PES budgets and is easy to understand. The two other approaches seem less useful, because they only indirectly affect stakeholders and are also more complicated to interpret.

1.2 How to identify groups needing services that support sustainable integration?

Broadly speaking three main groups that need services promoting sustainable integration can be identified.



EXAMPLE

Taking your PES to the next level: Incorporating jobseekers' self-assessment into action planning in Denmark¹

The Danish PES is developing a conversation tool for job counsellors to help assess jobseekers' barriers to re-employment during the initial interview. Prior to the first interview, (during the registration process) the jobseeker assesses his/her situation along several dimensions on a scale of 0-10 with the use of a questionnaire. These include the individual's job search motivation, expectations of re-employment probability, their psychological well-being, health barriers, issues with transportation, etc. This questionnaire has proven useful in screening those individuals who are likely non-autonomous jobseekers and who need additional services. It also helps identify those who might have been expected to find a job quickly based on statistical profiling which only incorporates 'hard skills'. The results of the questionnaire are then summarised using a visual tool for job counsellors to use in the initial interview. The tool is currently being piloted in Denmark to explore how it can assist job counsellors to find the right services and measures for those at risk of becoming long-term unemployed².

See Step 3 for more details on how these analyses can be performed based on linked administrative data.

- ▶ People who have difficulties finding employment and holding on to a job, in other words, those who are at risk of becoming long-term unemployed. The erosion of skills and motivation during a prolonged spell of unemployment can not only result in difficulties finding employment, but also a lack of skills which enable the jobseeker to hold on to a job.
- ▶ People who involuntarily cycle between short-term (temporary) employment and unemployment, thus those who are unable to advance in their career. This is likely a sign of low non-cognitive skills or a lack of resilience that enables one to adapt to a workplace.
- ▶ People who have been displaced from a declining industry/occupation in a local labour market and might face the prospect of having to re-direct their career path. Such individuals generally need additional guidance in how to re-value their skills and how to broaden their job search.

1 Kringelbach, Diana (2016): 'Intensified Contact for Long-term Unemployed in Denmark', Presentation, PES Network Conference: Integration of the Long-term Unemployed.

2 More info (In Danish language): <http://star.dk/da/Puljer/Arkiv-Alle-puljer/Puljer-frist-2015/2015-11-30%20-%20Samtaler%20og%20indsats%20der%20modviker%20langtid-sledighed.aspx>

While these groups might be quite heterogeneous and differ across countries, one unifying characteristic is that these individuals lack either cognitive skills (qualifications) or non-cognitive skills (transversal skills and personality characteristics) and are non-autonomous jobseekers.

To better trace these vulnerabilities, you should review three types of analyses of your labour market.

- ▶ First, look at existing (statistical) profiling tools and predictive models of long-term unemployment, and those in particular which incorporate not only 'hard' but also 'soft' skills and personality characteristics. Some PES have quite detailed predictive approaches, and generally one of the most powerful predictors is a recent track record of long-term unemployment (LTU) in previous spells of unemployment.
- ▶ Second, analyse jobseekers' employment (and unemployment) histories. In this regard, studies that examine employment mobility to and from short-term employment are instructive, since they can tell whether and for whom these employment episodes lead to a longer-term cycle of 'low pay-no pay'.
- ▶ Third, turnover statistics, as well as labour market imbalance statistics by industry, sector, and occupation, will tell you the likelihood of having revolving-door careers. In particular, look for those occupations in a given local labour market where labour demand is low.

1.3 Building service proposals for sustainable employment within PES strategic goals

PES should design and define a range of measures and services in order to promote sustainable integration that corresponds best to the strategic goal of long-term employment stability and to the needs of the groups unable to secure sustainable careers.

Begin by analysing the existing range of measures and services in your organisation to establish how they support sustainable employment. In many countries, this can rely initially on existing monitoring system reports of active labour market policies (ALMP), as the employment status is often monitored after six months of participation in the ALMP. In order to gain a more precise picture of which measures and services lead to sustainable employment, you might have to commission or conduct evaluations.

Existing research suggests the following (combinations of) services and measures are effective:

- ▶ First, well-designed job matching services that incorporate transversal skills, which refer to jobseekers who meet employers' requirements and preferences to vacancies which can lead to longer-lasting employment relationships. Digitalising and refining job matching increases efficiency and is also feasible.
- ▶ Second, regular and frequent meetings with job counsellors. The most effective meetings incorporate career counselling, job search counselling, and regular review of jobseekers' job search activities. Thus, by raising the intensity and effectiveness of jobseekers' job search, these services also affect the sustainability of employment. These meetings can also identify those jobseekers who face more difficult issues and need additional services and measures to find and keep jobs. These services might extend to keeping regular contact with the jobseeker in order to provide additional coaching in the first period of employment. For those with a more serious lack of skills and work experience, training programmes to increase employability and on-the-job training can improve a jobseeker's employment prospects.
- ▶ Third, these services should be supported by active co-operation with employers, as they need to be consulted to uncover vacancies and better describe their skill needs, to be convinced to open positions for those harder to integrate, and to retain workers after their initial (subsidised) employment or training spell has expired.

One crucial 'input' into quality services leading to sustained employment is counsellors' time. Based upon a sensible assessment of the resource input needed to deliver a specific volume of sustained employment outcomes for clients, it is possible to estimate how many counsellors are needed to provide these quality services. Considering the potential benefit from additional staffing you can decide on service priorities, and determine services for certain vulnerable groups. Moving some services online can contribute to creating the additional capacity required to provide these services.

EXAMPLE



Belgian-Flemish practice: Online guidance for highly qualified young jobseekers³

The Belgian-Flemish PES (VDAB) offers customised online services to highly educated young jobseekers under 25 years of age, as an alternative to traditional face-to-face advice and guidance. The channel used for the guidance is selected individually by the jobseeker who can choose between email, phone, video call or a physical meeting. A small team of online counsellors (around 15) are involved in implementing the practice. Each 'e-coach' is responsible for jobseekers from a specific geographical area. PES users positively assessed the programme due to its flexibility and accessibility. Evaluation results suggest the online advice and guidance services are equally – or even slightly more – effective than traditional services: jobseekers were able to find a job within the same period of time. The online channel allows the PES to reach out to a large number of people with a relatively small team and to reduce the time needed to provide the service. However, setting up e-coaching entails relatively large costs, since job counsellors dedicated to this service have to be specifically trained.

1.4 How to design incentives to promote sustainability?

Part of the reason why PES do not manage to promote sustained employment is that organisational targets and incentives are primarily geared towards getting jobseekers into work and in certain cases to leave the unemployment register as quickly as possible. The risk of this approach can be that insufficient senior and operational attention is given to solutions leading to development of sustainable employment paths.

It is therefore important to introduce sustainable employment targets into PES performance management systems. Furthermore, it is essential that these targets are: Specific, Measurable, Achievable, Results Focused, and Time Bound (SMART) as well as to think about how targets for long-term re-integration can be balanced with other targets. Limiting the number of targets in performance management systems to an essential minimum can also help countervailing incentives to be avoided.

³ European Commission, (2016). 'Online Guidance for Highly Qualified Jobseekers.' PES Practices. <http://ec.europa.eu/social/BlobServlet?docId=15312&langId=en>



EXAMPLE

Sustainable integration as a key performance indicator in the German PES⁴

Since 2014 sustainable integration has been introduced as one of ten indicators measured at the local office level by the German PES, in response to criticism from the National Audit Authority that the Bundesagentur für Arbeit concentrated too much on quantitative aspects of its work (such as the 'integration rate into the labour market') and less on qualitative ones. Currently, quantitative 'results-based' indicators make up 70% of the key performance index, while qualitative 'structure of results' indicators comprise 30%. Sustainable integration constitutes a relatively small part of the overall target setting index of local offices (only 7.5%), and it is currently measured as the proportion of persons who are still employed six months (in a job with social security contributions) after leaving the unemployment register (relative to all outflows to employment). The head office sets the annual targets for the sustainable key performance indicator for the coming year for all local PES offices, then local adjustments are made when local offices develop their annual business plans. The inclusion of the sustainable integration rate indicator sent a strong signal, and local offices have responded by taking up policy options that are likely to be more conducive to it.

The next step is to decide whether to use input indicators, outcome indicators, process indicators or all three types. In a system with strong quality and performance management (which is generally a characteristic of PES with a track record of working on sustainability), it is feasible to choose outcome indicators, complemented by an approach which supports local operational managers in developing approaches reflecting local labour market needs. For PES without experience in this work area, it might be preferable to include organisational input and process quality indicators, alongside outcome measures.

A further issue in setting performance indicators for sustainable integration is that outcome indicators have a considerable, inherent time-lag (outcomes of counsellors' efforts can only be measured roughly one year later due to data). This poses two challenges. First, this can make it difficult to motivate counsellors. Second, this makes disentangling the 'cause-and-effect' mechanisms more complicated, and makes it much more difficult to provide meaningful performance feedback. This then implies that process quality and input indicators should also be usefully included

4 The German 'Measuring employment of PES customers' practice is described in more detail in a 'PES practice fiche' on the DG EMPL PES practices webpage.

in performance management systems. By focusing the attention of local jobcentre managers and counsellors on indicators that measure short-term or intermediate outcomes (and which have been proven to be conducive to the long-term outcome of sustainable employment), these indicators can side-step the above-mentioned issues. Thus, it can be recommended that performance indicators for sustainable employment incorporate a portfolio of process, quality and outcome indicators to guide and motivate local offices in implementing policies.

If placement services are partly or completely *outsourced* (such as in Ireland or the UK), or local offices have close to full (financial) autonomy and responsibility (such as in Denmark), service providers should work under contracts with a bias towards 'incentive' rather than 'activity'. The design of these contracts determines completely whether providers will have the objective to place jobseekers in sustainable employment. Thus, these contracts follow a 'payment-by-results' structure, with additional payments depending on the length of employment. Clearly, these contracts need to be designed to counteract incentives to 'park' the hardest to help or 'cream' the customers easiest to place in work. 'Parking' can partly be addressed by making (a) mandatory referrals to advisers and services, and (b) by keeping initial payments sufficiently low so that they do not necessarily cover the cost of providing minimal services. 'Creaming' can partly be addressed by (a) randomised allocation of jobseekers to service providers and (b) higher financial rewards for more difficult-to-place jobseekers. Besides finding the right design of contracts, it is also essential to include minimum service requirements and have effective monitoring mechanisms.

1.4.1 Design incentives for employers

Finally, many of the measures which have been found to lead to sustainable employment involve active co-operation with employers.

One way to persuade employers to 'buy in' (offer jobs) is to subsidise short term periods at the start of placements (or by continuing social welfare payments for a period). It is an important question whether the learning-by-doing that happens during the subsidised employment spell increases jobseekers' employability sufficiently enough for employers to retain workers. Furthermore, it is a further issue whether PES should and can prevent employers from abusing the system of hiring subsidies using administrative rules. Imposing conditions on employers can

help to ensure that subsidised jobseekers are more likely to be retained and to prevent employers 'churning' subsidised workers. First, rules might need to be in place that oblige employers to pay back subsidies if the hired worker is dismissed during the subsidy period. Second, to ensure longer term integration, employers could be obliged to extend the contract of the subsidised worker after the expiration of the subsidy. Third, restrictions can be imposed on subsidised employers to prevent churning of workers (for example, by stipulating that a firm is only eligible to be granted the subsidy if it has not previously dismissed any of its workers in the same line of work in a given period). The enforcement of these rules however requires a substantial administrative capability on the part of the PES (or an up-to-date data warehouse) and might reduce the take-up of measures by employers.

A second and arguably more 'sustainable' approach is to develop relationships with employers and persuade them that it is in their business interest to recruit more disadvantaged jobseekers and retain them to reduce labour turnover as part of a wider strategy to increase employer engagement. [See more on how to do this in Step 2].

EXAMPLE



Denmark reimbursement rates for municipalities⁵

In Denmark, municipalities delivering PES services and unemployment, social assistance and sickness benefits, receive reimbursement for benefit payments. A recent reform introduced a decreasing rate of the direct reimbursement of all types of income support expenditures from 2016. In the new system, the reimbursement rate decreases gradually from 80% to 20% after one year of unemployment. The fact that individuals re-enter the preceding reimbursement level after short employment spells (until they have 52 weeks of self-reliance within 3 years) aims to support sustainable integration to the labour market. The specific reimbursement rates currently are: 80% within the first 4 weeks of unemployment, 40% within 5-26 weeks, 30% within 27-52 weeks, and 20% starting from the 53rd week of unemployment.



5 Danish Government (2016) 'Denmark's National Reform Programme', http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016_denmark_en.pdf



Step 2.

Implementing services and measures to support sustainable integration



KEY HIGHLIGHTS

In this step, you will:

- ▶ Understand the central role of job counselling in sustainable integration work;
- ▶ Explore how jobseeker assessment is the central element of effective job matching;
- ▶ Review the role of post-placement support for jobseekers in achieving sustainable integration;
- ▶ Examine the range of activities that can support active partnerships with employers.



KEY MESSAGES

- ▶ Automated job matching tools need to incorporate both qualifications and transversal competences to ensure a better fit between jobseekers and vacancies.
- ▶ Job counsellors should meet their sustainable integration clients frequently to review job searches and assess needs.
- ▶ Job matching, coaching and skills development should build on that assessment and involve both the counsellor and the jobseeker.
- ▶ Consider building post-placement work with jobseekers into the core client journey.
- ▶ Establish active partnerships with employers drawing on the extensive evidence base of what works.

2.1 Building effective matching services

Increasing the sophistication of PES job matching tools by incorporating a more accurate assessment of jobseekers' skills (both vocational and personal) and competences is an important first step towards helping jobseekers find sustainable employment. As a result, you could provide referrals that more closely correspond to employers' requirements. Besides enabling 'better matches', skills assessment leads to two additional positive results. First, the jobseeker will gain a better understanding of his or her skills, strengths and preferences, which can be useful input into career counselling. Second, if employers become aware of the fact that they can better screen jobseekers via the PES matching tools, more of them may be willing to register their vacancies on PES websites leading to more (potential) job offers for jobseekers.

The first step is therefore to develop or adapt a competence and skills mapping system. This should describe which skills are essential/useful for each potential occupation, and which should also be searched independently of occupational classifications. Furthermore, generic skills (such as communication or problem solving skills) and other competences (language and IT skills) need to be included in this catalogue.

The second step is to develop a competence diagnostic tool that will enable jobseekers to evaluate their own skills, attitudes and competences and to promote its use among all jobseekers. The first question is whether to develop self-diagnosing tools or tools to be used during counselling meetings between the jobseeker and job counsellor. The latter approach may produce more accurate results at higher costs. Evidence from Denmark where both approaches are used shows more accurate and usable results, especially for the specific group of non-autonomous jobseekers. The second question is whether to make the participation and use of these diagnostic tools mandatory for jobseekers within a short time interval after registration, in addition to drawing up a CV. Having a skills mapping of all jobseekers the largest possible number of jobseekers will enhance the effectiveness of job matching services, however the costs might be high if diagnostics need to be established in face-to-face meetings with counsellors.

The third step is to make it possible for employers to use the same skill/competence mapping when registering a vacancy (allowing them to 'rank' the

importance of required skills) and encourage employers to use this function. At a more advanced level, it is important to have agreements with job advertisement portals such that the vacancies first registered there can also be transmitted to PES vacancy databases, and that these postings should also use compatible skill/competence mappings.

Finally, digital/automated job matching approaches which are based on both occupations and personal competences/skills/attributes need to be put in place. Previous PES experiences with such matching tools show that it is desirable to seek good but not perfect matches that serve as a guide and basis for discussion between jobseekers and counsellors. This is also beneficial for ensuring faster and greater numbers of job referrals rather than to wait for a possibly (much) delayed 'perfect match'.

This 'best practice' matching procedure described above needs to be complemented by other procedures and services to ensure sustainable employment. The first of these involves feedback from employers on the quality of matches to allow for the 'fine-tuning' of matching services. Some of this information can be extracted from data on the number of job interviews following jobseekers applying to these vacancies – comparing the call-back rate between perfect and less-than-perfect matches, you can infer whether the latter leads to a significant drop in matching effectiveness. Furthermore, you might consider organising employer surveys of applicants who were referred to them via PES, in order to ascertain potential reasons for refusals (which is likely to be only feasible in the case of those who were actually interviewed). The role of gaining additional information can be allocated to the employer engagement function described later in this section.

A second substantial issue, regarding competence-based matching is whether this might improve the re-employment chances of harder-to-place (or less autonomous) jobseekers. It is highly likely that deploying employer focused 'job hunters' – employer counsellors who specifically look for vacancies meeting the competences and skills of harder-to-place jobseekers – is conducive to uncovering 'hidden' vacancies for this group. This approach also benefits PES by gaining local knowledge of employers and identifying their needs in terms of skills. There are some open questions as how to channel the information collected by these 'vacancy prospecting' activities to job counsellors, and more generally how links between employer teams and

EXAMPLE



Belgian-Flemish PES: Competence-based matching⁶

The Belgian-Flemish PES (VDAB) aims to close the gap between the pool of jobseekers and vacancies by focusing on competences in the matching process. Jobseekers can score all their competences regardless of the job requirements, while employers score the competences they are looking for in a particular vacancy. The system puts an emphasis on competencies gained through experience either in professional or private contexts, but uses a standard set of competencies based on the French ROME-system. Both the jobseeker and the employer can add extra competencies that are not proposed in the job profile, and the system allows external sources (e.g. institutions or employers) to directly validate the jobseeker's competencies. The PES uses an IT system that looks for matches between vacancies and jobseekers once per day. The most important matching properties besides competencies are the functional profile, studies and the job location. Benefits of the system include a better match between jobseekers and vacancies, increased transparency and better description of the content of jobs, and it helps the PES in offering more targeted guidance to training and orientation.

EXAMPLE



Germany – Jobbörse⁷

Jobbörse is an online tool of the German PES. Jobseekers who register online to create their personal profile can review their data in the initial interview with their counsellor. Employers also post their vacancies on Jobbörse, equally followed by a personal review through PES. The matching process is based on over 40 criteria, taking into account the qualifications of the jobseekers along with competences acquired via non-formal, informal and on-the-job learning. During the matching process candidates see various vacancies that they can consider. After the application process, the company is required to send out feedback to the candidates. Both company and jobseeker are required to notify the counsellor about the outcome of the process.

6 Vervoort, Tine, (2015). 'Competence-Based Matching at the VDAB.' Presentation at CEDEFOP European skills and jobs survey conference, Thessaloniki, Greece.

7 European Commission, Blázquez, M., (2014). 'Skills-Based Profiling and Matching in PES.' PES to PES Dialogue Analytical Paper. European Commission DG EMPL.



EXAMPLE

Taking your PES to the next level: The CV Quality Card in the Netherlands⁸

CV quality cards developed by the Dutch PES (UWV) extract information on the search strategies and potential job matches of jobseekers with similar skills profiles. This is presented to jobseekers so that they see in a transparent way (a) how skills are mapped to applications to specific types of jobs and (b) the supply and demand of different jobs. During face-to-face interviews, caseworkers advise jobseekers how they can improve their CVs by revising the job titles searched for and eventually their job finding probability. Experimental evidence from a pilot has shown that the introduction of 'CV Quality Cards' has benefitted jobseekers with initially the weakest resumes the most. Evidence from the pilot phase also showed it was effective since 35% of jobseekers completely reworked their online CV, and the (automatic) job matching rate increased by 6%. Counsellors needed five minutes extra preparation for meetings, and reported that the CV Quality Cards significantly enriched meetings by giving individualised job search advice. This tool is particularly effective if a substantial part of jobseekers use digitalised CVs and job search profiles, and if a large part of job offers are channelled to automatic matching tools used by PES.



EXAMPLE

France: Getting your career back on track⁹

The 'Getting your career back on track' service was launched first as a regional pilot, and since 2012 mainstreamed, allowing jobseekers to use the French PES (Pôle Emploi) offer to create their career paths. After an initial interview assessing the situation and setting out how the practice will run, there is an investigation period, consisting of face-to-face interviews with a psychological adviser (1-6 optional interviews, each lasting 90 minutes, with flexible content). Finally, there is a summary interview (duration: 90 minutes) which, based on the aspects addressed, enables participants to determine whether their career plan is coherent and realistic, and whether they are able to pursue it.

8 UWV Werkbedrijf (2014). 'Blended Service Delivery for Jobseekers. Peer Review Host Country Paper.' and Scharle, Á., Weber, T. and Puchwein I. (2014), 'Blended Service Delivery for Jobseekers. Peer Review Toolkit.'

9 The French 'Getting your career back on track' practice is described in more detail in a 'PES practice fiche' on the DG EMPL PES practices webpage.

job counsellors might best be organised. As an initial step, devising regular reports generated from vacancy data on the local labour market to job counsellors, as well as scheduling regular meetings between employer- and jobseeker-oriented counsellors seems a promising way forward.

2.2 Job-oriented counselling

Coaching, job-search and career counselling can contribute significantly to matching efficiency and to increasing employability and motivation.

You should seek to enable your job counsellors to give effective advice on job search strategies. It is of prime importance to advise non-autonomous jobseekers on how to broaden job searching in order to enhance their job opportunities, to help them conduct their job search as widely as possible in terms of occupations and competence requirements (or geography). In this respect, it is worth considering having mechanisms to provide feedback from skills assessments, using matching algorithms to assist counselling sessions, and for counsellors to be able to provide 'handheld matching' – direct input into how to apply for specific vacancies.

In relation to job search it is essential to equip job counsellors with a good knowledge of local labour markets – this will enable them to judge whether a jobseeker has realistic wage and job quality expectations. Furthermore, having direct information about local employers can help counsellors to direct jobseekers towards growing enterprises with specific skills needs – which has been shown to increase jobseekers' chances of re-employment. To date, the most effective way of channelling information on local labour markets is to have regular discussions between jobseeker- and employer-oriented counsellors.

A further issue is to judge the optimal frequency of jobseeker-counsellor contact. Current best practices (including from Denmark and France) suggests that face-to-face meetings as often as once a month with a dedicated personal counsellor may be required to maintain disadvantaged jobseekers' job search motivation. With more regular contact, job counsellors can achieve a better and more detailed understanding of the problems and needs of their clients. Thus they can better assess which jobseekers realistically need skills training (due to a lack of the most basic competences) to equip them to re-enter the labour market, all the while encouraging the majority of jobseekers to return to work swiftly. Speed of labour market

re-integration is of particular significance for long-term unemployed or other disadvantaged jobseekers, so placement into jobs, including into temporary or part-time jobs can provide a pathway towards sustainable employment.

2.3 Post-placement support

Job coaching after placement can stabilise and strengthen a new employment relationship through provision of advice on many topics ranging from resolving problems/conflicts in the workplace to dealing with everyday domestic issues which can cause problems for newly recruited workers.

2.3.1 Who to target for this service?

It is important to avoid providing this service to those who could do without, as this would waste resources and potentially burden both employees and employers. If a person is identified as one who could benefit from post-placement coaching, the question is whether it should be a voluntary service offer or mandatory. In practice, it seems that those who might be the most in need of this service are often the ones least willing to co-operate (often as those most detached from the labour market have relatively little trust/involvement in PES). However, mandating certain actions for jobseekers who have found unsubsidised employment and do not receive benefits (or tax credits) has yet to be tested, so a voluntary offer of services seems a reasonable starting point.

2.3.2 Who should provide this service and how should this service be provided (using which channels)?

The options range from having the individual's personal job counsellors (who have already developed a good understanding of the client) through specialised coaches (who have specific skills in dealing with post-placement issues), to 'employing' colleague-mentors at the workplace (who can give direct advice in the specific workplace). Meeting clients at the workplace might be both disruptive and stigmatising, though possibly provide a more comprehensive understanding for PES coaches. Service provision outside working hours and/or by telephone are likely to be an important part of PES functionality in this area.

EXAMPLE



Intensified job counselling in Denmark¹⁰

The effectiveness of active measures and services has been tested through the systematic use of randomised experiments in Denmark. In the 'Quick Back to Work 1 & 2' experiment newly unemployed people were targeted by early and intensive efforts. While the first version tested a 'bundle' of services and measures, the second specifically aimed to test the relative effectiveness of alternative services. The four potential treatments consisted of (1) weekly group meetings between a group of unemployed workers and 1-2 caseworkers, (2) bi-weekly individual meetings between one unemployed worker and one caseworker, (3) early activation programme participation, (4) a combination of group meetings and early activation programme participation. Researchers (based on a two-year follow-up) were able to show that frequent individual meetings lead to the largest gains in terms of employment and were also the most cost effective. These experiments partly lead to recent reforms of service provision in Denmark whereby municipalities are required to provide more frequent meetings with job counsellors early during a jobseeker's unemployment spell. This means that unemployment benefit claimants participate in monthly face-to-face interviews with their job counsellor during the first six months of unemployment. After this time jobseekers can participate in active measures (after three months for those below 30 and above 50 years of age). After 16 months of unemployment, a further period of intensified effort starts, with weekly contacts between the jobseekers and the job counsellor scheduled, to help the jobseeker find a job before the unemployment benefit (UB) runs out (as eligibility for UB lasts for a maximum of two years).

2.3.3 How often and how frequent should the post-placement contact be?

You should consider whether to provide support only during the initial period of employment (about three months) or for an extended period (for up to two years). It is also worth exploring whether contacts between the re-employed jobseeker and the job coach should be scheduled at regular intervals (usually monthly though counsellors might be given discretion to increase frequency in cases where continuing employment was under threat or at the beginning of the employment spell), or these contacts can be at the jobseeker's needs. The 'optimal' length and intensity of the follow-up depends on the jobseeker's original distance from the labour market:

¹⁰ Rosholm, M. (2014), 'Do case workers help the unemployed?' IZA World of Labor.; Danish Government (2016), 'Denmark's National Reform Programme'; Rosholm, M., Maibom, J., and Svarer, M. (forthcoming) 'Experimental Evidence on the Effects of Early Meetings and Activation.' The Scandinavian Journal of Economics.



EXAMPLE

Germany ESF programme: post-placement coaching for the long-term unemployed¹¹

The German PES (BA) launched a new programme for ‘hard-to-place’ but motivated low-skilled, long-term unemployed (who have been out of work for at least two years) in 2015. The central elements of the programme are (1) specialised ‘job hunters’, (2) a generous wage subsidy for employers on the primary labour market, and (3) mandatory on-the-job coaching of employee-employer matches. More than 80% of all job centres have decided to participate, and the primary motives for taking part was to collect new experiences related to on-the-job coaching and the employee-oriented vacancy collection. The coaching is obligatory for at least the first 12 months of a new employment relationship. It lasts at least one hour per week during the first six months. Job centres are free to decide whether coaching is provided by their own staff or externally by specialised service providers.



EXAMPLE

Mentoring and natural support at the workplace for young people with mental health issues – Norway¹²

The Norwegian PES (NAV) aims to provide follow-up for those jobseekers who need support after they have been placed on a subsidised job, to ensure the sustainability of their employment. This support is provided to people with health impairments, and a prime example of such a programme is the mentoring scheme provided to young people with health issues. The main idea of the mentoring element is that a colleague should provide natural support for the (young) disabled person in the workplace. The mentor is there to serve as a good role model with the right attitude from the very beginning of the work placement, and who can also serve as a social interpreter in the new work environment. In general, the mentor is an (older) colleague or the immediate supervisor of the health-impaired person. Employers can apply for grants to cover wages for the mentor, and the mentoring can generally last for as long as the employer receives wage subsidies for the young person (from one to three years). In order for mentors to be able to successfully live up to their role, and as they are the ‘extended arm’ of the PES, a variety of ways to train mentors is also organised.

11 Fertig, M., (2016). ‘Networking and coaching to success? The new German approach to long-term unemployed.’ Host Country Discussion Paper - Germany. Peer Review on ‘Approaches to integrate long-term unemployed persons’.

12 Fredriksen, J., (2017), ‘Mentoring Scheme- Mentoring and natural support at the workplace’, Presentation at PES Network Follow-up Visit, Sustainable Integration into the Labour market, Oslo, Norway.

more vulnerable jobseekers (such as those with a higher predicted risk of long-term unemployment or those with health-related issues) will be more likely to need this service for an extended period. Similarly, you might design higher frequency of contact for more vulnerable jobseekers, since these individuals are more likely to seek out help at their own initiative.

2.4 Engaging with employers

To achieve the sustained integration of jobseekers, it is of the utmost importance that PES strengthen their active partnerships with employers. While PES’ traditional toolbox of services and co-operation with employers was limited to vacancy collection and referrals, and in some cases agreements concerning wage subsidies and apprenticeship schemes, it is recommended to deploy methods to ensure that these co-operations lead to sustainable employment, and to reach out to employers in new ways to ensure that jobseekers’ employment opportunities widen.

At an early point in the recruitment process, and ideally before vacancies are formally notified, you want to ensure employers to be willing to consider jobseekers for job interviews who might not have all the right qualifications for vacancies based on their CVs, but who might have the sufficient competences and generic skills to cope with most of the demands of the work at hand. Employers will normally be keener to do this if experiencing labour shortages. Therefore a preliminary step is to have an up-to-date information flow from employer services to job counsellors. As a next step, you can choose from several strategies, which all entail offering a service to employers that helps them reduce their recruitment costs at the expense of testing a smaller pool of applicants than they would otherwise consider. Successfully tested methods include the following.

- ▶ Organise an (online) ‘speed dating’ event for jobseekers and potential employers where employers can quickly and efficiently judge whether jobseekers have the right competences – this is more likely to be important in more-skilled and/or service oriented occupations.
- ▶ Devise a ‘test lab’, where jobseekers are required to perform tasks that would be relevant for a given kind of occupation, and employers can observe the results of this exercise. Make efforts to assist jobseekers that you deem to have the right competences and skills (but not necessarily the right CVs) to perform well in this situation.

- ▶ Make specific agreements with (normally large) employers that entail mutual obligations. On the one hand, PES can engage in a more comprehensive pre-selection of potential jobseekers; on the other hand, employers commit to interviewing all people referred to them via this procedure. In this process, you can 'push' not only those candidates with the best CVs.
- ▶ Put in place short term 'work trials' of around 3-4 weeks with an employer which is effectively an extended interview in the workplace while the jobseeker retains their current benefit.

In many cases, employers would want to have a longer 'trial period' for jobseekers, and it is worth considering developing '*immersion programmes*' for jobseekers further away from the labour market. These offer a (sometimes fully) subsidised trial period (for up to one month) for employers, who engage through offering a job interview for all participating jobseekers. They also hold at least one vacancy open giving a chance for (potentially less qualified) jobseekers to 'prove themselves'. Ideally, employers should be obliged to provide a short evaluation of the competences and skills of all people in such a programme, so that the jobseeker, the job counsellor and potential employers all have a more comprehensive view of the specific strengths of a person and the PES can obtain more in-depth information on employers' skill needs.

When devising a contract that guarantees that (some) jobseekers will get hired through a subsidised employment or apprenticeship opportunity at a cost that is significantly lower than the 'market wage', some deadweight effects (where a jobseeker who gets hired through the programme would also have been recruited in its absence) are inevitable. Furthermore, it is difficult to avoid these programmes being used for some of the relatively more competent jobseekers than the most disadvantaged. Thus, more generously subsidised job opportunities should be finely targeted, and reserved for those with the largest skills deficiencies.

There is growing evidence that subsidised *on-the-job training programmes* (employer based apprenticeship programmes) are more cost-effective and can lead to increased sustainable employment. In practice, two elements can help turn an apprenticeship programme into a long-term employment opportunity, which can be considered by your organisation if it fits with your approach to employer relations. First, that sufficient conditions are in place so that the

EXAMPLE



Slovenian initiatives for employers – 'Employment Challenge' and 'Career Challenge'¹³

'Employment Challenge' is a project with national scope that resulted in the development of a similar project – 'Career Challenge' – on the regional level. Both projects aim to increase contact with employers and to make employers aware of job seekers who have relevant skills, but fewer chances of finding employment. Both use a more efficient matching process. 'Employment Challenge', moreover, promotes the skills of unemployed people and the PES activities among new employers, and uses the media to raise awareness. Both practices consist of:

- Publishing vacancies;
- Organising sessions for employers where they can present the vacancies;
- Checking CVs and organising interviews with candidates;
- Reviewing the skills of candidates with a psychologist;
- Assessing the practical skills of candidates; and
- Consulting the results with the employer.

Additionally, all the candidates who were not chosen for the position enter the process of career guidance.

EXAMPLE



UK Sector-based Work Academies¹⁴

Sector-based work academies provide training and help employers to recruit employees with the right skills to grow their business. The academy can last up to six weeks, and comprises the following elements: (1) pre-employment training relevant to the needs of the industry delivered by a 'further education college' or a training provider; (2) a work experience placement and (3) a guaranteed job interview with the employer where the participant was placed. An impact assessment of the programme found that in the 18 months following the start of sector-based work academy, participants spend, on average, 50 days longer in employment and 29 days less on benefits compared to similar non-participants. The results suggest that the positive impact of sector-based work academies is not limited to the short term since the impact only gradually diminished towards the 18th month.

¹³ European Commission, forthcoming. 'Employment Challenge and Career Challenge initiatives' DG EMPL PES practices webpage.

¹⁴ Ward, R., Woods, J. and Haigh, R. (2016). 'Sector-based Work Academies. A quantitative impact assessment'. Department of Work and Pensions Research Report, No 918.



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EXAMPLE

Belgian-Walloon PES: Plan Formation Insertion (PFI)¹⁵

The scheme allows a company to train a jobseeker for a new job before offering her or him an employment contract. During the training period (which lasts between 4 to 26 weeks) employers only pay a 'premium' – which is 60-100% of the difference between the jobseeker's welfare benefits and the market wage. The employer is obliged to employ the trainee directly after the training period under an employment contract applicable to the occupation learned and for at least the same duration as the training and integration contract. During the training period, the trainee remains a jobseeker and continues to receive unemployment benefits. The employer pays the trainee an incentive based on the difference between the taxable wages for the occupation held and the current income of the trainee. Furthermore, there are three assessments of the beneficiary's progress which comprises a meeting between the employment advisor (Le Forem), the jobseeker, and the tutor. PFIs show a high rate of integration into employment: out of the 7 120 beneficiaries in 2015, more than 80% are still employed by the same company one year after their training scheme ended.



EXAMPLE

Norway: Inclusive Workplace Support Centres¹⁶

The corner stone of Norway's policy towards the labour market inclusion for people with health-impairments are the Inclusive Workplace Agreements (IWAs). Signing up to an IWA comes with a dedicated advisor from an IW Support Centre who help employers in several respects.

- (1) They support and counsel employers in developing and realising their own inclusion-related goals and necessary measures to achieve them.
- (2) The Support Centres' advisors also raise awareness, and offer advice on several aspects of inclusion. As a minimum, information is provided on laws and statutory requirements, which are very relevant for small employers.
- (3) Advisors offer guidance on how to develop and implement inclusion-related measures.
- (4) Advisors provide help with accessing financial instruments and informing about the Norwegian PES's measures.
- (5) Advisors can give guidance to the employer when encountering difficult cases, and will facilitate dialogue between different parties.
- (6) Advisors provide statistics on sick leave on the firm and on companies in the same industry in order for the employer to be able to monitor the progress made.

employer has obligations to retain the apprentice after the initial subsidy period has ended. Second, that job counsellors continue to be in regular contact with the jobseeker during their apprenticeship period, and regularly meet employers to solve any potential work-related problems.

Finally, for certain groups of more disadvantaged jobseekers (for those with health issues in particular), sustainable employment can be achieved if the employer is willing to make adjustments to working conditions. In order to achieve this, it is beneficial for PES to have counsellors specifically dedicated to the goal of convincing employers of the benefits of such adjustments, as well as for advising employers on how to make these changes. In many cases, this might only be successful if employers are provided with financial incentives (providing subsidies for adjusting work conditions), but information provision is also a powerful tool. It is of the utmost importance – in the case of people with health issues – for counsellors to clarify with the employer (and the potential employee) that even if the person might not be able to fully perform his or her job as currently defined, it does not imply that the person is not capable of work in a slightly different but related area. There are still some issues to be resolved in regard to this approach. First, whether to target such efforts in larger workplaces where there are a variety of different lines of work to choose from and many complementary tasks which can be slightly altered. Second, it is likely that smaller companies are the ones that need information and coaching the most, since they might not have well-developed human resources departments which can 'solve' these issues.

¹⁵ The Belgian 'Plan Formation Insertion' practice is described in more detail in a '[PES practice fiche](#)' on the DG EMPL PES practices webpage.

¹⁶ Sanchez Larsen L. & Fossan-Waage, T. (2017), 'The Norwegian Labour and Welfare Administration (NAV) Inclusive Workplace Support Center', Presentation at PES Network Follow-up Visit, Sustainable Integration into the Labour market, Oslo, Norway.



Step 3.

Evaluation of services and measures to support sustainable integration



KEY HIGHLIGHTS

In this step, you will learn:

- ▶ How to use data from within your PES and from other partners to track progress of jobseekers' post-placement;
- ▶ The use of surveys when data is not routinely available;
- ▶ Using data as a predictive tool;
- ▶ How to evaluate sustainable integration service delivery.



KEY MESSAGES

- ▶ Make use of existing PES and social insurance data wherever data protection allows.
- ▶ Data sources build up a fuller picture of sustainability to underpin evaluation and service improvement.
- ▶ Well-structured randomised control trials can be used to help refine service design.

3.1 How to use data to follow jobseekers after placement

Tracking the employment of jobseekers is essential for formulating outcome-oriented performance indicators, as well as to measuring the effectiveness of alternative measures and services.

In order to proceed, you will have to consider the type of data that is available for your organisation, or can be made accessible (given data protection rules) to track jobseekers. These are:

- ▶ Unemployment registers;
- ▶ Social security (or tax) records linked to unemployment registers (either occasionally or regularly);
- ▶ Follow-up surveys of jobseekers.

At the most basic level, using your unemployment registers, you can scrutinise the recurrence of unemployment, by checking at regular intervals whether a jobseekers who left unemployment has returned to the registers.

If your organisation can regularly link unemployment registers to social security records, then you can proceed to enumerate the amount of time spent in (registered) employment after placement. Given that this is the most efficient way of tracing jobseekers' journeys, you should consider investing in data linking procedures if your organisation does not already do so. However, since employers might not accurately report employment, you can further complement administrative data (for those who do not appear in social security records or in unemployment registers), by regular follow-up surveys of jobseekers.

If it is not possible (due to practical methodological or legal data protection issues) to obtain linked social security data about jobseekers, you will have to conduct surveys of (former) jobseekers at pre-specified points in time. This can be a rather expensive procedure since sufficient sample sizes are needed to ensure that reliable estimates are provided at the local office level, especially if data is to be used as a performance indicator. A further disadvantage of this data collection is that several non-survey errors (such as recall error) might make it impossible to have reliable data on some issues (such as the number of days spent in employment).



EXAMPLE

Piloting a programme for sustainable integration Germany INA! 'Integration nachhalten'¹⁷

The aim of the German follow-up support is for the clients of the local jobcentres to maintain employment, whereby a job-counsellor maintains contact with the jobseeker after placement. This voluntary service is offered for six months to those who have taken up employment linked to social security payments. The target groups of the follow-up support are determined by the local jobcentres – e.g. long-term unemployed, low-qualified people, people with disabilities, recognised refugees. This follow-up support can help placed jobseekers by facilitating access to a variety of services: the reconciliation of work and family, supporting on-the-job training, supporting mobility aspects, working with the employer on the options to extend fixed-term employment, supporting job transitions or arranging additional qualifications. A nationwide pilot project tested the follow-up support of more than 3 000 clients of in 27 job centres in 2013-14 using a randomised control trial. Over a six-month period, compared to the control groups, treated individuals among insured unemployed were employed for 33 days more, and treated individuals among means-tested unemployment assistance recipients worked 41 days more. The positive effects achieved are supported also by the fact that 70% of those questioned in the customer survey who received post-placement counselling rated the service as good or very good.

3.1.1 Taking your PES to the next level: building an integrated data warehouse

Many of the most modernised (and digitalised) PES have built data warehouses (such as in DE, DK, or EE). This is essentially a collection of data where individual-level information from different administrative sources – including PES unemployment registers, social insurance, and tax authorities – is assembled and regularly updated. This allows data analysts to trace the labour market trajectories and career paths of jobseekers for a considerable amount of time.¹⁸

Accessing social security records linked to unemployment registers allows for a range of possibilities since this contains some basic information on employment spells, including earnings, occupation and employment contract type. This then allows for a straightforward

assessment of sustainable employment – the number of days spent in (insured) employment over a specified period. What is more, certain qualitative aspects of jobs can also be identified such as the type of contract (fixed-term or open-ended, part-time or full-time) or wages. Insofar as the mission of your organisation is to also influence the quality of jobseekers' post-placement outcomes, linked data will allow to you refine the measures of sustainable employment. This can be done by measuring the number of days spent in part- vs full-time employment over a pre-specified period after placement, whether the jobseeker has been successful in obtaining an open-ended contract (as well as the number of days spent on fixed-term contracts). Furthermore, earnings (usually weekly or monthly) tracked over time are a straightforward measure of career progression after placement, and can be analysed in a way that takes into account jobseekers' background characteristics (including pre-displacement wages).

Linked administrative data can also be used for *predictive purposes* in order to have a fairly accurate idea of which individuals are in need of extra services (such as post-placement support). At an initial stage, an analysis of labour market histories can be used to 'flag up' individuals who – for instance – have cycles of short term employment followed by unemployment. At a more advanced level, you can strive to identify whether the above-mentioned cycles are due to the nature of the industry and occupation where jobseekers work or rather due to some underlying individual characteristics. Going a step further, access to the results of assessments of jobseekers' cognitive and non-cognitive skills linked with labour market histories and statistical analysis can be used to disentangle the factors behind failure to find sustainable employment – such as a lack of specific relevant competences and skills. This can then be used to more precisely identify the target group for additional services and the nature of services needed.

There are a number of different approaches set out in this Toolkit to promote sustainable employment, which all involve employers. It is essential to identify the role that employers play in influencing a jobseekers' pathway to sustained integration. There are substantial benefits if your administrative data allows you to identify individual employers (in particular if they have hired jobseekers with subsidies). First, it provides PES with a cost-effective way of identifying whether specific employers have indeed contributed substantively to the retention of workers. Second, it helps you identify firms which regularly 'churn' workers, and alert job counsellors accordingly.

17 Friedrich, T. (2014): 'INA! – Sustaining integration in the workplace.' Presentation at PES to PES Dialogue Peer Review on 'PES approaches for sustainable integration of long-term unemployed' Sofia, Bulgaria.

18 For more information on setting up a data warehouse see the Toolkit on Performance Management hyperlinked with the following: http://ec.europa.eu/social/Blob_Servlet?docId=16572&langId=en

3.2 Evaluating services and measures

Counterfactual evaluations of services and measures – assessing the outcomes of participants against the outcomes of comparable non-participants – are essential for understanding the results of these programmes. In the first instance, your organisation can review existing evaluation tools, and specifically incorporate measures of post-reemployment outcomes (such as the length of time spent in employment) among those that are regularly monitored when services and measures are assessed.

Many of the services that are likely to enhance sustainable employment are at a stage of piloting or initial implementation (such as post-placement support). This gives PES a unique opportunity – and without disrupting their already existing procedures – to use randomised control trials to test new, promising services. It is particularly useful to evaluate how different versions of the same service concept compare to each-other. Furthermore, it is fruitful to use randomised control trials to evaluate different measures providing some supplementary services to selected jobseekers (be it based on competences, skills or autonomy).

These evaluations can be used to understand and ‘fine-tune’ the design of policies, by allowing your organisation to assess which versions of programmes are more effective. This can then be used to alter design features to increase added value. Currently, the most promising area to be tested is post-placement support. The relative effectiveness of several design elements can be tested, including (a) the length of support, (b) whether the coaching is to be done by employment counsellors, external coaches or by workplace colleagues, (c) the intensity of coaching.

Furthermore, evaluations – in combination with administrative data on welfare benefits, costs of services and post-placement earnings of jobseekers – can also be used to calculate the costs and benefits of these programmes. In particular, they can be used to assess how increasing sustainable employment can lead to a reduction in PES costs by reducing the time jobseekers spend on benefits and increasing the time spent in employment.

EXAMPLE



Evaluating the Universal Credit¹⁹

The UK is currently redesigning its welfare system whereby six benefits will be integrated into a single income-related credit (for working-age people) that is available for people both out of and in-work. This new credit removes the need to make new claims to benefits/tax credits as people cycle between unemployment and work. The new benefit (called Universal Credit – UC) has been rolled out since 2013 successively in different regions and to different types of claimants. This set-up has allowed for impact evaluation of the introduction of the new benefit. It compares the outcomes of individuals living in local labour markets where the UC was introduced initially to comparable individuals living in similar local labour markets where the UC was not introduced yet. The most innovative component of the UC is that it (a) imposes minimal conditionality requirements on those in-work, and (b) it ought to support in-work progression by having work coaches keeping in touch with the claimant after they have taken up work. Work coaches are to provide supportive but challenging conversations to help guide, steer and motivate clients to realise their potential and free themselves from benefit dependency. A randomised control trial is run by the UK PES between 2015 and 2018 in order to ascertain which method and level of in-work support is the most effective. In the pilot, 15 000 participants were randomly assigned to one of three groups: (1) mandatory face-to-face meetings with work coaches every eight weeks; (2) mandatory face-to-face meetings every two weeks; (3) an initial phone interview (after placement) and a second one after eight weeks. Furthermore, the plan of action agreed upon between the work coach and the client will be mandatory in the first two ‘treatment arms’, while they are voluntary in the third one. The key outcome measure used in the pilot will be the number of clients whose earnings increase.

¹⁹ United Kingdom House of Commons Work and Pensions Committee (2016): [In-Work Progression in Universal Credit. Tenth Report of Session 2015-16.](#)

Reference list and further information and resources

- ▶ Kringelbach, Diana (2016): *Intensified Contact for Long-term Unemployed in Denmark*, Presentation, PES Network Conference: Integration of the Long-term Unemployed.
- ▶ More info (In Danish language): <http://star.dk/da/Puljer/Arkiv-Alle-puljer/Puljer-frist-2015/2015-11-30%20-%20Samtaler%20og%20indsats%20der%20modviker%20langtidsledighed.aspx>
- ▶ European Commission, (2016). *Online Guidance for Highly Qualified Jobseekers*. PES Practices. <http://ec.europa.eu/social/BlobServlet?docId=15312&langId=en>
- ▶ The German *Measuring employment of PES customers* practice is described in more detail in a *PES practice fiche* on the DG EMPL PES practices webpage.
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