EUROPEAN NETWORK OF PUBLIC EMPLOYMENT SERVICES

PES Network Benchlearning Manual

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BENCHLEARNING

QUANTITATIVE AND QUALITATIVE ASSESSMENT

Benchlearning aims at creating a systematic and integrated link between benchmarking and mutual learning activities. It supports public employment services (PES) to improve their performance by comparing themselves with peer PES and learning from them, in particular, via qualitative and quantitative assessments of PES performance.

Process

Innovative process involving quantitative and qualitative (self- and external) assessment via on-site or virtual visits

When

Ongoing process. Qualitative assessment which is currently repeated after three years

An ideal PES

Using the PES 'excellence model' as a benchmark to measure progress

QUANTITATIVE benchmarking

Yearly data collection, based on 8 benchmarking indicators linked to: Contribution to reducing unemployment; Contribution to reducing the duration of unemployment and reducing inactivity; Filling of vacancies (including through voluntary labour mobility; Customer satisfaction.
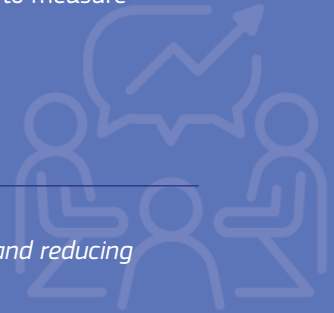
SELF-ASSESSMENT

Uses a tried-and-tested framework to assess the main areas of performance according to four phases (planning, doing, acting and checking).

How it works

PES decides how the self-assessment is organised, who is involved and how it is carried out.

EXTERNAL ASSESSMENT

Supports the self-assessment in a learning-oriented approach by providing feedback from experienced and well-intentioned peer experts.

The format

2.5 days for an on-site visit
3.5 days if online

Who takes part

A team of assessors composed of representatives of the peer PES, i.e. PES Network, the European Commission and the supporting consultant.

RESULTS

Immediate feedback

Strengths, areas for improvement, suggestions for further development and peer PES who can provide support as a learning partner.

A detailed report

Comprehensive description of strengths and good practices and especially detailed recommendations for further improvements.

Mutual learning

The results feed into the network's mutual learning activities

Introduction

A central part of the PES Network's[1] activities relates to benchlearning. It was successfully introduced in 2015, combining the concepts of benchmarking and mutual learning with the aim of improving the performance of PES.

The interest in benchlearning is increasing at international, European, national and also regional level. By providing this Manual, the concept of the PES benchlearning will be made transparent to the outside world to show an example of a systematic, indicator-based learning method between organisations, which is transferable to other organisations or networks. A short overview facilitating an easy access to and explaining the core elements of the PES benchlearning can be found in a separate leaflet in the annex (Annex I).

Definition and Objectives

The Decision of the European Parliament's and Council on enhanced cooperation between Public Employment Services (PES)[2] set out the definition of *'benchlearning'*. Benchlearning, to be implemented by PES, is defined as a process for creating a systematic and integrated link between benchmarking and mutual learning activities in all the fields that are usually covered by a PES. This innovative concept was put into practice in 2015.

The general reason for benchlearning is to support each PES to improve their own performance through a structured and systematic reflection on their performance against the performance of an ideal PES and through institutional learning from peers. The aim is to learn from good practices and adapt them to their national circumstances. Finally, this is meant to lead to better PES results, and to contribute to the convergence of labour markets, thus further demonstrating the added value of PES.

Benchlearning consists of the two major elements: benchmarking and mutual learning. Benchmarking includes a quantitative and qualitative assessment of the PES performance. It integrates identification of good performances through indicator-based benchmarking systems and assessments, and use of findings for tangible and evidence-informed PES mutual learning activities. To sum up, benchlearning sets up an evidence-based self-sustaining system of continuous and measurable performance increases in PES.

Background

PES benchlearning is rooted in the Heads of PES (HoPES) Network that has been in operation since 1998, and also the PES Benchmarking (BM) Group that started work in 2002 under the auspices of the Austrian PES, which also included the PES in Belgium, Denmark, Germany, the Netherlands and Sweden. The initial work of the group focused on the experimental elaboration of a range of performance benchmarking factors in areas such as services for jobseekers, services for employers, benefit provision, internal capacity building, active labour market measures, client satisfaction, the comparability of data across PES, and developing the original ideas that could lead to the creation of meaningful indicators.

1   The members of the PES Network are the PES of all 27 EU Member States as well as Norway, Iceland and Liechtenstein and the European Commission. Belgium is represented with its three regional PES of Flanders, Wallonia and Brussels capital region.

2   Decision No 573/2014/EU of 15 May 2014; OJ L 159, 28.05.2014, p. 32–39 and Decision (EU) 2020/1782 of 25 November 2020: OJ L 400, 30.11.2020, p. 7–10.

While comparing performance was the main subject of the initial discussions, the focus moved to mutual learning and the exchange of good practices which is essentially the dual track approach now being formalised in the benchlearning model. Benchmarking indicators were developed in the areas of labour market 'flows', vacancy handling and customer satisfaction. By 2006, membership of the group had grown to 14 PES. In the following years an on-line database was established. A clustering exercise was also set up which included contextual factors such as favourable, neutral, and unfavourable economic indicators.

By the end of 2014, the challenges identified by the BM Group included the following:
- the development of stronger links between indicators and good practices;
- the improvement of comparability by defining precise measurement procedures;
- the harmonisation of the definitions of basic concepts (such as what is a 'jobseeker', what is a 'vacancy'?), and increase the use of indicators;
- the need to inform PES strategic thinking, revising working methods;
- the enablement of more focused inter-PES discussions on key themes;
- improvements in follow-up activity, thereby embedding learning within PES.

Success factors identified by the BM Group include the confidential handling of data, good personal relations and mutual confidence between participants, no ranking or 'beauty contest' of PES, a working programme based on the needs and interests of participants, a mixture of data, discussing and sharing good practices, a mixture of participants (both generalists and data experts) and the commitment of the participants.

In recent years, the European Commission, Directorate General of Employment, Social Affairs & Inclusion (DG EMPL), using different means of the Open Method of Coordination in the area of employment policy, initiated and supported a series of joint activities of the European network of Public Employment Services (PES Network). The PES Network institutions and their operation and analytical work (such as official opinions, studies, their contributions to different network and working group meetings) all had a positive influence on the adoption of the Decision No 573/2014/EU and Decision (EU) 2020/1782, and raised expectations of a breakthrough in improving PES efficiency and effectiveness. The Decision on enhanced co-operation between PES legitimated the Benchlearning concept with its benchmarking indicators (see more in 1.3.1, 1.3.2).

Model and approach

Performance varies between PES, as do their approaches to governance, leadership, control and the design of operational processes. The national PES operate in different contexts determined by their labour market conditions, legislation, the different institutional set-ups and so on. While these factors are largely beyond the control of the PES, they can have a considerable influence on PES performance.

In practice, the benchlearning model is designed to launch an evidence-based, self-sustaining system of continuous and measurable performance improvements in PES within their different national contexts. PES benchlearning relies on those levers which may be under direct PES control and can be referred to as PES performance '**enablers**' or drivers. They include strategic management decisions, the design of PES business models and operational processes. These can all have positive or negative consequences on the successful delivery of employment services, and they can therefore lead to overall labour market outcomes resulting from these services.

To identify these relationships between the PES organisational arrangements and the success of the provided employment services, a systematic link between performance enablers and performance outcomes, while controlling for the PES context, needs to be established and to imply a **double benchmarking exercise**:

i. **benchmarking of PES performance** through the comparison of **quantitative indicators** reflecting this performance;

ii. benchmarking of organisational arrangements through the comparison of qualitative indicators reflecting performance enablers.

The national context where PES operate has to be taken into account for these benchmarking exercises to be fair and meaningful.

The conceptual framework of this double benchmarking exercise is visualised in Figure 1, sub-section 1.1. An explanatory text given in this section will guide a reader through terminology and define sub-sections of this Manual in which every element of the concept is explained in detail.

This Manual is the second edition and the update of the original PES BL Manual published in 2017[3]. The latter presented the PES assessment framework used for the 1st and the 2nd cycle of the PES benchlearning including the extension of the primary PES performance excellence model (i.e., a benchmark for assessment) with the new section of enablers dedicated to the change management. The current Manual reflects the further evolution of PES benchlearning. It considered i) a review[4] of the excellence model conducted in 2019 to adapt the model to the new challenges which arose for PES and 2) the impact of the COVID-19 pandemic that dramatically changed the context in which PES operate and impacted the organisation and services provided by a PES. This inspired the discussion on the institutional resilience of PES in times of crisis, the potential offered by the crisis for innovations and a further extension of the PES performance excellence model with a new section of enablers on crisis management.

The following two chapters describe the two main elements of benchlearning: benchmarking (Chapter 1) and mutual learning (Chapter 2) as they stand in 2021.

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3   ISBN: 978-92-79-77294-8.

4   It was based on the sound analysis of the most recent scientific literature and the experiences gained by the PES in Europe.

1. Benchmarking Methodology

1.1 Conceptual framework in brief

To put Benchlearning into practice, a user-friendly, workable, focused and meaningful model for the assessment of PES performance was designed, based on quantitative and qualitative benchmarking elements. A systematic link between performance enablers and performance outcomes, while controlling for context, was established.

The approach is illustrated in the Figure 1 and implies a double benchmarking exercise:
i.   a benchmarking of PES performance – meaning a comparison of quantitative indicators reflecting PES performance (presented *on the left side of the figure*), and;
ii.   a benchmarking of PES organisational arrangements – meaning a comparison of qualitative indicators reflecting performance enablers (*on the right side of the figure*).

The impact of context in which PES operate is taken into account to make both of these benchmarking exercises fair and meaningful.
The creation of the relationship between statistically robust indicators, and relevant performance enablers, is set out *in the central area of the figure*.

Further on in this Manual the elements of the **benchmarking of PES performance** given in the Figure 1 (left side) are explained as it follows:
• potential performance outcomes by performance dimensions is presented in sub-section 1.3.1 Quantitative indicators;
• defined valid performance outcomes and a list of the truly exogenous context factors that create a context in which PES operate and cannot be determined / influenced by PES, is explained in sub-section

1.1.1 Processing the context-adjusted performance outcomes.

The elements of the **benchmarking of PES organisational arrangements** (right side of Figure 1) are outlined in detail in the following sub-sections:
• a list of potential PES performance enablers and the respective areas of PES organisational arrangements are presented in sub-section **1.3.2 Qualitative indicators;**
• how true performance enablers are defined as the most promising true performance enablers, is briefly described under sub-section **1.5.3 Statistically significant relationship between performance outcomes and performance enablers** and visualised in Annex V.

Moreover (not included in Figure 1), sub-section 1.4 Process of the qualitative assessment of the Benchlearning exercise explains:
• how the process of the PES self-assessment and external assessment are organised in practical terms;
• how during the qualitative PES self-assessment and external assessment PES performance is evaluated and scored by each and every enabler;
• in which format the findings of the external assessment are presented.

Figure 1. Conceptual framework

Benchmarking of PES-performance

Benchmarking of organisational arrangements

Performance dimensions

Areas of organisational arrangements

Potential performance outcomes collected from PES, LFS etc.

← Closely related to PES activities
← Measurable without extreme effort
← Comparable across PES

Theoretical

Manipulable for PES →
Plausible impact in theory →
Comparably understood →

Potential performance enablers collected from PES-self-assessment and external assessment

Theoretical

Truly exogenous

Context in which PES operate

Predetermined

Valid performance outcomes

← Measured with adequate quality
← Carrying original information
← Not determined completely by context

Empirical

Systematically related to at least one VALID performance outcome

True performance enablers

Empirical

Most promising true performance enablers

Empirical

Comparison of PES: Context-free valid performance outcomes (and/or composite indicator of them) and most promising true performance enablers (together with examples of good practice) ➔ ➔ **Input for BENCHLEARNING**

1.2 Common Assessment Framework (CAF) model adapted to PES

The interrelationship between PES performance areas, the context in which PES operates, PES performance outcomes and leaning activities is illustrated in the Figure 1. Qualitative PES performance assessment by performance enablers (see more in 1.3.2) is based on the Common Assessment Framework (CAF) model below which in its turn comes from the EFQM (European Foundation for Quality Management) Excellence model[1].

Figure 2. Description of the model and assessment process

From the outset of the PES Benchlearning process, it was considered essential to have a clearly formulated and agreed definition of theoretical excellence for the functioning of a PES. All areas of this definition and their embedding in the PES context are outlined in Figure 2. including the seven core areas (A to G) which are the focus of all assessment cycles, and two additional areas which were added specifically to the 2nd assessment cycle (H) and the 3rd assessment cycle (I).

By defining how a PES ideally should work, recommendations based on theoretically defined excellence were possible and the identification of good practice was clearer. To put it in a nutshell, with this model, a common understanding of how a 'well-functioning' PES should look like, was developed.

Hence, for each of the seven areas outlined in the Decision No 573/2014/EU and the additional ones adding a specific focus in the 2nd and the 3rd PES benchlearning cycle, a detailed description of 'excellence', with references to papers of the PES Network and/or other literature as well as to the experience of PES representatives in the first two cycles was developed. A number of performance enablers were derived from this.

A core element of the EFQM/CAF model is the PDCA cycle (Plan, Do, Check, Act) which forms the basis of the scoring process. Since having a plan, implementing it, checking its effects and acting on the findings are a prerequisite for 'learning', the PDCA cycle is implemented in every category of the enablers. This is one of the main aspirations of the whole EFQM/CAF approach. The PDCA cycle can potentially make things easier for PES as it provides a clear way to see the strengths and weaknesses of an organisation.

During the qualitative assessment, the PES performance is assessed and scored by each enabler using the specially designed template (see Annex II); a score depends on the qualitative and quantitative evidence a PES can provide. A PES lists the sources of evidence for each component of the PDCA cycle. The more evidence is available, and the more convincing the evidence is, the higher the score should be. The scoring is designed to indicate the PES maturity with view to a specific enabler and phase taking into consideration the excellence definition and to identify systematic linkages between the maturity of PES in specific areas and performance outcomes. It is important to note that the scoring is explicitly not designed to create any kind of ranking among PES (see more about the assessment procedure in 1.4), but only indicate the level of maturity of a PES observed by external peers. Thus, the reference for any score is always the excellence model with the score measuring to what extent evidence is provided by the PES that the enabler matches the description of the excellence model.

In the next chapter we have a deeper look into the quantitative and the qualitative indicators.

1.3 Mandatory Indicators

1.3.1   *Quantitative indicators*

The eight quantitative indicators under four sections as shown in the text box below reflect the PES performance (as identified in Decision No 573/2014/EU and Decision (EU) 2020/1782). These indicators are used for comparing PES performance on a quantitative level after they are context-adjusted using the predictions from the regression analyses. Finally, it aims at transparency and comparability on PES performance outcomes.

Most of these indicators are based on the PES administrative data, which are collected from the PES annually (see more in 1.4).

Performance Benchmarking Indicators

1)

Contribution to reducing unemployment for all age groups and for vulnerable groups:
▸ Transition from unemployment into employment per age group, gender and qualification level, as a share of the stock of registered unemployed persons;
▸ Number of people leaving the PES unemployment records, as a share of registered unemployed persons.

2)

Contribution to reducing the duration of unemployment and reducing inactivity, so as to address long-term and structural unemployment, as well as social exclusion:
▸ Transition into employment within, for example, 6 and 12 months of unemployment per age group, gender and qualification level, as a share of all PES register transitions into employment;
▸ Entries into a PES register of previously inactive persons, as a share of all entries into that PES register per age group and gender.

3)

Filling of vacancies (including through voluntary labour mobility):
▸ Job vacancies filled;
▸ Answers to Eurostat's Labour Force Survey on the contribution of PES to the finding of the respondent's current job.

4)

Customer satisfaction with PES services:
▸ Overall satisfaction of jobseekers;
▸ Overall satisfaction of employers.

1.3.2   *Qualitative indicators*

Organisational modalities, structures and solutions, which PES can vary in the short or medium term, are called PES performance enablers.

PES performance enablers are used as qualitative indicators of PES performance and are a core element of the PES assessment framework. They are grouped by Decision No 573/2014/EU and Decision (EU) 2020/1782 in the following seven areas.

A.   Strategic performance management
B.   Design of operational processes
C.   Sustainable activation and management of transitions
D.   Relations with employers
E.   Evidence-based design and implementation of PES services
F.   Management of partnerships and stakeholders
G.   Allocation of PES resources

In addition, for the specific focus of the 2nd assessment cycle on change management and as a reaction to the impact of the COVID-19 pandemic on labour markets and PES in Europe, two more areas were studied and added to the PES assessment framework.

H.   Change management (for the 2nd assessment cycle)
I.   Crisis management (for the 3rd assessment cycle)

This means that the current complete list of the PES performance areas/sections and enablers is the following:

Section A: Strategic performance management
A1 – Establishing the fundamentals of performance management by target-setting
A2 – Translation of targets into (key) performance indicators and measurement
A3 – Following up performance measurement
A4 – Making use of the results of performance management.

Section B: Design of operational processes
B1 – Process definition and standardisation
B2 – Implementation of support structure
B3 – Quality management
B4 – Channel management and blended services.

Section C: Sustainable activation and management of transitions
C1 – Holistic profiling
C2 – Segmentation
C3 – Individual action plan and ALMP measures
C4 – Early intervention to avoid unemployment
C5 – Early engagement to reduce the duration of unemployment
C6 – Implementation of service and activation strategy.

Section D: Relations with employers
D1 – Employer strategy and management
D2 – Specialised unit for employer services
D3 – Matching vacancies and jobseekers.

Section E: Evidence-based design and implementation of PES services
E1 – Ex-ante and ex-post evaluation
E2 – Pilot projects
E3 – Communication of evaluation results
E4 – Management of change and innovation.

Section F: Management of partnerships and stakeholders
F1 – Identification and structuring of relevant stakeholders
F2 – Partnership building
F3 – Management of partnerships with supervising authorities
F4 – Management of partnerships with social partners
F5 – Management of partnerships with service providers

Section G: Allocation of PES resources
G1 – Human resource management
G2 – Budget allocation and use.

Section H: Identification and implementation of a reform agenda
H1 – Initialisation and design
H2 – Mobilisation and implementation
H3 – Reinforcement

Section I: Crisis management
I1 – Organisational resilience
I2 – Reaction to an emergency situation
I3 – Communication, information, and empowerment for a culture of error tolerance

A detailed and clearly formulated definition of theoretical excellence for every performance enabler is provided in Annex VII. Publications used for the design of the excellence definitions are provided in Bibliography.

1.4 Process of the qualitative assessment of the Benchlearning exercise

Qualitative assessment of PES performance includes two core elements: PES self-assessment and external PES assessment arranged through PES site visits. Findings of the external PES assessment are then settled in the PES Assessment Summary Report.

Figure 3. Sequence of actions during the qualitative assessment

PES self-assessment → External assessment of PES → PES Summary Report
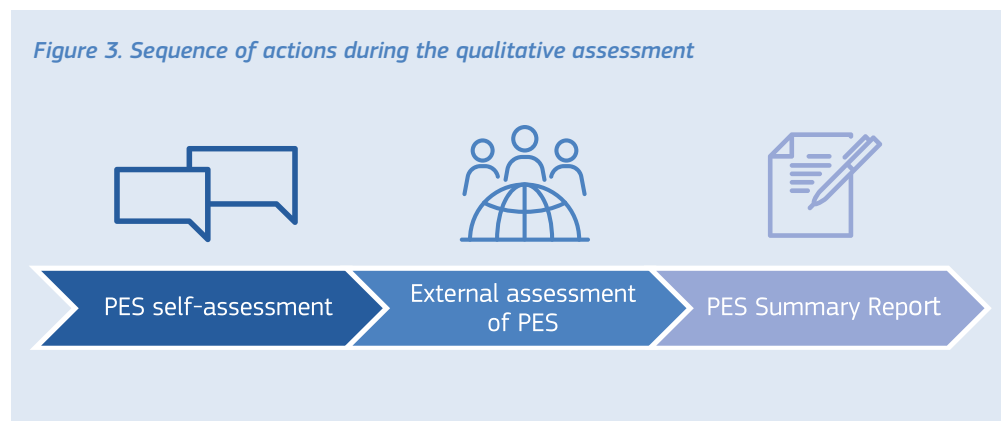
1.4.1 The self-assessment

Each PES conducts a **self-assessment**. During the PES self-assessment, each PES assesses its organisational solutions in core areas (see 1.3.2, seven areas, from A to G during the 1st cycle, and eight areas during the 2nd and the 3rd cycle) by performance enablers using a six-level scale following the PDCA cycle (see 1.2). The decision on how to organise the process of self-assessment and which organisational and/or regional levels of the PES to integrate into this process, when to start it etc. is taken by the PES itself. It is common practice that the self-assessment process is coordinated by one person, the coordinator, who also acts as the contact point for the PES Network Secretariat and its consultants for organising the external assessment (see section 1.4.2).

A set of performance enabler templates has been designed (see an example in the Annex II). The templates are filled in during the PES self-assessment and further used by the external assessors as the major information source for judgment. The templates also include provision for additional information on recent changes in each specific performance enabler, their perceived importance and how their implementation would be viewed at the local level. In the 3rd cycle, the PES were also asked to describe to which extent the COVID-19 pandemic had an influence on each enabler and whether the impact was considered to be temporary or permanent.

The result of the PES self-assessment is therefore a self-scoring of all performance enablers for all steps of the PDCA cycle.

This score should reflect the amount of available supporting evidence that a PES has actually implemented the organisational solutions according to the PES 'ideal', as described in the 'performance enabler'. The more evidence is available, and the more convincing the evidence is, the higher the score should be.

Source of evidence in this case could be any information that supports the assessment (e.g., handbooks, surveys, evaluations, reports, studies, process descriptions, etc.). The score is aiming to reduce complexity and create an easily understood overview and comparison.

The PES self-assessment essentially sets out, and helps each PES achieve the following:
- an identification of its strengths and weaknesses, based on the expertise and insights of all relevant PES staff in the organisation;
- an understanding of its most promising areas for improvement;
- finding potential actions and ways that could improve those promising areas of the PES work and structures.

1.4.2 The external assessment

During the **external assessment**, generally organised as a three-day on-site visit or a four-day virtual visit in the 3rd cycle, the self-assessment scores of the hosting PES are mirrored by the scores given by a team of assessors made up of experts from the consultancy (ICON), the European Commission and the PES Network, using the same 'excellence' benchmarks as those used in the PES self-assessments.

The main purpose of the external assessment is to support and mirror the self-assessments by providing feedback to each PES from the perspective of informed, interested and well-intended PES colleagues, all done in a spirit of solidarity. At the same time, it is a core exercise in the process of Benchlearning to foster cooperation between PES thereby improving the quality and potentially performance of PES services. If PES are to learn from each other, it is essential to not only identify differences and good practices but also to establish a broad and systematic basis of evidence to support core activities of the PES Network. To this end, the Benchmarking process, combining self-assessment and external assessment, is indispensable.

The external assessors conduct a review of the self-assessment to gauge whether it reflects the realities of the organisation to an informed, interested and well-intended outsider. To ensure such a fair and informed judgement, it is essential that external assessors are recruited primarily among experienced and highly qualified PES staff. Typically, assessors are expected to have at least about ten years of experience of working in their national PES and to be currently working at middle to senior operational/management level. Good communication skills and command of the English language are also relevant general skills necessary for facilitating a smooth, open and high-level discussion between peers. Finally, expertise in strategic management and in-depth knowledge of operational processes can be considered crucial to fill this position. By providing experienced staff for the position of assessors, PES can make a key contribution to the overall success of the Benchlearning exercise. The combination of a systematic and evidence-based conceptual approach with strong and committed assessors ensures the provision of well-founded and helpful recommendations as a core objective of the Benchlearning process; an outcome that is beneficial to all members of the PES Network in the end. Experienced assessors can also contribute valuable input and inspiration to their own PES based on their experiences from the site visits they participated in. Finally, the support of assessors has proven valuable in the process of completing the self-assessment.

To familiarise new assessors with the specifics of the Benchlearning approach, training is provided to all assessors prior to their first participation in an external assessment. This training includes presentations and discussions on the conceptual backgrounds as well as practical exercises and the provision of additional background material for further reading. With the 3rd cycle a separate training module has been introduced to prepare assessors to the specific challenges of assessments which are carried out in a virtual format.

The working method during the visits requires the active involvement of each of the five to eight external assessors. Every assessor is given responsibility for chairing a discussion on certain section(s) of the enablers, and every assessor is also a supporting vice-chair in other section(s). Two assessors are also appointed as chairs during the visits to the two local offices.

1.4.3 The agenda of the visit

The first day of the on-site visit and the first two days of the virtual visit is/are dedicated to the discussions in the PES headquarters. Although the choice of sections and focus varied between the first three cycles, the core of this initial phase of the external assessment always consists of discussing the self-assessment section-by-section with experts and top management of the Head Office of the hosting PES. For example, the 1st cycle aimed at a full stock-taking, while the 2nd cycle focussed only on a reduced number of sections with significant changes and the PES' change agenda, while the 3rd cycle consists of another full stock-taking, also including the new section I on crisis management.

On the second day of the on-site visit and the third day of the virtual visit the assessor team visits two local PES offices. At the local PES offices the assessors get the opportunity to see in how far the information of the self-assessment and the content of the discussions on Day 1 at the Head Office are transformed into practice on the local level. This approach was also refined and adapted over the three cycles. While there was only a visit to one local office in the 1st cycle, parallel visits to two contrasting local offices were introduced in the 2nd cycle and kept for the 3rd cycle. Furthermore, a customer journey was an integral part of the visits to the local offices in the 1st cycle while the focus of Day 2 during the 2nd cycle was on mirroring the reform agenda on the local level. Given the priorities of the 3rd cycle, more room is in this case devoted to discussing the handling of the COVID-19 pandemic on the local level.

At the local offices, the assessors conduct three group discussions: 1) with senior managers, 2) with middle managers/team leaders, and 3) with the counsellors/front-line staff. Employees in the local offices are asked to talk about the challenges of their work, the impact of reforms within their PES, their experience in handling the COVID-19 pandemic or other aspects that were found to be relevant by the external assessors. As a guiding tool, the principles of group discussion (see Annex III) are shared with the assessors prior to their visit. It should also be stressed that regarding the discussions with frontline staff it has proved to be essential that no representatives from the management level are present to guarantee an atmosphere of confidentiality and trust. This can be considered a key prerequisite for an open atmosphere that allows the external assessors to gain authentic insights on the situation among frontline staff.

On the last day of the visit – day 3 of the on-site visit and day 4 of the virtual visit – the assessors meet to agree and give key feedback messages and initial observations to the senior managers of the hosting PES. The assessors' team also jointly agrees on the scoring of each enabler. Regarding the scoring there are several basic guidelines to be taken into account. (1) The key reference for any score is always the description of the corresponding enabler of the excellence model. Comparisons to an assessor's own PES or any other PES should not serve as references for a score. (2) In order to avoid any potential bias in the scoring process, no actual scores are provided to the external assessors prior to their own scoring – neither from the self-assessment nor from the previous assessment. This `blind scoring` applied during the 3rd cycle is meant to ensure a neutral and fair view and proved to be valid and helpful. (3) The only orientation available to external assessors prior to their own scoring are provided in the PES Maturity Fiche which contains a comparison of PES-maturity for every enabler in relation to the PES-average. (4) The process of scoring itself during the external assessment is always a team effort.

Scores are initially suggested by the chair responsible for a section, reflected by the corre-sponding vice-chair and finally agreed upon during a targeted discussion among the asses-sors' team.

The feedback meeting between the assessors and the PES management closing the meeting has proved to be lively but very productive. The final session starts with findings on the strengths of a PES and emphasis is placed on the positive experience of the PES practice seen during the visit. In a second step, the general room for improvement for the PES iden-tified by the assessment team is addressed. Finally, concrete recommendations are given on areas where improvements may further enhance PES operations and outcomes, so areas of the PES performance where suggestions for enhancements might be useful. For each recommendation reference PES with a high maturity level in the specific area which is ad-dressed by the recommendation are indicated. The suggestions are based on the assessors' experiences and the evidence collected in previous assessment cycles which are stored and visualised in the PES Benchlearning Dashboard. All recommendations are further elaborated in the individual Summary Report which inter alia includes an analysis of these areas for improvement together with a detailed explanation of suggestions and recommendations.

Figure 4. On-site visits – main elements by days

DAY 01

Discussions of the self-assessment section-by-section in the PES Headquarters

DAY 02

Visit of two local PES offices

DAY 03

Sum up and feedback provision
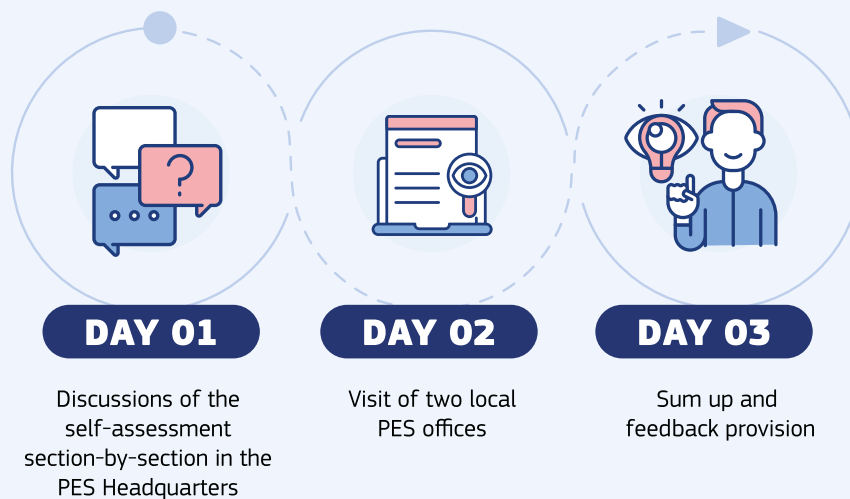
Figure 5. Virtual visits in the 3rd cycle – main elements by days

DAY 01

Discussions of the self-assessment sections A and I in the PES Headquarters

DAY 02

Discussions of the self-assessment sections B-G in the PES Headquarters

DAY 03

Visit of two local PES offices

DAY 04

Sum up and feedback provision
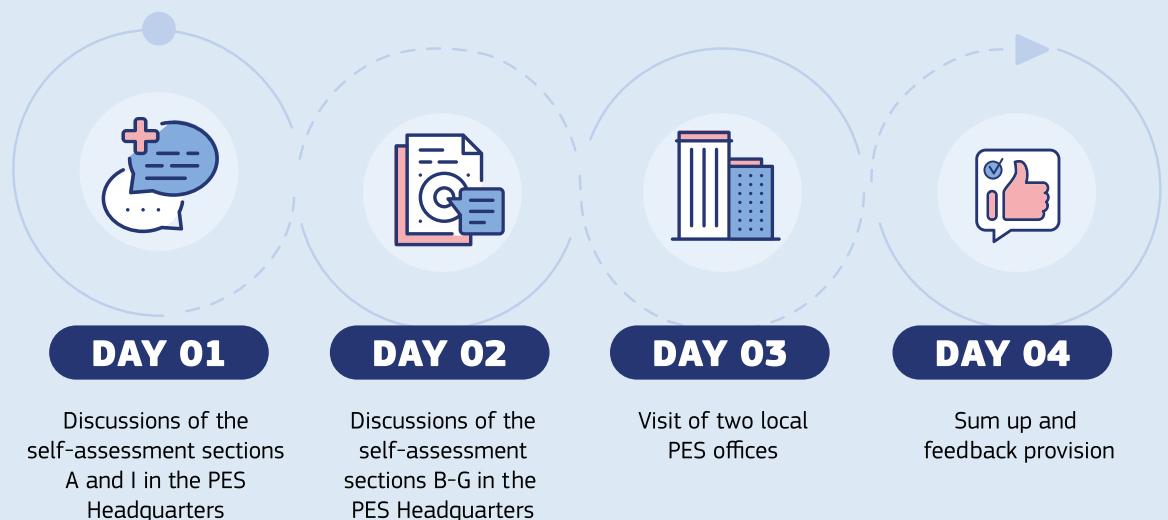
1.4.4 The PES Summary Report

A comprehensive PES Summary Report is delivered to the host PES within six weeks after the site visit. The report is designed to be reader-friendly, highly focused and written in a supportive and constructive style. The table of scores agreed among assessors also becomes a part of the Summary Report, which, apart from the core body of the report, also includes a table with assessors' findings for each enabler, recommendations and the identification of certain practices that could be of interest and use to other PES.

The latter element of good practices is another crucial link between the Benchmarking of the external assessments and the process of Mutual Learning, jointly forming the approach of Benchlearning. During the visits, the external assessors always try to identify good or promising practices that are innovative and might serve as examples and references for the efforts of other PES. The good practices are then inserted into the templates of the Summary Report and serve as a core input for the identification of 'PES Practices'. After collecting a formal and standardised description these practices undergo a process of professional editing and layout and are finally stored in the 'PES Knowledge Centre[2]' where they are available to all PES in the PES Network and beyond[3]. It is worth mentioning that a good practice does not necessarily require a high overall maturity of a PES in the respective field where a practice is identified. It is no contradiction that specific innovative approaches can be implemented in a field where otherwise a PES does not display a high maturity.

The draft report is sent to the main contact person of the visited PES who acts as coordinator of the entire assessment process in the PES to check for any factual errors, and the final draft is subsequently submitted by the PES Secretariat to the Director General of the PES.

As with the agenda and focus of the site visits, also the structure of the Summary Report varies between cycles. For the current, 3rd cycle the structure is the following (see Annex VI for previous cycles).

> #### *Outline of the PES Summary Report (3rd Benchlearning cycle)*
>
> 1. Introduction
> 2. Short summary of the major changes between the 2nd and the 3rd assessment visit
> 3. Impact of the COVID-19 pandemic on the PES
> 4. Outcomes of participation in the Thematic Learning Dialogues (if relevant)
> 5. Areas where improvements could further enhance PES operations and outcomes
> 6. Suggestions and recommendations
> 7. Summary of external scoring
> 8. Detailed external assessment commentary and scoring

As can be seen in the structure of the Summary Report, one objective of the 3rd cycle visits is to assess whether this specific mutual learning format is effective and has a concrete impact on a PES performance (Section 4). However, because of the COVID-19 pandemic, PES plans developed in the course of the TLDs (and refined afterwards) had to be interrupted or even stopped. Therefore, their follow-up is only assessed during the 3rd cycle visits if the projects have not been suspended, such as projects resulting from TLDs focusing on digitalisation of services which was positively triggered by the COVID-19 pandemic.

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2   https://ec.europa.eu/social/main.jsp?catId=1163&langId=en

3   Ideas for 'PES Practices' are of course also collected through other formats of Mutual Learning or proactive suggestions of PES, but the site visits remain the most important source since in the course of the external assessment the use of a practice can be witnessed first-hand.

Introducing a virtual assessment format

Due to the COVID-19 pandemic, all countries in Europe took appropriate measures for reducing the spreading of the Coronavirus. Since travel restrictions and other health protection measures made it impossible to carry out the external assessments as face-to-face events 'on site', a concept for a virtual implementation was developed, discussed with PES representatives, tested in two pilot assessments (LT and BG), adjusted and then rolled out.

The virtual assessment format keeps as many elements as possible of an on-site format, but is characterised by specific features:
- Increased number of peers (four instead of two).
- Intense preparation of assessors within two virtual preparatory meetings for prioritising questions to representatives from head and local offices, getting acquainted with the virtual format and team-building prior to the assessment.
- Extension of the assessment's duration in general to four days with the first two days in the head office, Day 3 in the local office and feedback to the top management in the head office on Day 4. For Italy and Spain specific arrangements are not excluded in order to guarantee an appropriate coverage of responsibilities taken by the national and the regional levels.

If, how and via which channel the Summary Report, its findings and recommendations are shared at all organisational and/or regional levels is under the responsibility of each PES. Some PES have decided to publish the entire Summary Report, others disseminate only findings and recommendations via newsletters, their Intranet, social media, podcasts and other forms of communication. Follow up activities from the external assessment may be discussed in meetings of top management and/or in restricted or open workshops, working groups, task forces and conferences.

1.5 Data collection, data analysis, and relationships between enablers and outcomes

From a methodological point of view, the search for overall PES benchmarking comparative statistics and the analysis of correlations and links between the quantitative and qualitative assessment lies at the heart of the benchlearning exercise. All the analytical steps, taken in the combined quantitative and qualitative assessment (presented below), aim to establish a systematic link (statisticians use the term 'correlations') between performance enablers and performance outcomes. This link should provide an orientation, which structural and organisational factors lead to good results.

1.5.1 Processing the context-adjusted performance outcomes

PES performance outcomes are measured by quantitative indicators (see 1.3.1) that are supposed to be statistically robust. For the construction of these indicators, PES deliver administrative data by variables following clearly defined requirements. These requirements are documented in the 'Guidelines for PES Data Collection and Data Entry', which are revised annually and shared with the PES statisticians responsible for providing the data.

Comprehensive analyses of the data delivered by the PES are carried out, to assist with the identification of valid performance outcomes.

To be considered valid, a specific performance outcome needs to fulfil the following criteria:
1.   It should be measured with *adequate quality*,
2.   It should carry original/unique *information*, and
3.   It should *not* be *determined* completely (or largely) *by contextual factors.*

In order to obtain a set of PES performance outcomes that meet these requirements, the following steps are conducted:
1.   Data validation to ensure data quality
2.   Identification of redundant information
3.   Identification and elimination of context impact.

These activities are designed as a series of filter layers through which all proposed potential performance outcomes should pass. Only those remaining at the end of the process are considered 'valid' performance outcomes.

These analyses are repeated annually using the most recent data. Based on the results of the comprehensive analyses of the data delivered by PES, the following indicators were identified as **valid performance outcomes**:
1.   Unsubsidised transitions into the primary labour market,
2.   Subsidised transitions into the primary labour market,
3.   Transitions of high-skilled (i.e., ISCED 5-8) unemployed into the primary labour market
4.   Fast transitions (within 6 months of unemployment) of unemployed into the primary labour market,
5.   Medium-term transitions (within twelve months of unemployment) of unemployed (under 25 years) into the primary labour market,
6.   Outflows of unemployed, irrespective of destination,
7.   PES involvement in job-finding according to the EU Labour Force Survey (LFS composite indicator),
8.   Transition of long-term unemployed (LTU, i.e., twelve months or longer unemployed) into employment as a share of LTU[4],
9.   Employer satisfaction (i.e., the share of satisfied employers),
10. Jobseeker satisfaction (i.e., the share of satisfied jobseekers).

For these indicators, multivariate regression analyses were applied to adjust for the impact of context, and to make them genuinely comparable.

A list of potential context factors was designed, taking into account the possibility that context factors must not be determined by PES performance (to avoid the problem of biases due to 'reverse causality' when the perceived 'effects' in fact precede the cause of the action). All indicators theoretically reflecting context are examined empirically to establish a relationship to different potential performance outcomes. Only those indicators where a statistically significant impact on at least one performance indicator can be established are used to make performance indicators comparable across PES.

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4   This is not a mandatory indicator.

The list of **potential context factors** includes the following:

- The employment rate (age 15-64) by educational attainment, age groups and gender
- Employment rates in seasonal industries and in temporary work
- Activity rates by gender
- Transitions from employment into registered unemployment by educational attainment and age groups
- The rate of employment growth
- Share of early leavers from education and training by gender
- The rate of GDP growth
- The rate of productivity growth
- The investment rate
- The existence of national minimum wage legislation (yes/no)
- The firmness of dismissal protection law (OECD indicator)
- The share of small and medium-sized enterprises
- The share of school-leavers not progressing to degree level
- The proportion of the working age population
- The net migration rate
- The Unemployment benefit duration
- The stringency of imposed restrictions for fighting the COVID-19-pandemic
- Registration rules for unemployed concerning allowed working hours, availability for work and ALMP participation (yes/no)
- The responsibility of PES for benefit disbursement (yes/no)
- Are PES managed by objectives (rather than by inputs – yes/no)?
- The Regional responsibility for PES services (yes/no)?

Future analyses will require an enlarged and refined dataset. This is especially the case for potential context factors which will need to cover aspects such as immigration dynamics or available PES resources. The list of context factors is annually revised and updated.

The multivariate regression analyses of the valid PES performance outcomes resulted in comparisons of performance across PES, i.e., of measurable achievements that are (almost) exclusively due to the efforts of PES. An example of such a fair comparison of one of the valid performance outcomes is illustrated in Annex IV.

The empirical results also provide an opportunity for PES to assess their own performance over time, like in the Table 1 below.

Table 1. Indicators of an exemplary PES

Country/PES	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average 2010–2019
Unsubsidised transitions	2,44	1,49	0,97	0,60	-0,74	-0,95	-1,28	-2,15	-2,46	-3,59	**-0,57**
Transitions of high skilled jobseekers	-1,87	-1,23	-1,75	-0,22	-0,87	-1,34	-0,18	-2,82	-0,58	-0,71	**-1,16**
Subsidised transitions	0,15	-0,11	0,04	0,08	-0,09	-0,06	-0,08	0,17	0,54	0,88	**0,15**
Total exits out of unemployment	1,98	1,62	0,30	1,19	-0,34	-1,35	4,72	1,98	3,99	-0,79	**1,33**
Fast Transitions	1,69	6,99	10,43	7,10	8,99	10,47	-6,48	13,89	12,55	0,65	**6,63**
Medium-term transitions	2,18	4,65	9,77	6,64	8,13	9,88	-12,32	11,91	10,72	1,83	**5,34**
LFS composite indicator	-0,01	-0,02	-0,07	-0,08	0,12	-0,04	0,10	-0,02	0,08	0,04	**0,01**
Jobseekers' satisfaction	-11,05	1,03	-7,01	8,25	8,61	10,58	1,66	0,19	-36,00	-12,21	**-3,60**
Employers' satisfaction	0,91	-0,93	-7,56	0,82	1,45	5,37	0,49	4,28	5,20	4,08	**1,41**
LTU transitions relative to stock of LTU	0,48	0,10	-0,06	0,03	-0,39	0,01	0,53	0,18	-1,29	-0,92	**-0,13**

The table contains the values of the ten context-adjusted performance indicators over time for an exemplary PES, including also the average of this PES' performance during the period of the available years. It indicates the difference between 'what a PES has achieved' and 'what a PES should have achieved in a given context' for each year. Positive values indicate over-performance while negative values indicate under-performance.

1.5.2 Construction of quantitative indicators for organisational maturity

In order to make a final step of a combined quantitative-qualitative analysis, quantitative indicators are generated from the externally validated scores for performance enablers collected during the qualitative Benchlearning assessment exercise. This indicator generation serves a double purpose. Firstly, the resulting indicators are a summary of the over 100 original single scores for each PES. They therefore reduce the complexity of the scoring sheet, and facilitate the identification of particularly strong aspects of each PES, as well as identifying areas with the largest room for improvement. Secondly, the quantitative indicators from qualitative benchmarking are an essential input for the empirical identification of 'true performance enablers', i.e., for the final step of a combined quantitative and qualitative analysis (see also next section). Since this step again involved statistical methods, the findings from the qualitative benchmarking had to be translated into quantitative indicators as a preparatory step.

In this way, quantitative indicators are generated for each potential performance enabler, designed to reflect the proximity of each PES to the theoretically defined excellence level. This proximity can also be seen as showing the 'maturity' of the organisation with respect to a given benchmark. The following aggregation rule is used for the construction of quantitative indicators for each potential performance enabler:

- A **mature** organisation with respect to the potential performance enabler X is achieved when all four scores in the PDCA cycle are '5' or higher.
- A **well-developed** organisation with respect to the potential performance enabler X is achieved when at least three of the four scores are '4' or higher.
- A **developing** organisation with respect to the potential performance enabler X is achieved when at least three of the four scores are '3' or higher.
- In all other cases, the maturity of the organisation is considered **'developable'**.

This yields an indicator 'maturity regarding performance enabler X' with four values (1 = developable, 2 = developing, 3 = well-developed, 4 = mature). This indicator is still measured on an ordinal scale, which means that it has to be broken down into four 0/1-indicators ('dummy variables') for further use.

A similar rule is set up for the aggregation of the scores across potential performance enablers in each of the seven sections and further on across all sections.

1.5.3. Statistically significant relationship between performance outcomes and performance enablers

The final analytical step is the investigation of the extent whether a systematic, i.e., statistically significant, relationship between performance outcomes and performance enablers exists. This is also done using regression analysis. To this end, the performance groups for each valid outcome (in 1.5.1) serve as dependent variables. The maturity indicators (in 1.5.2) represent the explanatory variables. The analyses were further condensed into dummy variables (1 = mature or well-developed; 0 = developing or 'developable'). Due to the ordinal scaling of the dependent variable (4 performance groups), a special form of regression analysis is used ('ordered probit models'). Finally, a step-by-step approach is implemented:

1. Investigation of the relationship between *overall* PES maturity and performance outcomes
2. Investigation of the relationship between enabler sections' maturity and performance outcomes
3. Investigation of the relationship between the maturity of *single* enablers and performance outcomes.

It is important to note here that given the limited number of observations, the results of these analyses need to be interpreted with care. The empirical analyses are able to pin down statistically significant associations ('correlations') between context-adjusted performance outcomes and maturity indicators. These **associations cannot be interpreted as *causal* relationships**. Instead, they are simply *empirically supported plausible conclusions* on the potential impact of a change in specific performance enablers on improved PES performance. Where such an association is found, enablers are called 'promising' as in these instances mutual learning promises a pay-off in terms of performance improvements.

The analyses of step 1 suggest that, overall, more developed PES will exhibit better results. Specifically, a statistically significant positive relationship between mature or well-developed organisations on the one hand, and unsubsidised transitions into the primary labour market (including transitions of LTU into the primary labour market as a share of LTU) on the other hand, can be observed.

The estimated results for enabler sections and single enablers achieved in 2019 (based on PES data collected for the years 2010-2018 and on the maturity levels identified in the 2nd assessment cycle) are summarised in the table presented in Annex V. The table contains only those performance groups where a sufficient number of observations were available, and where more than only a handful of significant relationships were found. In this table, ''++' denotes a statistically significant positive relationship (a 95% confidence level) and '+' a weakly significant positive relationship (90% confidence level). Insignificant relationships are indicated by a '0' and significantly negative relationships were not found[5]. Finally, the table also contains a suggestion for 'promising enablers'. These are marked green.

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5   Since the analyses were conducted in 2019, the list of valid performance outcomes differs slightly compared
     to the one reported in section 1.5.1 based on the most recent analyses conducted in 2020.

2. Mutual Learning

2.1 Process

Over the course of the three cycles of Benchlearning, a broad range of Mutual Learning (ML) formats has been developed forming the complementing element of 'Learning' to the 'Benchmarking' described in the previous chapter. With different organisational frameworks, focus and target-groups, these events serve to disseminate the knowledge accumulated by the various contributors to the PES network and support the process of learning and development among PES. The ML concept also builds upon the evidence from the benchlearning data collection and assessments. This evidence has enabled ML activities to be increasingly designed, delivered and targeted in relation to PES learning needs, and to identify, disseminate and facilitate the transfer of good practice amongst PES.

The annual, comprehensive ML programme for the PES Network is intended to structure and support the ML activities and also draws on the evidence base of identified learning needs and maturity of PES. In addition to the common programme, individual PES initiate learning events or exchanges with other PES around common challenging topics. As the site visit reports clearly indicate, learning is facilitated by pointing out peer PES as potential exchange partners for certain areas for improvement.

2.2 Mutual Learning Formats

During the first two cycles, the various learning formats benefited from the site visits mainly via the identification of leaders and needs among PES as well as good practices to be shared among the PES community. For example, a need for counselling in the form of a **Mutual Assistance Project** might be identified based on the recommendations during a site visit. By initiating such a support measure, PES can address their constraints and challenges in terms of limited expertise and knowledge about some specific issues by relying on the support of more advanced colleagues and external consultants. At the same time, information from site visits can serve to identify suitable peer PES to offer support in the specific field. In a similar manner the choice of experts for a **Thematic Review Workshop (TRW)** or a **Working Group** can be based on experiences from site visits. Both the maturity of a particular PES or the change efforts in a specific area can motivate the participation in one of these formats. Approaches of PES that have found to be good practices during the site visits can also serve as starting points for **Study Visits**. Here, the host PES can present its approach to a specific topic to a group of up to ten participating PES. Other ML formats are **Webinars** as a web-based forum for virtual discussions among PES, the annual **Network Seminar** and the annual **PES Network Conference**. Although these formats are not strictly linked to the Benchmarking of the site visits, information on PES, their good practices and needs collected in this process can serve as valuable input for the composition of participants and choice of contributions.

To further and more systematically link the elements of ML and Benchmarking an additional format of Mutual Learning was introduced during the 3rd cycle, the **Thematic Learning Dialogues (TLDs)**. In these two-day events, a group of up to five participating PES develops concrete projects and change plans with set milestones immediately related to topics that were pointed out as potential areas of improvement during the previous assessment.

In this planning process they are supported by members of the host PES of the TLD which has been found to be particularly advanced in the corresponding field as well as peers from other PES displaying a high maturity in this field. The plans drawn up by the participating PES are then followed up with regard to their implementation and progress during the site visit of the next benchlearning cycle. This way, an evidence-based form of learning is established among peers which aims at inspiring and supporting concrete changes among the participating PES as an integral part of the benchlearning visits.

To document the insights gained during the various activities, the **PES Knowledge Centre[1]** has been established. This platform disseminates the key outputs and learning resources of the PES Network and is available to the wider public. Apart from the PES practices' learning fiches, analytical papers on various topics (e.g., on 'Activation of the inactive', 'PES Partnership Management, and 'The roles of PES in supporting structural change') Practitioner's Toolkits on various topics such as 'knowledge management' are published there. At the time of writing, almost 200 documents are stored in the PES Knowledge Centre. Apart from that, over 230 PES Practices[2] were selected during the site visits of the ongoing benchlearning process and developed into 'learning fiches'. Additional information, e.g., Summary Reports of the external benchlearning visits, PES data, visualisation of performance results, maturity levels and learning topics of PES can be found on the PES-Dashboard[3] and on a specific space on CIRCABC, the collaborative platform of the European Commission[4]. The access to these two platforms is restricted.

2.3 Conclusions

Mutual learning activities address key operational aspects of PES such as communication strategies, multi-channel management or evaluation activities. Moreover, they support dialogues on building partnerships and improving engagement with employers, private employment agencies, the education sector and career-guidance partners. Transversally, topics are centred on priority target groups for PES, notably vulnerable groups covered by the European Pillar of Social Rights, especially those at risk of or in long-term unemployment, young people, persons with reduced working capacities, migrants and especially refugees who could integrate the European labour market faster through better assessment and recognition of their competences.

The broad knowledge base gained during the benchlearning exercise – which is continuously broadened – highlights several challenges which most of the PES throughout the PES Network are facing, although the level of maturity varies strongly:
• enhance the collaboration with employers
• build up efficient ICT systems and customer-friendly eServices
• review their indicators, target-setting and the overall organisational structure
• further improve competence-based matching system
• increase resilience
• formation of a broad range of targeted and effective partnerships
• development of a future-proof HR system
• investment in staff skills.

Apart from these structural matters, the field of crisis management and reaction to a crisis situation with the objective of achieving future-proof and resilient PES has been a major topic for all PES due to the efforts connected to handling the challenges posed by the COVID-19 pandemic and its aftermath.

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1 https://ec.europa.eu/social/main.jsp?catId=1163&langId=en
2 http://ec.europa.eu/social/main.jsp?catId=1206&langId=en
3 http://dashboard.pes-benchlearning.eu
4 https://circabc.europa.eu/ui/group/07b8b6b8-b6eb-48ac-9065-0087da7599df

To address these needs, the current Work programme 2022 consists of four thematic clusters: (1) *Structural Changes, (2) PES Service Delivery, (3) PES Performance Management and (4) PES visibility and partnerships.* These clusters are augmented by additional topics which are integrated horizontally into the clusters. The most important among these are measures for recovery in the aftermath of the pandemic, the greening economy and digital transformation, support to the most vulnerable groups and non-discrimination.

The activities of the programme are organised around these clusters to offer an opportunity to study the subject from many angles while making use of the broad range of different ML formats, as described in the previous sub-section. This will allow different persons with different roles within PES to further explore the topic from their perspective and responsibility. However, PES decide if and in which of the different mutual learning events they would like to take part of play an active role, so that participation is voluntary. The ambition is to strengthen the capacity on the identified challenges reflected in the four clusters and to strengthen the exchange between PES managers/experts and practitioners with a more profound approach. Finally, the annual update of the work programme ensures the relevance and practical usefulness of topics addressed in the ML formats for PES.

3. Summary: Added value for PES and transferability

3.1 Added value

Well-functioning labour markets are essential for the future of the European society. PES can play a major role solving today's labour market challenges by providing excellent services for job seekers and employers, thereby acting as a 'conductor' on the labour markets as highlighted in the current PES Strategy[1]. To better respond to changing environments and labour markets, PES in Europe confirmed their will to enforce cooperation in the PES Network. This enhanced European PES cooperation enables the PES to deliver their role as labour market conductors, contributing to European employment strategies and the European Pillar of Social Rights, improving labour market function and integration and creating better balanced labour markets. The Benchlearning approach is one core element within the cooperation of PES in Europe supporting them to improve performance and adjust processes and service delivery to customers by sharing knowledge and experiences in systematic way, driven by evidence and making best use of a peer learning approach.

Excellent PES performance is essential for the integration of the young generation into the labour market, the reduction of long-term unemployment, the support to vulnerable groups and the achievement of all the associated targets mutually agreed at European level. Performance varies between PES as do the approaches to governance, leadership, quality management and design of operational processes.

The aim of benchlearning is to launch an evidence-based self-sustaining system of continuous and measurable performance increases in PES. This will lead to better results, and contribute to the functioning and convergence of labour markets, further demonstrating the added value of PES. This supports the general political and strategical aim to improve public services and provide relevant and helpful support to citizens.

Implementation of the PES benchlearning concept in 2015-2017, its further refinements in 2019-2020, and the results achieved so far, clearly demonstrate that the benchlearning methodology works, that a systematic link between valid performance outcomes and true performance enablers can be established, and that it supports valuable, targeted and effective bilateral and mutual exchange among PES in Europe. If the combined self- and external-assessment exercise is continued, and if all analytical steps are carried out successfully, it will ultimately be possible to create a new and rich database with information on PES performance outcomes, performance enablers, and their relationship. This in turn serves as a basis for further targeted mutual learning activities.

Those PES that are open to the idea of change, willing to learn from their peers and share experiences with them, can benefit a lot from involvement in the benchlearning process. Every activity, whether it is data collection or the site visit, includes elements of learning from the activity itself and from the peer PES colleagues involved in it.

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1   See: EU Network of Public Employment Services, Strategy to 2020 and beyond, URL: https://www.pesnetwork.eu/download/pes-network-strategy-2020-and-beyond/#:~:text=The%20key%20PES%20Network%20document%20PES%20Network%20Strategy,for%20delivery%20of%20European%20Employment%20policy%20beyond%202020.

PES benchlearning, as an iterative process, implies a gradual evolution in PES performance, and involves an approach that builds on its past achievements to create better results. Continuity of the process will allow PES to involve more staff, to improve progressively the overall working culture and knowledge, and to provide an opportunity to transfer a rise of the individual competence into overall institutional competence.

In recent years, refined definitions and more clarity on the requirements for the key variables led to an improvement in the quantitative benchmarking at the EU level. This is a crucial step towards the construction of genuinely comparable performance indicators, and therefore fair comparisons of PES performance. The refined definitions allowed reducing, if not fully eliminating, discrepancies in the production and delivery of the key variables, which occur due to different legal, regulatory, operational and methodological frameworks unique to each PES involved in the process. There is a common belief that requirements for key variables and statistical methods in the PES benchlearning exercise may encourage PES to take a critical look at their existing national monitoring systems and national Key Performance Indicators, and then reconsider their revision and the introduction of more appropriate solutions.

In a similar manner, also the assessment process has been refined over the three cycles of Benchlearning so far. Its processes have been adapted to the changing focus of the different cycles and challenges of the pandemic, and also the excellence model has undergone a first revision prior to the 3rd cycle. To ensure the relevance of the model, this process of revision of the excellence model may also be repeated in the future.

The benchlearning PES site visits including preparatory phase and follow-up create many opportunities for PES to pick up new ideas for enhancing their management and processes, no matter if they are carried out in an on-site or a virtual format. The self-assessment provides an opportunity for PES to step back from their day-to-day work and have an in-depth look at their organisation. Benchlearning assessment Summary Reports produced for all the PES that were visited as a 'helping hand' identify a number of areas for improvements. These reports include specific recommendations and indicate peer PES as potential partners for exchange and learning. The first set of TLDs which were based on evidence gained in the 2nd assessment cycle has proven to offer relevant, targeted and practical support to PES by making full use of experiences from well-advanced PES and from highly competent peers. In addition to the exchange between Host PES representatives and peers during the assessment visits TLDs are a core element for strengthening and encouraging co-operation between PES as described in the current PES Strategy[2].

Two central findings from the context-adjusted performance comparisons can be seen as the most relevant results of quantitative benchmarking. Firstly, almost all PES are among the top, or are high performers, in one dimension of performance. Secondly, all PES are also represented among the medium or low performers for at least one valid outcome. There is not one single PES that can be considered the performance benchmark in *all* relevant dimensions. That said, it is also apparent that some organisations appear more often among the top or high performing PES than others. Another core result is that, in general, PES are better in 'Planning' and 'Doing' in comparison to 'Checking' and 'Acting'. Hence, a future challenge is to intensify the exchange among PES on how to broaden the basis of evidence for the decision-making process and how to set up functioning mechanisms to make best use of all information available for necessary adjustments of processes and services offered by a PES.

Behind the overall assessment of the organisational maturity of a specific PES, there can be substantial variations across enabler sections and single enablers. There may also be vastly different 'business models' and 'institutional contexts' across performance groups.

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2 https://www.pesnetwork.eu/download/pes-network-strategy-2020-and-beyond/#:~:text=The%20key%20 PES%20Network%20document%20PES%20Network%20Strategy,for%20delivery%20of%20European%20Em- ployment%20policy%20beyond%202020

This indicates that the qualitative benchmarking exercise can unveil hidden potential for improvement in every PES, not simply by identifying weaknesses, but by linking them to good practices. This has shown positive effects in the past, and it also provides a 'roadmap' for capacity development.

Combined quantitative and qualitative analyses indicate that the PES which are more developed in terms of their organisational maturity exhibit better performance results. This proves the existing excellence model. Furthermore, a considerable number of performance enablers turned out to be promising regarding performance improvements, and are therefore valuable topics to be addressed during future benchlearning events and for a growing organisational learning organisation.

This manual offers an insight into how benchlearning in the EU PES Network is implemented. It also stresses that benchlearning is not about ranking but instead about identification of good practices that could be adopted by peers and about learning from well-performing organisations. Benchlearning as an iterative process refers to a build-up approach towards improvement of institutional performance, and a continuous change management process. It can, therefore, be seen as an essential part of a total quality management approach, compatible to other components and approaches of quality management.

3.2 Transferability

As a concept, benchlearning can be applied both nationally and internationally. It can be used as an assessment framework for a national system of similar institutions / organisations, but also for multinational organisations with branches around the world or international networks of similar entities.

The benchlearning methodology presented in this manual can be transferred to other regions, to other policy areas and institutional networks, though it must be adapted to their specific performance features and to the environment (context) in which they operate. As one would expect, before starting benchlearning every network needs to conduct some preparatory work – to agree on a common ultimate/fundamental goal which will make participation meaningful, to design an excellence model as a benchmark, to consider about a set of SMART[3] indicators to measure performance, and to agree on procedures to make the process easy-to-follow, transparent and mutually beneficial.

This being said, it would be erroneous not to list the major preconditions for the overall success. To make a benchlearning an operative tool of strategic and change management of a system/network of institutions/organisations/companies, the entities involved in the process are supposed to be open and ready for changes, to have a clear will to improve their performance and a shared understanding of the fundamental goal of this common effort. Each participant needs to be aware that the benchlearning exercise requires an intellectual input as well as time resources on top of the everyday routine. Another important aspect of the exercise is a strong orientation towards 'learning from others' rather than participation in a perceived contest where one would like to perform better than most of the peers. Each participant is supposed to be honest in conducting the self-assessment when comparing their entity's performance with the commonly agreed excellence model, and to feel secure and confident during the external assessment by peers. It is, thus, essential that every organisation perceives the qualitative and quantitative assessments as chances: the self-assessment as a chance to step back from everyday work and to reflect on how this work is done, why it is done that way and how it could be done better; and the external validation of the self-assessment as a chance to get a feedback from informed, interested and well-intended peers; and the quantitative assessment as a chance to see where the organisation stands in terms of its performance outcomes relative to its peers.

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3   S – Specific, M– Measurable, A – Achievable, R – Robust /Relevant, and T – Time-bound.

Every network or alliance is recommended to appoint a coordinator of the process who will organise its timing and practical arrangements, as well as a research team to perform data collection, processing and analysis. The follow-up of the assessment, i.e., communicating the results of the exercise and deriving mutual learning topics, is also an important part of benchlearning. In the case of the EU PES Network, it is the internal PES benchlearning dashboard that is set up to make all data collected from PES and other sources accessible to the Network members[4]. The PES Benchlearning dashboard is a user-friendly and attractive visualisation of the data with the option of finding and comparing similarities and differences across PES. It belongs to the PES Network and is for internal use only, providing for an orientation for knowledge exchange and for establishing peer PES cooperation, and serves as the major tool for promoting transparency between all members of the PES Network.

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4   http://dashboard.pes-benchlearning.eu

4. Useful links to PES Network services

PES BL dashboard	Access is restricted to the EU PES Network members. Credentials to enter the dashboard can be asked via PES-BL-team@icon-institute.de
PES Summary Reports	PES Summary Reports (from the 1st, 2nd and 3rd BL cycle) are available in the PES BL dashboard 'INFO' section
PES Knowledge Centre	http://ec.europa.eu/social/main.jsp?catId=1163&langId=en
PES Practices	http://ec.europa.eu/social/main.jsp?catId=1206&langId=en
PES Network's ML Work Programme 2021	http://ec.europa.eu/social/PESNetwork

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Annex I. Leaflet on PES Benchlearning

Benchlearning – for PES, by PES and with external support

Why Benchlearning?

Well-functioning labour markets are essential for the future of Europe's societies. PES can play a major role in solving today's labour market challenges by providing excellent services to jobseekers and employers. The need for high PES performance is clearly essential for the implementation of targeted and efficient ALMPs, the reduction of long-term-unemployment as well as the achievement of all the associated indicators mutually agreed at European level. Performance varies between PES as do the approaches to governance, leadership, controlling and organisation of operational processes. The aim of benchlearning is to launch an evidence based self-sustaining system of continuous and measurable performance increases in PES. This will lead to better results and contribute to the well-functioning and convergence of labour markets, thus further demonstrating the added value of PES.

How does it work?

Benchlearning is a systematic process that links benchmarking and mutual learning. It does this by supporting each PES to improve its own performance by comparing with an ideal PES and learning from other PES.

To achieve this, benchlearning requires that each PES conducts a structured, systematic reflection on its performance and takes a close look at the drivers that enable good performance and service delivery. These drivers are called 'enablers'. A concept and a set of tools have been developed to assist with internal PES reflection, coupled with a matching look-in from the outside by partner PES.

The self-assessment is an opportunity to step back from day-to-day work and to have an in-depth look at your organisation. The assessment framework consists of a sophisticated but easy to use set of templates covering **potential performance enablers**, i.e., potential drivers of performance for all aspects of PES.

The self-assessment primarily sets out to achieve the following:
* An identification of strengths and weaknesses, based on the expertise and insights of all relevant PES staff in the organisation
* An understanding of the most promising areas for improvement
* Finding potential actions and ways that could improve those promising areas of the PES work and structures

On the other hand, the main purpose of the **external assessment** is to **support** and mirror the self-assessments by providing feedback to each PES from the perspectives of informed, interested and well-intended PES colleagues, in a spirit of solidarity. To put it in another way, the external assessment provides assistance and reflection in a supportive manner.

But it is important to note that the **main element** of qualitative benchmarking is the actual **internal assessment process**.

The qualitative benchmarking is **neither** an 'examination' **nor** a 'beauty contest'. The main important factor in all this, is the quality of the self-assessment. This assessment clearly has costs associated with it such as the time to be devoted to the work. However, the more effort and time put into the self-assessment, the higher the gains that can be expected.

Self-assessment – how to make the most of it

Self-assessment templates have been tailor-made to practically support the whole assessment process of the PES. Each of the templates refers to one potential performance enabler and is structured according to the **PDCA-cycle** (PLAN, DO, CHECK, ACT). This cycle is designed to help to conceptualise and mentally order the self-assessment and its follow-up process. It is borrowed from the Common Assessment Framework, a well-known and established quality management approach in the public sector. This PDCA-approach is adapted for the purpose of self-assessments in PES and is only being used because it is a handy, practical and useful tool. Using it will not commit any PES to a particular model of quality management.

To make the most of the self-assessment, it is recommended to set up one (or more, if necessary) **self-assessment group(s)** which should be as representative as possible for the organisation with respect to functions, experience, levels etc. In practice, groups of not more than ten persons have proven to work well. Each member of the self-assessment group(s) should then undertake the self-assessment **individually** based on her/his knowledge and professional experience. Afterwards it is recommended to organise a **discussion session for the group** in order to reach a common consensus, as soon as possible after the individual self-assessments. The consensus process should focus on the PES strengths, weaknesses and most promising areas for improvement.

As a final step, the group consensus should be translated into a **score** for each potential performance enabler and every step of the PDCA-cycle (how to do this will be clear when you see the template). This score should reflect the amount of **available supportive evidence** that a PES has implemented particular organisational solutions related to an ideal PES approach described in the first paragraph of each performance enabler.

So, the more evidence is available and the more convincing it is, the higher the score should be. Evidence in this case could be any information that supports the assessment, e.g., concepts, handbooks, surveys, evaluations, reports, studies etc. The score is simply an aggregation (or a translation) of the evidence into a single number, with the aim of reducing complexity and to make an easily understood overview and comparison.

External assessment – How to use the external perspective

The main purpose of the **external assessment** is to conduct a mutual review of the self-assessments, in order to see if the self-assessments are reflecting organisational reality from the perspective of an informed, interested and well-intended 'outsider'. The external assessment is designed to be implemented in an **assessment visit** (usually lasting three days in an on-site and four days in a virtual format), a few weeks after the PES self-assessment has been conducted. The assessment team will comprise members of the PES Network, experts from the supporting consultant team and representatives of the European Commission.

The external assessment visits will be **comprehensively prepared** both in relation to supporting documentation and organisational aspects (by the supporting consultant team) and all relevant information will be distributed to the assessors' team in an easy-to-read format. The most important information for external assessors are the already completed PES self-assessment templates. Since the time for the external assessment is concentrated, the helping hand provided by external assessors can be used more efficiently if the PES self-assessments are done well and are based on concrete evidence.

Each PES can then expect an **immediate feedback** at the end of the visit and a **comprehensive** assessment **report** within six weeks. This report will include a presentation of the observed strengths and good practices of the organisation along with an identification of those areas with potential room for improvement, if any, together with suggested actions to assist such improvements and the indication of potential partner PES with a high maturity and outstanding experience in those areas which are recommended for improvements by the external assessment team. The good practices identified during the assessments can then be explored and exchanged with other PES during mutual learning activities and events.

Annex II. Template for self-assessment of performance enablers in the 3rd cycle

Section	A. Strategic performance management						
Performance enabler	*e.g., A1. Establishing the fundamentals of performance management by target-setting*						
Description	Ideally, a PES maximises the scope for action …						
I. Implementation							
Phase	**Description**	*Hints to fill in* *Evidence level*	**No evidence or just some ideas** **1**	**Some weak evidence, related to some areas** **2**	**Some good evidence related to relevant areas** **3**	**Strong evidence related to most areas** **4**	**Very strong evidence related to all areas** **5**	**Excellent evidence (= full compliance with excellence), related to all areas** **6**
Plan	Planning is based on the organisations'/clients' needs and expectations. Planning is deployed throughout the relevant parts of the organisation, on a regular basis.	mark the relevant column						
		Indicate sources						
Do	Execution is managed through defined processes and responsibilities and diffused throughout the relevant parts of the organisation, on a regular basis.	mark the relevant column						
		Indicate sources						
Check	Defined processes are monitored against relevant indicators and reviewed throughout the relevant parts of the organisation, on a regular basis.	mark the relevant column						
		Indicate sources						

Section	A. Strategic performance management							
Act	Corrective and improvement actions are taken based on the results of the above processes throughout the relevant parts of the organisation, on a regular basis.	mark the relevant column						
		Indicate sources						

II. Changes

II.	Which important changes related to this performance enabler took place during the last two years in the PES and why? (short description with key-words; if there are several changes, please focus on a maximum of the three most important changes)	Changes: 1) 2) 3)

III. Importance

III.	Regarding the current overall objectives of your PES, how important in your opinion is the performance enabler for the achievement of these objectives? *Please mark the relevant box.*	**no or very low importance**	**low importance**	**medium importance**	**high importance**	**very high importance**
		❑	❑	❑	❑	❑

IV. Variation

IV.	Regarding the quality of implementation of this performance enabler in the <u>local units</u> of your PES, does the quality of implementation differ between the units and to which extent? *Please mark the relevant box.*	**The quality of implementation of this criterion across local units exhibits …**				
		no variation	**low variation**	**medium variation**	**high variation**	**very high variation**
		❑	❑	❑	❑	❑

V. Impact of the COVID-19 crisis

V.	If the enabler has been influenced by the COVID-19 crisis, please describe how it impacted on the single elements covered by the enabler description, and if this impact was a permanent or a temporary one. *Please mark the relevant box.*	**The COVID-19 crisis had the following impact (please describe):**			
		The impact was …			
		Permanent	**Temporary**	**We don't know yet**	
		❑	❑	❑	

Annex III. Principles of group discussion in the 3rd assessment cycle

Group discussions are foreseen on the level of the local offices. Depending on the size of the assessor team for the external assessments organised as on-site events, two to three external assessors will visit two (in exceptional cases, three) local offices in parallel.[1] In each local office, three sessions are planned. The first will be with the director(s) and senior management, the second with middle management (team leaders, chief consultants/counsellors or alike) and the third with front desk staff working directly serving clients. Representatives of the head office are welcome to the first session, but should refrain from attending the second and third to ensure that the discussions with middle management and front desk staff are as open as possible (see also below).

All staff of the local offices need to be perceived as experts of their own work. Thus, the group discussions aim at uncovering different expert assessments and – as much as possible – the consensus of these experts. At the end of the visit to the local office in the 3rd assessment cycle, external assessors should be able to answer the following questions:
1. What are the most important operational challenges of the local offices and to which extent do they think they are well-prepared for the future?
2. What do the employees (at all hierarchical levels) of the local offices know about how decisions are made in the head office, and to which extent do they feel they are part of this decision-making process?
3. How did the COVID-19 pandemic affect the work of the local offices? Which were (and continue to be) the core challenges? How did they react to these challenges? Were there guidelines from the head office? How much leeway for autonomous decisions did local offices have? Did they need less or more instructions from the head office?
4. What worked out well, what less? Which lessons did local offices learn for the future, and which need for support do they have?
5. Only if the follow-up of PES participation in a Thematic Learning Dialogue (TLD) is subject of the assessment: are the local offices aware of the fact that their head office has participated in a TLD? How did this TLD-participation affect the work in the local office?
6. Which are the core challenges for the near future? Which strategies does the local office apply to face these challenges? Which kind of support is needed? How could the cooperation between local office and head office be improved? What else would be necessary at the local level?

Ideally, the answers to these questions will emerge from the three group discussions as a kind of common understanding of all local experts. This implies that the group discussions need to allow for as much flexibility as possible and can only be semi-structured. The idea is that the discussion will happen among the participants from the host PES and that the external assessors, guided by a chair – that will be appointed in the preparation phase starting around four weeks prior to the external assessment – act as moderators only.

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1 In the assessments which are carried out in a virtual format, four external assessors will virtually visit two local offices in parallel. The virtual visit will be technically arranged via Zoom-Meetings.

This means that the external assessors will provide an impulse to trigger the discussion among participants from the host PES and intervene only to bring the discussion back to the relevant topics if there is a risk that local experts lose track and get lost in irrelevant details.

For an effective discussion format, a group of four to six persons with different responsibilities but on the same (or at least a comparable) hierarchical level (e.g., employment counsellors, employer counsellors, career advisors, youth counsellors etc.) is recommended. More than six persons should be avoided, especially if there is a need for translation[2]. The latter poses a general challenge because it impedes a 'natural' discussion. Thus, simultaneous translation should be arranged, if possible.

For the group discussions of/with middle management and front desk staff, it is extremely important to start with an introduction of the general concept of the group discussions. That is:
- Introduce the external assessors, their backgrounds and the purpose of the visit to the local office.
- Explain the idea of 'expert exchange'.
- Guarantee anonymity of all that is said by promising to ensure that statements will not be assigned to a specific person.
- Emphasise that the external assessors can be perceived as an 'anonymous voice of the local level' and will convey the concerns of the local office to a higher level.

One central principle of group discussions is that all impulses/interventions are always directed towards the group as a whole and not one specific group member, with one exception. This exception concerns the 'opening round'. This round should follow the introduction and allow every participant to provide a first statement. For this, a rather general and open question like 'what are the largest challenges of your everyday work' is recommended.

After this 'opening round', the external assessors should aim at directing the discussion towards the issue of 'what needs to be done to enable you to cope with these challenges?'. Ideally, the discussions will then autonomously follow the 'snowball principle', i.e., from what is said by one person, a reaction by another person follows and a 'true discussion' emerges.

For impulses or interventions, the following 'tools' should be considered:
- A question regarding the extent to which a specific opinion is representative for the group as a whole;
- Recapitulation by summarising different stands of the discussion;
- Challenging certain opinions by contrasting them with other opinions (e.g., those of the head office); and/or
- Demonstrating the consequences of specific opinions ('if one thinks this out, this implies that…').

The whole format is by its very nature unpredictable. External assessors should be sensitive regarding the group dynamics (who dominates the discussion, who says nothing, etc.). In cases in which a person says basically nothing, it is possible to directly address this person ('What do you think?').

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2   Additional technical issues may occur in the virtual set-up of the local office visits.

Annex IV. An example – results of the context adjustment and PES clustering

2010-2019

Annex V. Relationship between performance groups and maturity indicators

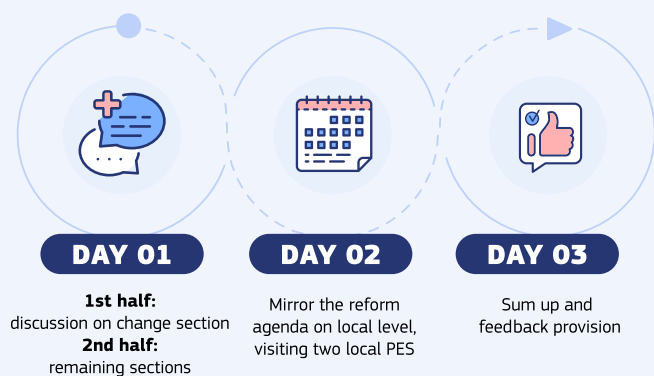| Last 5 years before the cycle Cycle 1: 2010-2014; Cycle 2: 2012-2016	Unsub. transitions	Sub. transitions	Fast transitions of 55+	Medium-term transitions of U25	Outflows	PES-involvement in job-finding (LFS)	LTU transitions	Employer satisfaction	Jobseeker satisfaction
Overall	++	**0**	**0**	**0**	**0**	**0**	++	**0**	**0**
Section A: Strategic performance management	+++	**0**	**0**	**0**	+	**0**	+++	**0**	**0**
A1: Establishing the fundamentals of performance management by target-setting	+++	0	0	0	0	0	+	0	0
A2: Translation of targets into (key) performance indicators and measurement	+++	0	0	0	0	0	+++	0	0
A3: Following up performance measurement	+++	0	0	0	0	0	+++	0	0
A4: Making use of the results of performance management	++	0	+	0	+++	0	0	0	0
Section B: Design of operational processes	++	**0**	++	**0**	**0**	**0**	**0**	**0**	**0**
B1: Process definition and standardisation	++	0	0	0	0	0	0	0	0
B2: Implementation of support structure	0	0	++	+	0	0	0	0	0
B3: Quality management	+	0	0	0	0	0	0	0	0
B4: Channel management and blended services	0	0	0	0	0	0	0	0	0
Section C: Sustainable activation and management of transitions	++	**0**	**0**	**0**	++	**0**	**0**	**0**	**0**
C1: Holistic profiling	0	0	0	0	0	0	0	0	0
C2: Segmentation	++	0	++	+	++	0	0	0	0
C3: Individual action plan and ALMP-measures	0	0	0	0	0	0	0	0	0
C4: Early intervention to avoid unemployment and implementation of Youth Guarantee	0	0	+	0	0	0	0	0	0
C5: Early engagement to reduce the duration of unemployment	+	0	0	0	0	0	0	0	0
C6: Implementation of service and activation strategy	0	0	0	0	0	0	0	0	0
Section D: Relations with employers	++	0	0	0	0	0	0	0	0

Last 5 years before the cycle Cycle 1: 2010-2014; Cycle 2: 2012-2016	Unsub. transitions	Sub. transitions	Fast transitions of 55+	Medium-term transitions of U25	Outflows	PES-involvement in job-finding (LFS)	LTU transitions	Employer satisfaction	Jobseeker satisfaction
D1: Employer strategy and management	0	0	0	0	0	0	0	0	0
D2: Specialised unit for employer services	+	0	0	0	0	0	0	0	0
D3: Matching vacancies and jobseekers	++	0	0	0	0	0	+++	0	0
Section E: Evidence-based design and implementation of PES services	++	0	++	0	0	0	0	0	0
E1: Ex-ante and ex-post evaluation	++	0	++	0	++	0	0	0	0
E2: Pilot projects	0	0	0	0	0	0	+	0	0
E3: Communication of evaluation results	0	0	+	0	0	0	0	0	0
E4: Management of change and innovation	++	0	0	0	0	0	+	0	0
Section F: Management of partnerships and stakeholders	0	0	0	0	+	0	0	0	0
F1: Identification and structuring of relevant stakeholders	0	0	0	0	++	0	0	0	0
F2: Partnership building	++	0	0	0	0	0	0	0	++
F3: Management of partnerships with supervising authorities	+	0	0	0	0	0	0	0	0
F4: Management of partnerships with social partners	0	0	0	0	0	0	0	0	0
F5: Management of partnerships with service providers	+	0	0	0	0	0	0	0	0
F6: Man. of partners. with institutions involved in the implementation of the YG	0	0	0	0	0	0	0	0	0
Section G: Allocation of PES resources	0	0	++	0	0	0	+	0	0
G1: Human resources	0	0	++	0	0	0	0	0	0
G2: Financial resources	0	0	0	0	0	0	0	0	0
Section H: Management of change	+	0	0	0	0	0	0	0	0
H1: Initialisation & Design	0	0	0	0	0	0	0	0	0
H2: Mobilisation & Implementation	+	0	0	0	0	0	+	0	0

Annex VI. Agendas and Summary Reports of all Benchlearning Cycles

Site visit of the 1st cycle – main elements

DAY 01	DAY 02	DAY 03
Discussion on sections A–G in the PES Headquarters	» Visit of a local PES » A customer journey	Sum up and feedback provision

Site visit of the 2nd cycle – main elements

DAY 01	DAY 02	DAY 03
1st half: discussion on change section **2nd half:** remaining sections	Mirror the reform agenda on local level, visiting two local PES	Sum up and feedback provision

Site visit of the 3rd cycle – main elements

DAY 01	DAY 02	DAY 03	DAY 04
Discussions of the self-assessment sections A and I in the PES Headquarters	Discussions of the self-assessment sections B–G in the PES Headquarters	Visit of two local PES offices	Sum up and feedback provision

Outline of the PES Summary Report (1st Benchlearning cycle)

1. Introduction
2. Strengths
3. Contextual influences
4. Current and potential good practices identified
5. Areas where improvements may enhance PES operations
6. Main selected recommendations
7. Overview of scoring
8. Detailed commentary and scoring templates

Outline of the PES Summary Report (2nd Benchlearning cycle)

1. Introduction
2. Short summary of the change agenda
3. Relevance, coherence and consistency of the reform agenda
4. Assessment of change management
5. Suggestions and recommendations
6. Summary of external scoring
7. Detailed external assessment commentary and scoring

Outline of the PES Summary Report (3rd Benchlearning cycle)

1. Introduction
2. Short summary of the major changes between the 2nd and the 3rd assessment visit
3. Impact of the COVID-19 pandemic on the PES
4. Outcomes of participation in the Thematic Learning Dialogues (if relevant)
5. Areas where improvements could further enhance PES operations and outcomes
6. Suggestions and recommendations
7. Summary of external scoring
8. Detailed external assessment commentary and scoring

Annex VII. Identification of enablers

Definitions and concepts used

Before presenting the different areas of PES performance ('sections'), their single elements ('enablers') and the description of how a PES would ideally look like ('excellence'), it is important to clarify the basic terminology and core concepts used in the benchlearning project. These are presented in alphabetical order:

- *Competences (or equivalently skills):* 'Competences' ('skills') are defined as abilities to act, i.e., the ability to get along in open, complex and dynamic situations. Hence, competences are both elements of formal qualifications and abilities which cross and complement formal qualifications. Typically, single competences can be assigned to broader competence areas for which a large number of taxonomies exist. In the case at hand, the following taxonomy will be used: (i) disciplinary competence (e.g. general and technical knowledge, expertise), (ii) interdisciplinary competence (e.g. IT- or foreign language knowledge), (iii) learning competence (e.g. willingness to learn, willingness for self-development and self-reflection), (iv) change competence (e.g. willingness and ability to implement changes), (v) methodological competence (e.g. ability to solve problems, ability to organise), (vi) self/personal competence (e.g. motivation, willingness to work, resilience, frustration tolerance) and (vii) social competence (e.g. ability to work in teams, ability to communicate).
- *Formal qualifications:* 'Formal qualifications' are defined as primarily professional and methodological abilities which are formally measured and certified by an external authority according to clearly defined specifications. Typically, formal qualifications constitute occupational profiles or college/university degrees.
- *Key performance indicators:* 'Key performance indicators' (KPI) are defined as performance indicators which are perceived as critical success factors and which are of quantitative nature (i.e., not just a general statement).
- *Objectives:* 'Objectives' are defined as requirements on the national level either determined by the legal mandate of a PES and/or the governing authority. Examples of commonly used objectives may include 'preventing and reducing unemployment', 'merging labour supply and demand', 'securing subsistence by calculating and disbursing benefits', 'fostering equal opportunity on the labour market', 'improving services for unemployed'.
- *Performance indicators:* 'Performance indicators' are defined as the translation of targets into measurable indices together with a precise specification of how to measure them. Examples include 'average duration of unemployment of job-seekers younger than 25', 'number of vacancies filled relative to the number of registered vacancies', 'mean of employer satisfaction index', 'number of job-to-job placements relative to the number of job-to-job customers', 'number of activated unemployed relative to the number of total unemployed'. Performance indicators can be outcome indicators or process/activity-based indicators. They can be quantitative or general statements about the target.
- *Risk:* 'Risk' is defined as the damage/utility of a specific event times the probability that the event occurs

- *Systematically:* 'Systematically' is defined as the use of clearly defined methods/tools by clearly defined person(s) in charge, within a clearly determined time interval.
- *Targets:* 'Targets' are defined as the translation of objectives into variables that can be represented by statistics. Non-exhaustive examples include 'duration of unemployment', 'vacancies acquired/filled', 'customer satisfaction', 'job-to-job placements', 'activation of unemployed'.

Section A: Strategic performance management

Strategic performance management in PES builds on the objectives of the organisation. Naturally, the extent to which PES can influence the precise specification of objectives, targets and (key) performance indicators depends on their relationship to the government, the degree of decentralisation and the involvement of social partners (see list of pre-determined context variables). This broader institutional context together with the budget system (amount and sources of financial resources) pre-determines the degree of discretion of a specific PES in formulating and shaping the framework in which strategic performance management has to operate within the organisation. In establishing the fundamentals of performance management PES should use as far as possible the scope of action provided by this framework to set up a system which allows the generation of reflection, the awakening of ownership and the provision of feedback for all levels of the organisation and all relevant partners/stakeholders (for the latter see Section F).

It is therefore important that the target-setting process and the translation of targets into (key) performance indicators is informed by systematic analyses of the labour market and that regional/local units are involved in this process to awaken ownership. For this process, procedures that match top-down and bottom-up inputs are necessary. Local PES need to have flexibility to co-determine the extent to which they can contribute to achieving national targets, given local economic and labour market circumstances. Moreover, it is important that additional targets can be added on the local level to address local issues. However, there have to be mechanisms that avoid that too many additional targets at the local level lead to confusion and a lack of focus.

Furthermore, it is necessary that targets are ambitious enough and the target setting process is not too complicated or time consuming. The (key) performance indicators have to be specific, measurable in a generally accepted manner, clearly weighted, realistic and time bound. They should include measures of efficiency and sustainability of achievement and prevent creaming. Moreover, it is critically important that targets and (key) performance indicators are well communicated and broken down to all relevant levels (regional/local offices, teams/employees). Ideally, this results in the perception of each employee that targets do not simply entail 'tasks to be executed' but 'personal missions to accomplished'.

Based on these fundamentals, PES should set up a performance management system. Such a system is a purposeful combination of management tools that allows the measurement of performance (defined by (key) performance indicators) on all relevant levels of the organisation and its comparison with predefined target values. The ultimate aim is the securing of internal as well as external accountability and supporting continuous improvement. For this it is of critical importance that (key) performance indicators are measured accurately and are corrected for regional and/or local external factors. Furthermore, it is necessary to design efficient ways of information sharing of the results of performance measurement and to reinforce the binding character of performance results.

For information sharing to be efficient it is necessary to report the results in a fixed and easily comprehensible format as well as in a fixed and widely accepted time interval. The format should combine different channels, including reports and face-to-face information on the individual or team level. The time interval has to be short enough to secure prompt

information on results but also long enough to be sure that data quality is high (the shorter the time interval, the more likely it is that data is not up-to-date, e.g., due to lags in de-registrations).

To reinforce the importance of performance results and to secure internal accountability, managers need to follow a transparent and forward-looking management-by-objectives strategy with clearly described responsibilities. Furthermore, achievement of targets has to be followed up by a cascaded system of top-down and bottom-up dialogues throughout the organisation, which is strictly based on performance indicators. In doing so, all relevant members of staff are involved and the main characteristics of these performance dialogues are: respect and fairness, open dialogue, empowerment, reward and recognition. Decisions taken in the dialogue will be directly and fully implemented, monitored, assessed and (if necessary) revised.

PES should also implement a system of financial as well as non-financial incentives based on performance results to promote continuous improvement. In doing so, it is decisive to avoid de-motivation or perverse incentives (e.g., with respect to information gaming). This incentive system has to be embedded into a Human Resource Management (HRM) strategy for which it serves as a central cornerstone. Continuous improvement should also be supported by an internal Benchmarking between organisational units. This has to ensure that comparisons between units are fair and this implies that the impact of context factors is eliminated.

In order to comply with the requests of external accountability, the outputs of the performance management system should be used to inform governance stakeholders as well as the public. In doing so, PES should also aim at improving the image of the PES as a modern and efficient service agency. This can be done by summarising PES performance in a few clearly documented indicators that are easy to interpret, publishing data on savings to the national budget, or even a full cost-benefit analysis of the PES services.

Against this background, the following performance enablers in Section A 'Strategic Performance Management' are assessed according to the PDCA-cycle:

1. *Establishing the fundamentals of performance management by target-setting*

   Ideally, a PES maximises the scope for action allowed by the broader institutional context in order to set ambitious targets in a process that is (i) not too complicated and time consuming, (ii) informed by systematic analyses of the labour market, (iii) strictly linked to organisational and strategic objectives, (iv) includes the perspective of customers, staff and stakeholders and (v) involves regional/local units in a way that allows them to mutually agree the extent to which they can contribute to achieving national targets, given local economic and labour market circumstances. Additional targets can also be determined at local level to address local issues. However, there are mechanisms that avoid setting too many additional targets at the local level that can lead to confusion and a lack of focus. Targets are well communicated to all relevant levels of the organisation so that they are perceived as 'personal missions to be accomplished' for each employee. Responsibilities for all these activities are clearly defined to ensure accountability.

2. *Translation of targets into (key) performance indicators and measurement*

   Ideally, a PES translates targets into (key) performance indicators which are specific, measurable in a generally accepted manner, clearly weighted, realistic and time bound (SMART). They include measures of efficiency and sustainability of achievements to prevent creaming and to ensure that indicators appropriately relate to the underlying targets. Furthermore, they are broken down to all relevant

levels (regional/local offices, teams/employees). Being a customer-centric organisation, PES measure customer satisfaction as one key performance indicator. The (key) performance indicators are measured on all relevant levels of the organization and systematically compared with predefined target values. In doing so, (key) performance indicators are adjusted for regional and/or local external factors. Responsibilities for all these activities are clearly defined to ensure accountability and each staff member's individual contribution is adequately determined.

3. *Following up performance measurement*

Ideally, a PES shares information on the results of performance measurement in a fixed and easily understood format and in accordance with an agreed time interval both internally as well as externally with all relevant stakeholders. The format combines different channels, including reports and face-to-face information given at individual or team level. The time interval is short enough to give useful current feedback but also long enough to be sure that data quality is high. Management follows a transparent and forward-looking management-by-objectives strategy with clearly described responsibilities. Furthermore, achievement is followed up by a cascaded system of top-down and bottom-up dialogues throughout the organisation, strictly based on performance indicators. In doing so, all relevant members of staff are involved and the main characteristics of these performance dialogues are: respect and fairness, open dialogue, empowerment, reward and recognition. Decisions taken in the dialogue are directly and fully implemented, monitored, assessed and (if necessary) revised. Responsibilities for all these activities are clearly defined to ensure accountability.

4. *Making use of the results of performance management*

Ideally, a PES implements a system of financial and/or non-financial incentives, which match the organisational as well as the individual level, based on performance results to promote continuous improvement. The system is designed to avoid de-motivation or perverse incentives. Furthermore, the system is embedded into the Human Resource Management strategy. Internal Benchmarking between organisational units further supports continuous improvement. The benchmarking format ensures that comparisons between units are fair. Performance results are presented in a clearly defined and easily comprehensible format and also used to inform governance stakeholders as well as the public. Responsibilities for all these activities are clearly defined to ensure accountability.
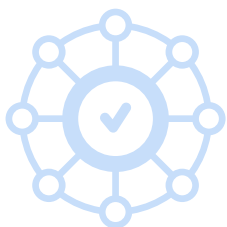
Interfaces between Section A and other sections of performance enablers

Section B: Design of quality management has to match with performance management system and review of process standards can be integrated into performance management system

Section C: For identification of ALMP-effectiveness and review of job matching quality the performance management system can deliver input (via Data Warehouse)

Section D: Review of employer strategy and quality standards for vacancies can be integrated into performance management system

Section E: Results of strategic performance management provide input to evidence base

Section F: Stakeholder engagement in target-setting process

Section G: Human Resource Management strategy and local autonomy.

Section B: Design of operational processes

In designing operational processes PES build on their business model and service strategies. The ultimate aims of process design are enhancing the effectiveness and efficiency of all workflows and their transparency. For this, clearly defined and standardized business processes are essential. A business process[3] is defined as a structured, measured set of activities designed to produce a specific output for a particular customer. It implies a strong emphasis on how work is done within an organisation. *A process is thus a specific ordering of work activities across time and space, with a beginning and an end, and clearly defined inputs and outputs.*

Against this background, a process must have clearly defined boundaries, inputs and outputs, consist of smaller parts/activities, which are ordered in time and space, there has to be a receiver of the process outcome and the transformation taking place within the process must add customer value. There are three types of business processes: (i) management processes, i.e., processes that govern the operation of a system, e.g., 'strategic management', (ii) core operational processes, i.e., processes that constitute the core business and create the primary value stream, and (iii) supporting processes, which support the core processes.

Standardisation of processes implies the unification of activity sequences following a specific pattern with the aim of creating a limited number of solutions for the production of a specific result. A process standard describes a specific business process in a comprehensible manner, i.e. (i) the sequence, (ii) decision rules, (iii) resource inputs, (iv) performance parameters, (v) monitoring mechanisms and (vi) types of acceptance of results. This has to take into account the three types of business mentioned above and contain a concept for the management of process interfaces. Furthermore, it has to take into account that regional/local levels of the PES should be able to adapt process standards to local peculiarities (e.g., in relation to the size of a local office or the geographical distribution of its branches). Therefore regional/local offices need some scope of procedural flexibility (see also Section G) without undermining the standardization process. Standardized processes should be visualized by flowcharts, process matrices and/or landscapes and documented in a handbook or operational guidelines for internal communication.

To be able to implement defined and standardized processes in the organisation, PES have to set up a support structure that enables and informs process implementation. The collection and storage of comprehensive individual-level data about customers is necessary. In accordance with data protection regulations these data have to be made available to all relevant levels of the organisation. An ICT-infrastructure has to be established that supports the implementation of standardized process. The design and the architecture of the ICT infrastructure follows the service strategy and process definitions should work well and can be amended without prohibitively high effort.

The implementation of processes is supported and monitored by a quality management system, i.e., a purposeful combination of quality management tools that allows the on-going monitoring of predefined quality standards in a forward-looking manner and enables a culture of informed risk taking. The quality management system is used for continuous improvement and learning and is not perceived as a goal in itself but as a process which continues as long as the expected gains from implementing amendments exceed their expected cost (i.e., a positive net gain). All staff are informed about their contribution to overall quality and are involved into quality adjustment requirements.

Modern PES combine different channels of service provision (i.e. blended services) and use an integrated multi-channel management to supply appropriate services via the proper channels to customers according to their needs and background. For this, a channel man-

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3   Davenport (1993, p. 5).

agement concept is necessary which (i) includes a channel-specific marketing strategy, (ii) is based on a well-functioning technology and suitable back-up systems, (iii) takes into account the accessibility of online channels based on the digital literacy of customers and staff, (iv) contains a strategy for monitoring and evaluating user friendliness, effectiveness as well as efficiency of different channels and (v) offers support/help for users. All members of staff have to be trained to be able to put blended services it into practice.

Against this background, the following performance enablers in Section B 'Design of Operational Processes' are assessed according to the PDCA-cycle:

1. *Process definition and standardisation*

   Ideally, a PES builds the design of operational processes on its business model and service strategies, with the aim of enhancing the effectiveness, efficiency and transparency of all workflows. Business processes are customer-centric and open for co-production with customers, staff and stakeholder groups. Furthermore, all business processes are clearly defined, standardised and differentiate between (i) management processes, (ii) core operational processes and (iii) supporting processes. A concept for the management of process interfaces also exists. Furthermore, regional/local levels of the PES are able to adapt process standards to local peculiarities (e.g., in relation to the size of a local office or the geographical distribution of its branches) without undermining the standardization process. Standardized processes are visualized by flowcharts, process matrices and/or maps and documented in a handbook or operational guidelines available to all staff. Responsibilities for all these activities are clearly defined to ensure accountability.

2. *Implementation of support structure*

   Ideally, a PES has implemented a support structure that enables and informs process implementation. This structure is based on a unified data strategy and execution which not only includes high quality individual-level data about customers for individual case processing but is also adapted for analyses and evaluation purposes (meaning that there should be a data warehouse or other technical solution to support the creation of microdata sets for analyses). Furthermore, this structure should also include big data analytics to be able to make use of the opportunities of AI. In accordance with data protection regulation authorisations, the data is made available to all relevant levels of the organisation, including placement officers in contact with jobseekers. An ICT infrastructure is in place to actively supports the implementation of standardised processes. The design and the architecture of the ICT infrastructure follow the service strategy and process definitions, work well and can be amended without prohibitively high effort. Responsibilities for all these activities are clearly defined to ensure accountability.
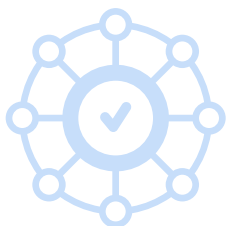
3. *Quality management*

   Ideally, a PES has implemented a quality management system that combines quality management tools (allowing the on-going actively progressive monitoring of predefined quality standards) with the enablement of a culture of informed risk taking. The quality management system supports a systematic (rather than just a purely instrumental) approach to quality which builds on an informed setting of priorities and modalities of quality assurance. The quality management system focuses on the quality of processes and provides guidance for regular inspection of quality. All staff are informed about their contribution to overall quality and are involved in adjustments to the quality systems, as

required. The quality management system is used for continuous improvement and learning. As a result, quality is not perceived as a goal but as a process which continues as long as the expected gains from implementing amendments exceed their expected cost (i.e., a positive net gain). Responsibilities for all these activities are clearly defined to ensure accountability.

4. *Channel management and blended services*

Ideally, a PES combines different channels of service provision (i.e. blended services) to define the customer journey based on omni-channel management with unified channel back-office to ensure seamless channel switching and adequate service accessibility for customers according to their needs and background while taking into account that employers, unemployed and jobseekers have different needs. For this, a channel management concept exists which (i) includes a channel-specific marketing strategy, (ii) is based on a well-functioning technology and suitable back-up systems, (iii) takes into account the accessibility of online channels and the digital literacy levels of customers and staff, (iv) contains a strategy for monitoring and evaluating user friendliness, effectiveness as well as efficiency of different channels and (v) offers support/help for users. All members of staff are trained to put blended services into practice. Responsibilities for all these activities are clearly defined to ensure accountability.

Interfaces between Section B and other sections of performance enablers

Section A: Design of quality management has to match with performance management system and review of process standards can be integrated into performance management system

Section C: Quality standards and target times should be part of quality management

Section D: Matching quality should be part of quality management

Section E: Evidence-based design of service strategies for jobseekers and employers are basis for process definition and standardisation

Section F: Quality standards for service providers should be part of quality management

Section G: Training for implementation of blended services should be part of HRM strategy

Section C: Sustainable activation and management of transitions

Activation strategies are designed to encourage jobseekers to become more active in their efforts to find work and/or improve their employability. Hence, benefit receipt is made conditional on job search activities, acceptance of available job offers or the participation in active labour market policy measures. Activation strategies typically feature (i) early intervention by PES in the unemployment spell and a high contact intensity between jobseekers and employment counsellors; (ii) regular reporting and monitoring of work availability and job-search actions; (iii) direct referrals of (unemployed) jobseekers to vacant jobs; (iv) the setting-up of back-to-work agreements or individual action plans; and (v) referral to active labour market programmes (ALMPs) to prevent loss of motivation, skills and employability as a result of increasing unemployment duration. Typically, these activities aim to apply the principle of 'mutual obligations' ('rights and responsibilities'), and in particular to monitor benefit recipients' compliance with eligibility conditions and implement, when necessary, temporary sanctions or benefit exclusions. The ultimate aim of all activation activities is helping jobseekers to find a sustainable job on the primary labour market.

In order to achieve this aim, PES need a clear and transparent activation and service provision strategy. Core elements of such a strategy are (i) a thorough assessment of an individual's employment potential which is followed by (ii) a target-oriented individual action plan (if legally possible, based on mutual obligations) with services addressing the specific needs identified during the assessment. Both elements have to be monitored systematically and revised if necessary.

To implement such a strategy a segmentation or grouping of jobseekers according to their employment potential (or, equivalently, to their needs) is important to reduce the complexity for employment counsellors, to ensure that service provision can be monitored and that it does not become arbitrary. Segmentation is also a prerequisite for a target-oriented distribution of workloads among employment counsellors. Since workload of counsellors depends on the number of cases to be handled, the number of contacts to be achieved during a given time period and the average duration of a contact, an efficient management of workload requires a grouping of jobseekers, together with a clear regulation of contact-time durations associated with each contact. Such a system determines the number of times a jobseeker is met by his/her employment counsellor during a given period, which implies a natural time period for the reporting and monitoring of work availability and job-search actions as well as for the referral of a jobseeker to vacant jobs. The latter should be done in close cooperation with the employer service unit to ensure that only appropriate jobseekers contact employers with vacancies (see Section D). Furthermore, it implies a clear framework for the monitoring and (if necessary) revision of individual action plans.

For the assessment of an individual's employment potential (individual profiling) a holistic approach is essential. This implies that profiling which is solely based on information about an individual jobseeker's employment record, work experience and formal qualifications runs the risk of missing important elements of a jobseekers' full employment potential. Clearly, these 'hard facts' about jobseekers are indispensable for a sound individual profiling and need to be accessible in a comprehensible format via the IT-system in which individual-level data is stored and updated.

However, methods and tools to assess the full spectrum of competences/skills of a jobseeker (skills-based profiling) are necessary. This profile also includes competence areas which are notoriously difficult to measure without a thorough knowledge of psychological concepts and methods. Hence, employment counsellors should ideally have the possibility to refer clients to specialized service units or expert teams that help them to assess cases which require extra assistance.

A full assessment of competences/skills together with 'hard facts' provide the basis for diagnosing individuals' strengths and weakness within the context of action planning. Additionally, skills-based profiling can be used in the process of matching jobseekers and vacancies, thus enabling employers to include more detailed information on competence requirements in their job vacancy descriptions. Finally, holistic profiling implies that an assessment of an individual's employment potential can by no means be a unique event if an unemployment spell continues longer than a predefined time period. Although 'hard facts' are unlikely to change during such a spell, skills can and often will. Hence, holistic profiling is by its very nature dynamic, i.e., there has to be a follow-up of the development of employment potentials in clearly specified time intervals. This can also include in-work supports to ensure the sustainability of transitions into the labour market.

The formulation of individual action plans (and if legally possible, based on mutual obligations/conditionality) builds on the results of holistic profiling and takes into account the segmentation of the jobseeker. A clear bundle of support services and tools is used to develop a sustainable transition into the primary labour market. A 'work first' or 'train first' approach will influence the type of services provided.

In general, active labour market policy measures can be an important element of the individual action plan. However, jobseekers should be allocated only to such ALMP-measures for which evidence exists (see Section E) that they are effective. Targeting of ALMPs linked to jobseeker needs is crucial. If ALMP provision is contracted out the partnerships with service providers have to be managed by target-oriented formal contracts (see Section F).

Early intervention/engagement is also crucial and has two dimensions:

1. Early intervention to avoid unemployment before it occurs implies that a PES has to follow a pro-active approach which provides services for employed individuals at the risk of losing their job (e.g., due to the expiration of temporary work contracts or receipt of the notice of termination of their work contract). Clearly, such an approach is much easier if the law defines an obligation to notify upcoming job losses early. Early intervention for youth requires the provision of a good-quality, concrete offer to youth in cooperation with service providers and other stakeholders (see Section F). For this it is essential to have a clear concept for identifying and addressing the target group for the Youth Guarantee and organizational solutions for an efficient service provision to this group.

2. Early engagement and action-planning to minimise the duration of unemployment and to avoid long-term unemployment implies that service provision to jobseekers should start as early as possible after a person registers with PES. A clear definition of the maximum number of days between registration and the first contact/interview with the employment counsellor and the agreement of an individual action plan are essential.

An effective implementation of the activation and service provision strategy necessitates that regional/local offices have an appropriate degree of (programmatic) flexibility in delivery of services (see also Section G). This implies that regional/local offices have some scope to combine instruments and/or define specific targets groups according to regional/local characteristics within the boundaries set by the activation and service provision strategy described above.

Against this background, the following performance enablers in Section C 'Sustainable activation and management of transitions' are assessed according to the PDCA-cycle:

1. *Holistic profiling*

    Ideally, a PES bases the assessment of an individual's employment potential (profiling) on a holistic approach. (Profiling covers a range of approaches from individual to group to (automated statistical profiling). The profiling is not only based on information about an individual jobseeker's employment record, work experience and formal qualifications ('hard facts') but includes an assessment of the full spectrum of competences/skills of a jobseeker (skills-based profiling). To support this, employment counsellors have the possibility to refer clients to specialized service units or expert teams that help them to assess cases which do not appear to be straightforward or need more time to assess. The profiling is regularly repeated in time intervals clearly specified according to the individual needs. Depending on the results, the customers are navigated through the most appropriate customer's journey pathways and, if necessary, are provided also with on-the-job support post-placement to ensure the sustainability of transitions into the labour market.

2. *Segmentation*

    Ideally, a PES groups jobseekers according to their likely level of need based on the results of a holistic profiling. Segmentation is used for a target-oriented distribution of workloads among employment counsellors. In this the grouping of jobseekers is combined with a clear regulation of minimum contacts, the durations associated with each contact and the number of cases to be handled by each employment counsellor. This approach determines individual customers' journey pathways. This includes the number of times a jobseeker is met by his/her employment counsellor during a given period, which implies a natural time period for the reporting and monitoring of work availability and job-search actions as well as for the referral of a jobseeker to vacant jobs. Furthermore, it implies a clear framework for the monitoring and (if necessary) revision of individual action plans.

3. *Individual action plan and ALMP-measures*

    Ideally, a PES builds the formulation of individual action plans (if legally possible, based on mutual obligations/conditionality) on the results of holistic profiling and takes into account the segmentation of the jobseeker. A clear bundle of support services and tools within appropriate and transparent customer's journey pathways are used to develop a sustainable transition into the primary labour market. In general, active labour market policy measures can be an important element of the individual action plan. Targeting of ALMPs linked to jobseeker needs is crucial, especially for vulnerable groups. Measures of active labour market policy can (but not necessarily have to) constitute an important element of the individual action plan. Thus, the definition of service and product bundles from which employment counsellors can chose includes a regulation for the use of ALMP-measures subject to jobseeker segments. For all medium- and long-term ALMP-measures, especially training/qualification measures, pro-active and tailor-made support services for participants are available to support as much as possible a seamless transition of participants into the primary labour market. These services start before participants leave the measure and continue for a fixed time period thereafter. The evaluation of the efficiency of the ALMP's is made regularly, also after the end of the measure.

4. Early intervention to avoid unemployment

Ideally, a PES follows the principle of early intervention to avoid unemployment before it occurs. For this, a pro-active approach is formulated for providing services to employed individuals at the risk of losing their job. These services may include career counselling, upskilling of employed and, a close cooperation with employers in order to be timely informed on reorganisation processes or other reasons which will/could cause redundancies or changes in skills' structure. The pro-active approach also takes into account future labour market trends. These services aim at supporting these individuals by early, intensive and active job search including the use of PES self-information systems.

5. Early engagement to reduce the duration of unemployment

Ideally, a PES follows the principle of early intervention to minimize the duration of un-employment and to avoid long-term unemployment. To achieve this, service provision to jobseekers starts as early as possible after registration at a PES. It is essential to have a clear definition of the maximum number of days between registration and the first contact/interview with the employment counsellor and the agreement of an individual action plan. Furthermore, mechanisms to encourage the registration of long-term unemployed with the PES exist. All registered long-term unemployed receive an individual in-depth assessment to identify their needs and potential and are offered a job integration agreement at the very latest at 18 months of unemployment.

6. Implementation of service and activation strategy

Ideally, a PES supports the concrete implementation of the services and products provided to jobseekers by a transparent system that includes options to deliver the service in-house or to contract it out. There are clear guidelines under which circumstances and for which product/service external service providers and/or other public institutions (e.g., service agencies of municipalities) are engaged. Furthermore, to ensure an effective implementation of the activation and service provision strategy regional/local offices have an appropriate degree of programmatic flexibility. This implies that regional/local offices have some scope to combine instruments and/or define specific targets groups according to regional/local characteristics within the boundaries set by the overall activation and service provision strategy.
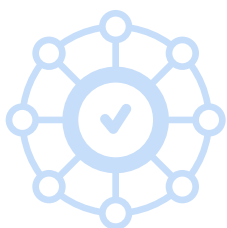
Interfaces between Section C and other sections of performance enablers

Section A: For identification of ALMP-effectiveness and review of job matching quality the performance management system can deliver input (e.g., via Data Warehouse)

Section B: Quality standards and target times should be part of quality management

Section D: Matching of jobseekers and vacancies should be done in close cooperation with employer service unit

Section E: Pilot projects for new services for jobseekers

Section F: Cooperative management of cases with other public institutions and use of external service providers ('buying' of services instead of 'making')

Section G: Possibility to resort to specialised support for holistic profiling

Section D: Relations with employers

Structural and technological change, ageing workforces and an increasing mismatch between jobseekers and job requirements result in an increasing focus of PES on the demand-side of the labour market (which is also seen as an integral part of the PES' contribution to the objectives of EU 2020). For a target-oriented service provision to employers PES have to develop and implement a transparent strategy for employers who are identified and managed as important strategic partners. Since the structure of companies with respect to size, economic sector, maturity, skill needs, the importance of temporary employment agencies etc. varies across different regions within one PES, the development of an employer strategy has to build on thorough and regionally disaggregated labour market analyses.

With respect to the services offered to employers, the strategy has to clearly distinguish between (i) the core activity of actively acquiring vacancies and matching them with jobseekers, including advisory services directly related to this activity and the use of ALMP-measures in this context, and (ii) complementary further services for employers (e.g., the use of different recruitment channels, continuing vocational training supports). A clear and key task of PES is to source vacancies and match them with suitable jobseekers (for the specifics of the matching procedure, see below). This requires the establishment of a long-term and deep relationship with employers with the aim of supporting the core activity of matching vacancies and jobseekers.

Although many PES follow a universal approach to all employers, in the majority of cases factual employer segmentation occurs in order to address different employer demands varying with characteristics such as size and economic sector. The definition of the choice of approach is part of a well-defined employer strategy. This also includes a clear strategy towards SMEs which are an important customer group since they constitute the largest share of companies but which may be difficult and costly to reach. Finally, to ensure target-oriented implementation of the strategy it is essential that it also contains clearly defined targets for employer services. These targets should be an integral part of the performance management system and the employer strategy is communicated to all relevant levels of the organisation.

Reaching out to employers may require dedicated trained PES staff. A separate unit (department or team) which is responsible for pooling all contacts to employer customers appears to be an effective approach. Members of staff of this unit need to display a clear customer service approach embodying the principle of 'one face to the customer'. The unit should serve as a one-stop-shop for employers with individual contact persons for each employer. Employees in this unit need to have a profound knowledge of the regional/local labour market and a deep understanding of the companies' needs. Different channels including e-channels for vacancy submission are also used (see also 'blended services' in Section B).

In the matching process of vacancies with jobseekers it is important to build a well-functioning interface between the employer service unit and jobseeker services. The cooperation between the employer service unit and jobseeker services has to be continuously reviewed (including mutual meetings on a regular basis) and has to be integrated into the quality management system. To achieve the best possible matches a two-step selection process should be pursued which combines ICT-driven automated matching with a further refined selection by the employment counsellors. The quality of the matching process should be reviewed regularly taking employer feedback into account (e.g., via employer satisfaction surveys).

Against this background, the following performance enablers in Section D 'Relations with employers' are assessed according to the PDCA-cycle:

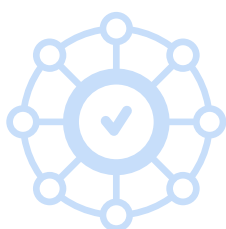1. *Employer strategy and management*

   For a target-oriented service provision to employers, a PES has ideally developed and implemented a transparent strategy for employers who are identified and managed as important strategic partners. The strategy serves to improve a trustful relationship between PES and different segments of employers encouraging them to make active use of ALMPs. The strategy is informed by thorough and regionally disaggregated labour market analyses. The strategy clearly distinguishes between (i) the core activity of actively acquiring vacancies and matching them with jobseekers including advisory services directly related to this activity and the use of ALMP-measures in this context and (ii) complementary further services for employers (e.g., use of different recruitment channels, continuing vocational training supports). Furthermore, the strategy explicitly addresses the segmentation of employer services and offers a clear concept whether employer services should be provided universally or in a segmented way. This also includes a clear strategy towards SMEs which can be an important customer group but which are difficult and costly to reach. Moreover, the strategy also contains clearly defined targets for employer services which are an integral part of the performance management system. Finally, the strategy is backed by a targeted approach to communication towards employers and internal staff considering all relevant levels of the organisation.

2. *Specialised unit for employer services*

   Ideally, a PES runs a separate unit (department or team), responsible for pooling all contacts with employer customers. Members of staff display a clear customer service approach. The employers' service unit embodies the principle 'one face to the customer' and serves as a one-stop-shop for employers, with individual contact persons for each employer. Staff in the employers' service unit have a profound knowledge of the regional/local labour market and a deep understanding of the companies' needs. Services provision includes different channels including e-channels for vacancy submission.

3. *Matching vacancies and jobseekers*

   Ideally, a PES attaches particular importance to a well-functioning interface between the employers' service unit and jobseeker services in order to match vacancies and jobseekers. Co-operation between the employers' service unit and jobseeker services is continuously reviewed and integrated into the quality management system. Mutual meetings take place on a regular basis. To achieve the best possible matches a two-step process combines ICT-driven automated matching with a further refined selection by the employment counsellors. The quality of the matching process should be reviewed regularly taking employer feedback into account (e.g., via employers' satisfaction surveys).

Interfaces between Section D and other sections of performance enablers

Section A: Review of employer strategy and quality standards for vacancies can be integrated into performance management system
Section B: Matching quality should be part of quality management
Section C: Matching of jobseekers and vacancies should be done in close cooperation with employment counsellors
Section E: Pilot projects for new services for employers
Section F: Employer associations and/or chambers can be important stakeholders for partnerships
Section G: Specialised training for staff of employer service unit

Section E: Evidence-based design and implementation of PES services

For a strict evidence-based *design* of PES services it is necessary to combine the information delivered by a sound performance management system (see Section A) with a transparent and comprehensible ex-ante evaluation of specific service designs. For the latter a standardised format (e.g., SWOT-analysis) should be used which combines the results of high-quality ex-post evaluations (e.g., for comparable services) with rigorous theoretical reasoning on the likely effects of the specific service design.

High-quality ex-post evaluations serve a double purpose. On the one hand they are a necessary input for ex-ante evaluations of service designs. On the other hand, they are a prerequisite for an evidenced-based *implementation* of services. In this context, implementation of services is defined as integrating service provision into the organisational practice (e.g., by defining responsibilities, communicating the goals of specific services, providing guidelines/ handbooks, defining performance indicators etc.) and the practical provision of the services in every-day contact with customers. The latter is typically done at the local labour offices. Hence, evidence-based implementation of services also refers to an accountable implementation of local autonomy (see also Section G), i.e., a sensible combination of local autonomy and central direction/management.

Against this background, high-quality ex-post evaluations combine both implementation and impact analyses. Accompanying implementation analyses can either use methods of qualitative social research (e.g., case studies and expert interviews) and/or customer feedback (e.g., from customer surveys) to identify practical success factors and obstacles to the implementation of specific services within the PES and service provision to customers. Impact analyses aim at identifying the causal impact of services on a predefined target group and performance indicator(s). To do this randomised controlled trials ('social experiments') or the use of 'natural experiments' (due to for example changes in legislation) constitute the gold standard. If experiments are not feasible, observational studies using econometric methods like e.g., matching on the propensity score, difference-in-difference or regression discontinuity analysis should be used. Ideally, implementation and impact analyses are combined in a way that allows the identification of differences in causal impacts conditional on differences of specific implementation 'types', i.e., effect heterogeneity with respect to specific implementation modalities.

In cases where ex-ante evaluations do not result in a clear or reliable expectation of positive effects of a specific service, pilot projects in a limited number of offices or for a limited number of customers should be used to gain experience/insights on the effects of such services while minimising possible negative side effects. The effects of such pilot projects have to be evaluated rigorously using the above-mentioned combination of implementation and impact analyses. Furthermore, it needs to be taken into account that results from pilot projects can suffer from (positive as well as negative) biases due to e.g., an extraordinary high/low motivation of staff working in a pilot project. Hence, the extrapolation of the results from pilot projects to the organisation as a whole has to be done very carefully.

Furthermore, it is essential that evaluation results are communicated to all organisational levels of the PES and all relevant employees and that those employees providing the services to customers are equipped with guidelines/tools to optimally utilize evaluation results for every-day work (e.g., guidelines for the allocation of jobseekers to effective training measures according to their background characteristics). Moreover, to contribute to 'making the business case' a transparent handling of evaluation results is necessary. This implies that such results are published in a comprehensible format and on a regular basis.

Finally, evidence-based service design and implementation has to be integrated into a transparent system of management of change and innovation. This implies that changes are not perceived as threats but as potential for improving performance and that changes are driven

by evidence-based strategic decisions. In this decision process all organisational levels of the PES as well as employees should be involved. Thus, different platforms have to be set up to actively manage change, taking into account the expertise on all organisational and personnel levels. This includes, e.g., thematic dialogues, best-practice exchange and other formats to which representatives of all levels are encouraged to contribute.

Against this background, the following performance enablers in Section E 'Evidence-based design and implementation of PES services' are assessed according to the PDCA-cycle:

1. *Ex-ante and ex-post evaluation*

   Ideally, a PES combines the information delivered by a sound performance management system with a transparent and comprehensible ex-ante evaluation of specific service designs. For the latter a standardised format (e.g., SWOT-analysis) is used which combines the results of high-quality ex-post evaluations (e.g., for comparable services) with rigorous theoretical reasoning on the likely effects of the specific service design. High-quality ex-post evaluations take into account the integration of service provision into the organisational practice (e.g., by defining responsibilities, communicating the goals of specific services, providing guidelines/handbooks, defining performance indicators etc.) and the practical provision of the services in every-day contact with customers, which is typically done at the local labour offices. Thus, high-quality ex-post evaluations comprise an appropriate combination of implementation and impact analyses. Ideally, implementation and impact analyses are combined in a way which helps to assess the efficiency and long-term impacts and which allows the identification of differences in causal impacts conditional on differences on specific implementation 'types'.

2. *Pilot projects*

   Ideally, a PES conducts pilot projects in cases in which ex-ante evaluations do not provide evidence on positive results of a specific service. Pilot projects have enough resources (e.g., know-how, staff, finances) and time, make use of experiences from other partners and from customers and are used in a limited number of offices or for a limited number of customers to gain experience/insights on the effects of such services while minimizing possible negative side effects. The effects of such pilot projects are evaluated rigorously using the above-mentioned combination of implementation and impact analyses. Furthermore, it is taken into account that results from pilot projects can suffer from (positive as well as negative) biases and that the extrapolation of the results from pilot projects to the organisation as a whole has to be done very carefully. The PES has a clear and well-developed strategy or plan, which tasks of the pilot project should be achieved in order to be rolled out in the entire organisation.

3. *Communication of evaluation results*

   Ideally, evaluation results are communicated to all organisational levels of the PES and all relevant employees in a transparent and comprehensible format. Furthermore, those employees providing the services to customers are equipped with guidelines/tools to optimally utilise evaluation results for every-day work (e.g., guidelines for the allocation of jobseekers to effective training measures according to their background characteristics). Moreover, to contribute to 'making the business case' evaluation results are published in a comprehensible format and on a regular basis.

4. Management of change and innovation

Ideally, a PES integrates evidence-based service design and implementation into a transparent system of management of change and innovation. This implies that changes are not perceived as threats but as potentials for improving performance and that changes are driven by evidence-based strategic decisions. In this decision-process all organizational levels of the PES as well as employees are involved. Thus, different approaches are used to actively manage change, taking into account the expertise at all organisational and personnel levels. This includes for example thematic dialogues, best-practice exchange and other formats to which representatives of all levels are called to contribute.
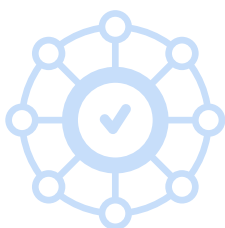
Interfaces between Section E and other sections of performance enablers

Section A: Results of strategic performance management provide input to evidence base

Section B: Evidence-based design of service strategies for jobseekers and employers are basis for process definition and standardisation

Section C: Pilot projects for new services for jobseekers

Section D: Pilot projects for new services for employers

Section F: Communication of evaluation results to all relevant stakeholders

Section G: Involvement of local levels into management of change and innovation

Section F: Management of partnerships and stakeholders

The above-mentioned references demonstrate that cooperation takes many forms in PES. This is done by setting up formal and informal partnerships to deliver specific services, or engaging with employers to increase the quality of job matching and to maximise vacancy filling. Such cooperation is also central to tailoring activation to the specific needs of jobseekers, especially for harder to reach and harder to place jobseekers. Against this background, it is essential that partnership building between actors is a clearly defined objective of PES at all levels of the organisation. This implies setting up partnership programmes and actions that ensure innovative collaborative policy implementation. In this context partnership is a specific form of arrangement between partners consisting of a close relationship including joint decision-making and shared commitment of partners. Hence, partnerships (i) are (frequently) multi-stakeholder relationships, (ii) have agreements based on identifiable responsibilities, joint rights and obligations that are accepted by all partners and (iii) jointly define, decide and pursue objectives and have shared commitment and strong sense of ownership.

Stakeholders can be defined as persons, groups or organisations that affect or can be affected by an organisation's actions. For an efficient management of stakeholders and partnerships it is essential to identify and structure the relevant stakeholders. In doing so, all stakeholders should be identified and classified into functional groups. Furthermore, the type or the nature of the relationship (e.g., governing authority, service provider, social partner etc.) has to be defined, the relationship with the stakeholders on the different levels (national, regional, local) have to be analysed and the relevance for PES services (given objectives and targets of the PES) at these levels has to be assessed. All employees have to be aware of the functions and relevance of all significant stakeholders.

Building partnerships needs to be a clearly defined objective of PES and has to be carried out at all levels of the organisation with the aim of setting up partnership programmes as well as actions to ensure innovative collaborative policy implementation. Naturally, a prerequisite for partnerships is mutual willingness for co-operation. Thus, in partnership building PES are dependent on the willingness and/or capacities of their stakeholders and need to encourage collaboration.

Furthermore, established partnerships have to be actively managed. In order to do this, it is helpful to consider the four most important groups of stakeholders in more detail. These four groups are:

- supervising authorities
- social partners
- service providers
- private employment services
- institutions (other than those mentioned above) relevant for specific target groups and/ or involved in the implementation of support measures for specific target groups (e.g., schools, youth welfare service, associations, migrant organisations, etc.).

Users/customers or, more generally speaking, receivers of services (employers as well as jobseekers) and PES-staff can also be perceived as stakeholders (treated in separate Sections C, D and G). This also includes temporary employment agencies since these are employers on the primary labour market. Furthermore, public institutions with which cases are managed in cooperation can also be seen as stakeholders. Again, this group are treated separately above (Section C).

For the management of relationships with these stakeholder groups, a thorough and balanced involvement of stakeholders in all relevant phases of the strategic management and service provision process is necessary. Furthermore, it is essential to develop transparent agreements for each partner's responsibilities, to systematically monitor and evaluate the implementation and the results of partnerships and to exchange their results with all partners. Moreover, PES have to develop and apply precise selection criteria in a formal procurement process of external partner services. These criteria build on performance measures to ensure that those service providers are selected for which the most promising results can be expected. In the operation of service contracts, transparent quality standards are necessary and are systematically monitored.

Against this background, the following performance enablers in Section F 'Management of partnerships and stakeholders' are assessed according to the PDCA-cycle:

1. *Identification and structuring of relevant stakeholders*

   Ideally, a PES has identified the relevant stakeholders and has structured/classified them in functional groups. These groups involve not only the institutional stakeholders (e.g., social partners, service providers, youth organisations etc.), but also institutions and organisations speaking for those directly affected by PES services, such as jobseekers and employers. For each relevant stakeholder the type or the nature of the relationship (e.g., governing authority, service provider, social partner etc.) is defined, the relationship with the stakeholder on the different levels (national, regional, local) is analysed and the relevance for PES services (given objectives and targets of the PES) at these levels is assessed. Furthermore, potential complementary objectives of different stakeholders which are partners of the PES are identified and mitigated if possible. All employees are aware of the functions and relevance of all important stakeholders.

2. *Partnership building*

   Ideally, a PES builds partnerships. This is a clearly defined objective of the organisation and is carried out at all levels of the organisation with the aim of setting up

partnership programmes and actions that ensure innovative collaborative policy implementation. In doing so, it is recognised that a prerequisite for partnerships is mutual willingness for co-operation as well as open dialogue and the active inclusion of partners in process changes (including for example pilot projects).

3. *Management of partnerships with supervising authorities*

Ideally, a PES manages the partnerships with supervising authorities by (i) a thorough and balanced involvement of them in all relevant phases of the strategic management and service provision process, (ii) by developing transparent agreements for each partner's responsibilities, (iii) by systematically monitoring and evaluating the implementation and the results of partnerships and (iv) by sharing the monitoring/evaluation results with all partners.

4. *Management of partnerships with social partners*

Ideally, a PES manages the partnerships with social partners by (i) a thorough and balanced involvement of them in all relevant phases of the strategic management and service provision process, (ii) by developing transparent agreements for each partner's responsibilities, (iii) by systematically monitoring and evaluating the implementation and the results of partnerships and (iv) by sharing the monitoring/evaluation results with all partners.

5. *Management of partnerships with service providers*

Ideally, a PES manages the partnerships with service providers (including research institutions and universities) by (i) a thorough and balanced involvement of them in all relevant phases of the strategic management and service provision process, (ii) by developing transparent agreements for each partner's responsibilities, (iii) by systematically monitoring and evaluating the implementation and the results of partnerships and (iv) by sharing the monitoring/evaluation results with all partners. Furthermore, precise selection criteria have been developed which are applied in a formal procurement process and which build on performance measures. The management of service providers should also focus on the outcome of their activities such as the job integration rate, in line with the principle 'The money goes where the results are achieved'. In the operation of service contracts, transparent quality standards are necessary and are systematically monitored.
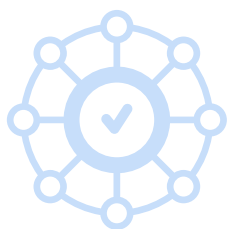
Interfaces between Section F and other sections of performance enablers

Section A: Stakeholder engagement in target-setting process and information on target achievement

Section B: Quality standards for service providers should be part of quality management

Section C: Cooperative management of cases with other public institutions and use of external service providers ('buying' of services instead of 'making')

Section D: Employer associations and/or chambers can be important stakeholders for partnerships

Section E: Communication of evaluation results to all relevant stakeholders

Section G: Involvement of local level in partnership building

Section G: Allocation of PES resources

The most important resources of PES are (i) human resources and (ii) financial resources. Flexibility for decision makers within PES is crucial for the efficient allocation of these resources to tasks in a way which ensures the achievement of PES targets at the lowest cost. Clearly, the scope of action in this context depends on the broader institutional context (see Section A) and varies across PES. In allocating resources PES should use *as far as possible* every aspect of discretion possible to implement a flexible and efficiency-oriented mechanism. This implies that the precise allocation of resources to tasks should be done at that organisational level which is the closest to the completion of a specific task. Hence, regional and local labour offices need autonomy with respect to resource allocation. However, to ensure the efficient use of resources and accountability, regional/local autonomy has to be combined with central direction and management which is an integral part of performance management.

Human Resources

With respect to human resources, the shift in the role of PES towards services focused on activation and facilitation of transitions, has strengthened the counselling and guidance elements in the job of employment counsellors. PES counsellors now have a job profile that can combine the role of broker, counsellor, social worker and includes administrative tasks. Changing tasks requirements are accompanied by changing competence requirements. The differentiation of tasks requires a broad range of interdisciplinary knowledge as well as adequate 'hard' and 'soft' skills with the expected balance between key administrative and customer service competences. The same holds for the job profile of counsellors responsible for the provision of services towards employers.

Therefore, it is essential that PES develop and implement a clear strategy of Human Resource Management (HRM) which consists of the following central elements:

*   Definition and description of qualifications and competences profiles for all functions at all organisational levels and these profiles should be made accessible to all employees
*   On-going analyses of the organisation's human resource capacity and forecasts of future requirements
*   Flexible recruitment methods which enable the filling of all vacancies on all organisational levels in strict accordance with these profiles; this implies the use of different recruitment channels (e.g., job advertisements in newspapers and internet job engines, presence on job fairs, information for college/university graduates etc.) and the possibility for regional/local offices to take part in the recruitment process of their own staff
*   An initial training plan for new employees upon entry which takes into account that specific qualifications are typically accompanied by varying competences (e.g., methodological competences tend to be higher for economists than for social pedagogues whereas the opposite holds for social competences); this includes the use of mentoring and coaching programs as informal training procedures
*   A further training and career development plan which is strictly competency based and incorporates a life-cycle approach which takes into account work-life balance, ageing of the workforce and an active management of diversity.

This strategy needs to be linked with financial and non-financial incentives based on performance results to promote continuous improvement (see Section A). Its implementation within the organisation has to be monitored systematically which includes the request of feedback from employees (e.g., by employee satisfaction surveys).

Financial resources

An efficient allocation of financial resources is based on a strict target-oriented procedure. This means, that the distribution of financial resources from the central to the regional/local level follows an analysis of the regional/local labour market situation and the targets to be achieved

given this situation in bilateral negotiations. After the budget is distributed regional/local offices should be fully flexible to use it according to their needs. Ideally, regional/local offices have the possibility to shift budgets between personnel/equipment and ALMP-measures as well as (at least partly) across fiscal years. However, regional/local offices should also be fully accountable for the results achieved by its use. To ensure this, the performance management system (see Section A) has to be able to inform about target achievement of each regional/local office in due time. Finally, to enable regional/local offices to achieve their targets budgetary flexibility has to be accompanied by an appropriate level of procedural (see Section B) and programmatic flexibility (see Section C). Against this background, the following performance enablers in Section G 'Allocation of PES resources' are assessed according to the PDCA-cycle:

1. *Human Resource Management*

   Ideally, a PES develops and implements a clear Human Resource Management strategy which consists of the following central elements: (i) definition and description of qualifications and competences profiles for all functions at all organisational levels; these profiles are made accessible to all employees; (ii) on-going analyses of the organisation's human resource capacity and forecasts of future requirements; (iii) flexible recruitment methods which enable the filling of all vacancies on all organisational levels in strict accordance with these profiles; regional/local offices take part in the recruitment decision in case of their own staff; (iv) an initial training plan for new employees upon entry which takes into account that specific qualifications are typically accompanied with varying competences and includes the use of mentoring and coaching programs as informal training procedures; (v) a further training and career development plan which is strictly competency based, puts special emphasis on familiarizing staff with the effective use of modern/digital technologies, and incorporates a life-cycle approach which takes into account work-life balance, ageing of the workforce and an active management of diversity; (vi) a clear support structure for fostering organizational culture and leadership capabilities of current and potential senior-level staff; and (vii) a strategy to improve PES' brand as an employer and to attract high quality staff. Its implementation within the organisation is monitored systematically, which includes the request of feedback from employees (e.g., by employee satisfaction surveys).

2. *Budget allocation and use*

   Ideally, a PES bases the allocation of financial resources on a strict target-oriented procedure, i.e., the distribution of financial resources from the central to the regional/local level follows an analysis of the regional/local labour market situation and the targets to be achieved given this situation in bilateral negotiations. After the budget is distributed regional/local offices are fully flexible to use it according to their needs. Ideally, regional/local offices have the possibility to shift budgets between personnel/equipment and ALMP-measures as well as (at least partly) across fiscal years. Simultaneously, regional/local offices are also fully accountable for the results achieved by its use. To ensure this, the performance management system is able to inform about target achievement of each regional/local office in due time.
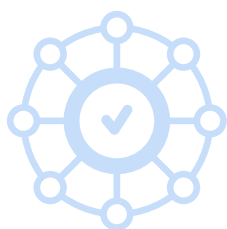
Interfaces with other Sections of performance enablers:

Section A: Human Resource Management strategy and local autonomy

Section B: Training for implementation of blended services should be part of HRM

Section C: Possibility to resort to specialised support for holistic profiling

Section D: Specialised training for staff of employer service unit

Section E: Involvement of local levels into management of change and innovation

**Section F**: Involvement of local level in partnership building

Section H: Identification and implementation of a reform agenda

During the first cycle of BL, 30 PES went through a combined self-assessment external-assessment exercise. One central aim of this exercise was to identify those areas within each PES which exhibited the largest room for improvement from two perspectives: (i) the perspective of the organisation itself and (ii) conditional to this, from the perspective of well-intended, informed and interested 'outsiders' (i.e., the external assessor team). All PES that were visited in 2015 and 2016 received a detailed feedback report with several recommendations /suggestions. In many cases, the external recommendations /suggestions (in the following often 'ideas') addressed areas of the organisation that were in line with those identified by the host PES itself as exhibiting major room for improvement. Thus, at the end of the first BL cycle, all 30 PES were equipped with an extensive set of ideas for changes in one or more areas of their organisations.

It was clear from the outset that it is up to the PES to decide on what to do with these ideas. However, there was also a clear expectation that each PES thoroughly analyses them and then decides how to proceed Thus, it is (at least theoretically) possible that a PES comes to the conclusion that none of the ideas for change should or could be implemented. However, also in these cases the first enabler below (i.e., the identification of the need for change and the assessment of the different change options) applies because it addresses the assessment of all recommendations as a starting point.

Typically, the identification and implementation of a reform agenda can be divided into five phases (see also Figure 8): (i) initialisation, (ii) design, (iii) mobilisation, (iv) implementation, and (v) creation of sustainability (reinforcement). In mature organisations with a well-developed and deeply anchored continuous improvement process, these five phases are passed through steadily. However, even in such PES there needs to be a person or a team that is responsible for coordinating and overseeing these phases as well as for applying corrective actions, if necessary. Hence, change is a managed process and once again the backbone for identifying and implementing a reform agenda is the PDCA-cycle. Stripped down to its basics, this cycle requires a clear definition of tasks, time and responsibilities, or in other words, a clear answer to the question 'who does what until when?'

Figure 8: Five phases of change

Reinforcement

Implementation

Mobilisation

Design

Initialisation

PARTICIPATION
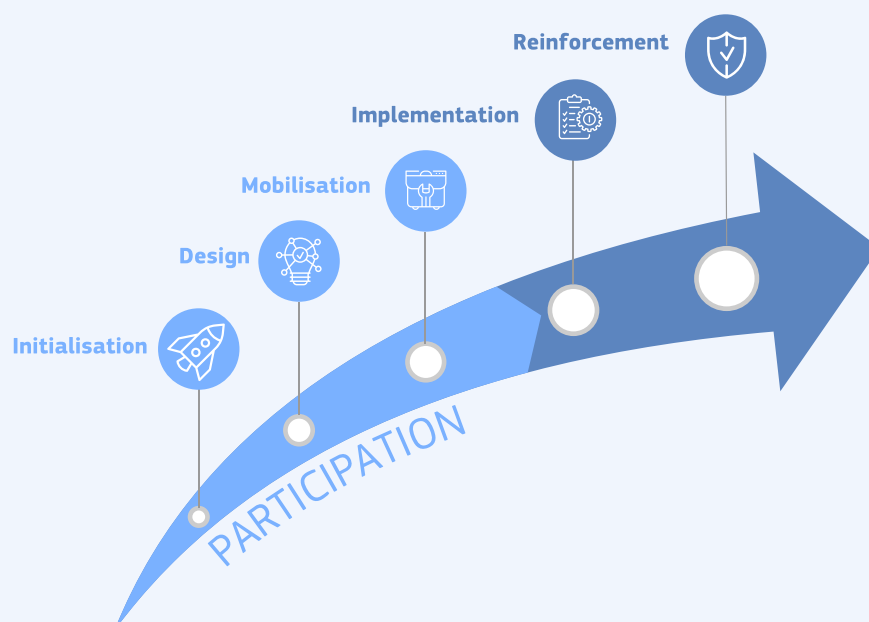
Managing change refers to adapting mindsets, culture and attitudes to a new environment, paving the way for reform initiatives to produce the desired results, dealing with unintended consequences and resistance to change. Potentially, there are many factors which can lead to *internal* resistance to change. One of the most important is a lack of coherence and consistency with other initiatives, which may produce confusion and generate opposition. Another factor is the fear and uncertainty of a new work environment, which can generate opposition to a reform initiative. These two factors need to be addressed proactively by change managers to minimise their impact. In addition to that, external resistance can occur, from supervising authorities, other governance members or external stakeholders in general. The reasons for such resistance can be manifold – from political power considerations to vital commercial interests – but imply that change not only needs intra-organisational, but also external support.

Thus, a promising reform agenda must be intelligible to all relevant internal and external stakeholders as well as consistent with other reform initiatives to facilitate the acceptance and management of change, and to avoid confusion and negative side effects. Therefore, strong, trusted and committed leadership is the key determinant for successful reform. Often, the principles for successful change are summarised as follows:
- A clearly defined rationale and vision of the change is understood
- Stakeholders are identified, appropriately consulted and informed
- The system and processes developed to achieve the change are transparent
- Collective and collaborative leadership is empowered
- There is a dedicated focus on people
- The change is systematically reviewed and adapted to make change sustainable

In terms of the five phases mentioned above, there are some critically important aspects which PES need to consider if they want to adhere to the principles.

Initialisation

The first phase refers to the identification of the need for change, the assessment of different change options and the activation of change providers. At the end of this phase, the complete change process can be stopped if there is either no need for change identified or if all of the change options assessed cannot or should not be followed. Thus, change proposals have to be assessed according to their expected cost-benefit relationship.

This essentially involves a reliable estimate of the resources that have either to be acquired additionally or at least redeployed or redirected towards a host of new activities. These include the costs of developing a plan or strategy for implementing the change, communicating the need for change, training employees, developing new processes and practices, restructuring and reorganising the organisation, and testing and experimenting with the innovations. These are the central (direct) costs of a specific change for which a reliable ex ante assessment is needed. Furthermore, it has to be taken into account that additional (indirect) costs can occur if the reform leads to unintended side effects (e.g., windfall gains of a new employer initiative, substitution effects of new jobseeker treatments). Finally, another important aspect of the costs of a reform comprises potential resistance/opposition among internal and/or external stakeholders and the costs involved to counter this.

Expected costs of change must therefore be compared to expected gains to identify those with the most promising cost-benefit relationship. Hence, reliable expectations have to be formed about potential benefits. In this endeavour, it is important to take into account that some gains might occur indirectly. For instance, modernising an IT-system might streamline the workflow of employment counsellors, which gives them more time to support jobseekers in finding work and, therefore, leads to higher transitions into employment, which is associated with lower benefit payments and additional revenues in form of tax payments and/or social security contributions.

Clearly, a precise comparison of costs and gains of a reform is very difficult and requires the monetisation of both components, which is not always possible. However, without at least a reasonable and comprehensible qualitative assessment of the cost-gains relationship it is impossible to rationally decide on the different change options.

Thus, a sound methodology has to be applied to derive a cost-gains assessment. This can involve statistical/econometric techniques, surveys among employees and/or customers, references to the literature and/or the experiences in other public organisations or peer PES. Furthermore, it can be reasonable to involve external expertise into this exercise, e.g., in form of advisory committees or feasibility studies.

As indicated in Figure 8, the establishment of transparency is decisive in this phase. This implies that the participation of all relevant internal and external stakeholders has to be ensured. This does not necessarily mean that they are actively involved in the calculation of expected costs-gains relationships of the different options, although some of them might be able to provide valuable input. It does, however, imply that they are informed about the approach/method and the results of it. As a general rule, early information, comprehensible explanations and regular dialogue are essential aspects of promising reform agendas.

At the end of the initialisation phase, a PES should have a clear understanding which of the ideas for change are promising in terms of their cost-gains relationship and should be able to rank them. This can – as already mentioned above – also mean that all ideas are considered to be non-promising. In the latter case, the process ends at this stage. In the former case, a decision has to be made which of the promising ideas will be implemented.

The application of the PDCA-cycle for this first phase implies that there are clearly defined responsibilities for clearly defined tasks which have to be performed in clearly defined time periods with respect to planning, doing, checking and acting.

Design

The *design* phase comprises the transformation of the (most) promising new idea(s) into a strategy with objectives, which need to be realistic and ambitious at the same time, and a plan for achieving them (i.e., in a reform agenda as such). This strategy serves as a road map for the PES, offering direction on how to arrive at the preferred end state, identifying obstacles, and proposing measures for overcoming those obstacles. Thus, an essential part of the strategy is a risk analysis to identify possible obstacles/problems. Furthermore, another essential part of it is the explicit formulation a clear impact expectation in terms of performance results. This implies that the objective of the reform cannot be the successful implementation of the reform steps since the reform is not an end in itself; it must be some form of better performance. It is essential that all actors know what has to be achieved to consider the reform as being successful. Finally, it has to be decided if the change is tested in the form of a pilot project or rolled-out immediately. In case of immediate roll-out, a thorough risk assessment is necessary. In case of pilot projects, a decision has to be made on their concrete design in terms of participating offices/staff/clients and the concept for evaluation. Randomised controlled trials constitute the gold standard and should be considered as the benchmark for all alternative approaches.

The strategy has to rest on rigorous theoretical considerations in terms of cause-effect relationships and as much empirical evidence as possible to back the theoretical considerations. It has to be clearly linked to the overall/superior vision/strategy of the PES to ensure that there are no inconsistencies or conflicting signals between them. Furthermore, it is important to clearly define the relationship between the reform agenda and the existing continuous improvement or organisational development process of the PES. Again, this is important to ensure consistency.

In practice, it has proven helpful to include objectives which facilitate 'quick wins'. If these are made visible and are communicated to all employees and external stakeholders, it is possible to demonstrate the benefits of the reform and to motivate staff and stakeholders for the medium and long-term objectives. Moreover, additional integral parts of the strategy are a clear concept for the monitoring and evaluation of the reform as well as a communication concept (see next phase).

At this stage, it is important to assess the consequences of the reform agenda for existing business processes and process interfaces, and integrate possible adjustment actions into the reform agenda. It has proven to be helpful to translate all elements of the reform agenda into a map or a flow chart indicating the needs for action, which can then be worked through step-by-step. A critical point here is to gain momentum.

Furthermore, it is advisable to analyse the expected impact of the change on specific groups of employees. There are several criteria which should be taken into account in this endeavour, e.g., tasks, workload, work demand, new operational functions, position in hierarchy, responsibilities and cooperation forms. A qualitative assessment of the magnitude of the planned change (e.g., high, medium, low) helps to identify those groups of employees who will be highly affected by the reform. For these groups a large degree of participation is critical to avoid resistance or opposition in this phase and even more so in the following.

Again, the application of the PDCA-cycle is important. Hence, there have to be clearly defined responsibilities for clearly defined tasks which have to be performed in clearly defined time periods with respect to planning, doing, checking and acting.

Mobilisation

This phase primarily involves the communication of the step-by-step reform agenda to all employees and relevant external stakeholders. This is a critical part of the whole reform process and is not simply an information exercise. By contrast, it aims at creating willingness and ability to change and 'buy in' amongst all actors involved. Therefore, an elaborated communication concept utilising different channels (letters, face-to-face, e-mail, intranet, etc.) and feedback mechanisms (pure notification, explanation with/without feedback possibility, etc.) is indispensable. For this, it is necessary to identify all key actors, to cluster them into groups and to develop a group-specific concept on how to secure their engagement. This concept takes into account the trade-off between widespread participation of as many actors as possible to increase support for the reform agenda and the time effort and cost involved in achieving this. Furthermore, reform advocates within all groups of actors need to be identified and systematically used in the communication concept to create support for the reform agenda.

Mobilisation will be much easier if the importance of the need for change is persuasively communicated in a continuing process of exchange with as many stakeholders and participants as is reasonable given the above-mentioned trade-off. Hence, although mobilisation is an important phase, developing and nurturing support from major external stakeholders and organisational members must be perceived as a cross cutting task requiring early and continuous participation from stakeholders. Against this background, the commitment of top management and senior executives is of utmost importance. Leaders must verify and persuasively communicate the need for change by developing a compelling vision for the reform agenda, i.e., a picture or image of the future that is easy to communicate and that organisational members find appealing. This vision provides direction for the change process and serves as the foundation to develop specific steps for arriving at a future end state.

Finally, it has proven helpful if change has a face. This implies that a change manager or change team is established that serves as a contact point, moderator and mediator.

The change manager or change team should be fully dedicated to all relevant reform processes.

Also, for this phase it is indispensable that the PDCA-cycle is applied. Therefore, once again clearly defined responsibilities for clearly defined tasks which have to be performed in clearly defined time periods with respect to planning, doing, checking and acting need to be defined.

Implementation

This phase comprises the implementation of the reform agenda through concrete and time-bound projects. Thus, it is necessary to breakdown the strategy into specific actions or steps which can be ordered chronologically on the timeline and, thus, enable prioritisation. These have to be complemented by milestones, feedback loops and responsibilities. It is helpful to provide clear impact expectations for specific steps, if possible, to ensure that all actors know when a specific step is considered successful. If the reform is piloted, the pilot project has to be implemented carefully, which implies specific challenges to avoid unintended (Hawthorne and/or John Henry) effects. These challenges have to be addressed explicitly.

It is critical to provide sufficient resources to support the implementation of the reform agenda. This does not necessarily mean that additional resources have to be acquired, but at least involves a redeployment or redirection of organisational resources toward a host of new activities, including communication, training, development of new processes and practices, restructuring and reorganising, testing and experimenting with innovations, as well as their evaluation.

Once again it is necessary to apply the PDCA-cycle with the implications described above.

Reinforcement

The final phase aims at ensuring the sustainability of change through reinforcing activities. This is a very ambitious but indispensable task to ensure that change becomes a natural and integral part of everyday business, and avoid employees reverting to previous ways of working. Essentially, this means that all changes are anchored sufficiently in the organisational culture. Of course, systematic and regular monitoring or controlling of novel activities following their introduction is a central element of this phase. This can be complemented by a rigorous (ex-post/accompanying) evaluation. However, additionally it is essential that the regular dialogue with all relevant internal and external stakeholders is continued, that successes are made visible and tangible for all staff, that they are celebrated and that exceptional efforts/successes are rewarded to give good performance a face and to stimulate ambition among staff that the transfer of good practice(s) will be systematic. It is not enough that employees accept the novelty; they must embed it in everyday business. Reinforcing activities should support this and finally ensure that change is truly anchored in the organisation.

It goes without saying that the PDCA-cycle also applies to this phase. Therefore, it is essential to have clearly defined responsibilities for clearly defined tasks which have to be performed in clearly defined time periods with respect to planning, doing, checking and acting.

Naturally, the five phases should not be disjointed, but seamlessly interconnected. Furthermore, and as outlined above, there is a critical interdependency between the mobilisation phase on the one hand and the first two phases (initialisation and design) on the other. For the purpose of a combined self-assessment and external-assessment it is, however, reasonable to divide them into three different performance enablers:

1. *Initialisation and design*

    Ideally, a PES has identified the need for change and assessed the different change options according to their expected cost–benefit relationship. In doing so, a sound methodology has been applied to reliably estimate the expected (direct and indirect) costs of all change options as well as their expected (direct and indirect) gains. In order to also establish transparency, the participation of all relevant internal and external stakeholders is ensured. At the end of the initialisation phase, the PES knows which of the ideas for change are promising in terms of their cost–benefit relationship and is able to rank them. The (most) promising new idea(s) are then transformed into deliverables to inform a strategy with realistic and ambitious objectives and a plan for achieving them. The strategy serves as a road map, offering direction on how to arrive at the preferred end state, identifying obstacles using risk analysis, and proposing measures for overcoming those obstacles. Furthermore, an essential part of it is the explicit formulation of a clear impact expectation in terms of performance results to ensure that all actors know what has to be achieved to consider the reform to be successful. Moreover, a decision has been made if the change is to be tested through piloting, or rolled-out immediately. The strategy is clearly linked to the overall/ superior vision/strategy of the PES. Its relationship to the existing continuous improvement or organisational development process is clearly defined to ensure that there are no inconsistencies or conflicting signals. Furthermore, additional integral parts of the strategy are a clear concept for the monitoring and evaluation of the reform as well as a communication concept. Finally, the consequences of the reform agenda for existing business processes and process interfaces are assessed and possible adjustment actions are integrated into the reform agenda.

2. *Mobilisation and implementation*

    Ideally, a PES communicates the reform agenda and its steps to all employees and relevant external stakeholders in a way that creates the willingness and ability to change. The communication concept is group-specific and utilises different channels (letters, face-to-face, email, intranet etc.) and feedback mechanisms (pure notification, explanation with/without feedback possibility etc.) for different groups which have been identified before. The concept systematically utilises reform advocates within all groups of actors to create support for the reform agenda. Top management and senior executives are fully committed to the change agenda and persuasively communicate the need for change by developing a compelling vision for the reform agenda. Furthermore, a change manager or change team is established that serves as a contact point, moderator and mediator. The reform agenda is implemented through concrete and time-bound projects in which the strategy is broken down into specific actions or steps which can be ordered chronologically, thus, enabling prioritisation. Milestones, feedback loops and responsibilities are defined. Sufficient resources to support the implementation of the reform agenda are provided, including resources for communication, training, development of new processes and practices, restructuring and reorganising, testing and experimenting with innovations as well as their evaluation.

3. *Reinforcement*

    Ideally, a PES ensures the sustainability of change by reinforcing activities which aim at anchoring all changes sufficiently in the organisational culture. Systematic and regular monitoring is a central element and can be complemented by a rigorous (ex post and/or accompanying) evaluation. Additionally, the regular dialogue with all relevant internal and external stakeholders is continued, successes are made visible and tangible for all staff, celebrated, and exceptional efforts/successes are rewarded, and a systematic transfer of good practice(s) is organised.

Section I: Crisis management

The overall lockdown announced world-wide due to the Covid-19 pandemic and the economic crisis caused by it, was the main reason to put the 3rd cycle of the PES benchlearning 'on hold' immediately after the first PES site visit. The first shock from the crisis was followed by the PES taking emergency measures to respond to the new situation.

This, together with a common understanding of the repetitive nature of a business cycle, and the PES role as the conductor of the labour market, immediately reflecting the ups and downs of the economy, caused a clear need to reflect seriously and in-depth on a PES strategy for strengthening the resilience of the organisation. On these grounds, it was decided to adjust the PES assessment framework adding a specific section on 'crisis management' to the PES performance Excellence model and to dedicate a specific focus in the 3rd cycle of the PES assessments on how PES reacted to the current challenges. This implies a comprehensive view of how:

1. PES strengthen their capacity to anticipate and respond to situations of crisis, i.e., develop an organisational competence for identifying risks, assessing them and creating appropriate structures and mechanisms for a proper reaction,
2. PES react specifically to unforeseen events, and
3. PES enable its staff to act appropriately in situations of crisis.

Achieving these objectives helps build and retain the trust of citizens in the organisation of the PES. One important key characteristic of a resilient and crisis-proof organisation refers to its ability to identify emerging threats and understand their impact on all aspects of the organisation, including its employees and the economic, institutional and societal context in which it operates. This requires an investment of time by the organisation for *identifying any threats* and for brainstorming scenarios and risks the organisation could be confronted with. This may range from slowly evolving structural changes and mega-trends, such as digitalisation or climate neutrality, to any kind of unforeseen/unforeseeable events or exogenous shocks, which can be limited in space and time or affect an entire country, such as a terrorist attack, earthquakes, pandemics, bankruptcy of important employers and/or sectors, etc. To prepare for all these potentially threatening situations, the organisation must develop its *capacity to properly assess* the scale of an identified risk and its potential direct and/or indirect impact on the organisation. This also includes the *ability to develop solutions* for worst-case scenarios and steps for handling them.

The ability to systematically anticipate, prepare for, and deal with severe situations of crisis draws, on the one hand, from several resources and prerequisites that are covered by other sections of the Excellence model. This explains a certain overlap between some elements of section I and other sections of the Excellence model. On the other hand, it is necessary to bundle these diverse elements and integrate them into a coherent and distinct approach, also adding specific elements not covered by other sections such as the systematic assessment of risks, the development of mechanisms for flexibly setting up task forces, as well as a suitable communication strategy.

Core elements of a resilient organisation that, at least partially, refer to other sections of the Excellence model are the following:
*   *Strong and supportive relationships with key stakeholders* (see section F): it is important that partners are supportive in any kind of adverse situations described above. The stronger and the more reliable the cooperation with partners, the more substantial their support will be if a crisis has to be met.
*   *Committed staff and team spirit* (Sections A and G): crisis management plans will only work if staff are aware of this and if all necessary staff competences have been built sufficiently to meet the arising challenges. This also includes a trustful communication between staff and managers and effective team-working structures, as well as cross-cutting organisational levels.

- As described in section A of the Excellence model, *clear organisational objectives, which are supported by staff*, are vital for every organisation. The basis for the objectives is a clear strategy which will allow the organisation to determine whether staff are working on important strategic activities that support the organisation's goals. Operational objectives inform staff about their contribution to the organisation's performance. Deviations from set targets may be an indicator of a potential situation of risk. Systematic evaluation should help to assess the expected risk potential.
- *Clear direction from leading staff / top management and empowerment of staff:* leading staff and managers should be able to actively promote risk awareness and involve staff in the assessment of risks. Managers should motivate staff to identify the organisation's vulnerable areas and empower them to work in a team for concrete action if needed, on the basis of trustful communication and cooperation structures.

Responsiveness and adequate action in a crisis situation

Following the general principles of a resilient organisation, while necessary, is not a sufficient prerequisite for responding effectively to an exogenous shock. In a context characterised by the impossibility of simply continuing with standard processes, by taking decisions under extreme pressure, by time running out and, more in general, by a huge uncertainty with view to future developments, it is impossible to know in advance which solution and action is 'right' or 'wrong'. With limited information on the possible consequences of a given exogenous shock, at this stage any solution taken can only be more or less adequate and reasonable.

But what is needed in this context is flexibility of the organisation and its staff. On the one hand, this relates to the organisation's capability to shift financial resources, for example from one active labour market policy (ALMP) measure to another which seems better suited to tackling the current challenges, and staff, for example from counselling to reviewing applications for benefits. It also requires an open mindset of management and staff, of thinking and working outside the box and outside traditional structural arrangements. This implies the flexibility to build up task forces and teams across usual boundaries of the organisation and overcoming a culture of working in silos. It requires flexibility of performance management and control to suspend the usual performance dialogue process and to rethink quantified targets which have been defined under completely different framework conditions. One of the lessons learnt from the Covid-19 crisis is that a PES must be flexible enough to implement completely new work arrangements.

Staff development

The basic resilience of an organisation and its ability to react to a specific crisis situation depend to a large extent on the ability and willingness to accept responsibility and flexibility of the workforce, the ability to work in a team, the mutual trust between management and workforce, and the transparent information and open communication, as well as a positive attitude towards errors.

Acknowledging that a 'right' or 'wrong' decision does not exist in an acute situation of crisis, but rather more or less appropriate decisions and solutions, failure in principle seems just as likely as a successful mastering of the situation. A disdain for individual, team or even organisation-related decisions that did not lead to the desired goal would have a devastating effect on the willingness of employees to take responsibility in a future crisis situation.

Instead, there is a need to develop a culture within the organisation that enables people to learn from mistakes. Decision-making processes and situations should be examined critically but constructively in order to draw conclusions for more appropriate decisions in the future.

A new enabler section particularly focuses on (a) the potential of a PES to identify, assess and respond to potential crises, (b) its reaction in a concrete crisis situation and (c) the necessary competences and culture needed.

For the purpose of the PES self- and external assessment, this section includes the following three performance enablers:

1. *Organisational resilience*

   Ideally, a PES has systematically elaborated and implemented a strategy for adapting and integrating itself easily into a changing environment on basis of recognised national and/or international standards, such as ISO 22316:2017. The strategy aims at improving the organisation's capacity for (a) risk awareness, (b) risk analysis and (c) risk management. Amongst others, the PES capacity for risk awareness includes (a.1) a shared vision and clarity of the business model, (a.2) effective and empowered leadership and (a.3) a culture which supports organisational robustness. With view to risk analysis, the strategy refers to (b.1) methods for understanding and influencing the internal and external context in which the PES operates, (b.2) evaluation and continuous improvement and (b.3) the capacity to anticipate and manage changes. Finally, risk management relates to (c.1) systematic sharing of information and knowledge including mechanisms which support learning from experience and mistakes, (c.2) the availability of sufficient resources for a flexible reaction to changes, (c.3) providing a culture of seeing crises and challenges as opportunities for innovation and (c.4) a coordinated management approach between the different organisational and regional units of the PES (head, regional and local offices). All organisational and regional levels of the PES are actively involved in planning and implementing the strategy.

2. *Reaction to an emergency situation*

   Ideally, a PES masters a concrete emergency situation by 1) prompt communication to supervising authorities on possible relevant solutions and emergency measures (e.g., strengthening the PES mandate, adjustment of legislation, putting in power new ALMP measures), 2) deploying sufficient resources in a targeted and flexible way according to well-defined processes in a clearly described organisational set-up and 3) carefully assessing the effectiveness of measures implemented as reaction to the concrete emergency situation. For example, these processes could eventually include mechanisms for flexibly setting up task forces composed of representatives from different organisational, functional and regional levels and for guaranteeing the operational functionality, new formats of ALMPs etc. Also, the distribution of decision-making powers between organisational and regional levels in situations of crisis has been agreed upon. The processes for this have been tested either during the previous crisis or in a simulated situation and are assessed with the objective of increasing the PES' ability to further improve its capacity to respond adequately to any challenging situation in the future. If mitigating actions are found to be not successful, they are used for learning purposes to achieve a better reactivity in the future. By doing so, the PES makes full use of experiences made during a concrete emergency situation for improving its innovation potential. The defined processes and the organisational set-up are flexible enough to be adapted to the specific local and regional context if the local and/or regional context are affected differently by a concrete emergency situation.

3. *Communication, information and empowerment for a culture of error tolerance*

   Ideally, a PES promotes a conscious handling of change and emergency situations among staff by an adequate mix of appropriate measures. These should refer to systematic training and information of staff as well as to accompanying communication measures. The measures should include: (1) activities and projects for promoting an

open and proactive sharing of information within the organisation, (2) a systematic exchange of experiences and ideas within the PES as well as with external partners, (3) training to improve the staff capacity to develop and implement diverging but coordinated actions in an emergency situation and (4) activities to promote leadership and the trust of managers in their staff. The mix of appropriate measures is described in a planning document which is revised and updated in regular time intervals. The overall objective of these measures is to strengthen both security and flexibility of the PES staff at the same time and to help to achieve a positive culture of error tolerance in the PES.