



THE GERMAN PES HAS MOVED AWAY FROM SIX GROUPS USED FOR CUSTOMER SEGMENTATION TO TWO CATEGORIES WHICH ARE BASED ON AN INTEGRATION PREDICTION. THE INTEGRATION PREDICTION IS DONE ON BASIS OF THE PES EMPLOYMENT COUNSELLORS' DECISION AND TAKES INTO ACCOUNT PROFILING RESULTS. THE FIRST GROUP CONSISTS OF PERSONS WHO ARE LIKELY TO BE INTEGRATED WITHIN THE FIRST SIX MONTHS AFTER BEING REGISTERED AS UNEMPLOYED, THE SECOND GROUP CONSISTS OF THE REMAINING CUSTOMERS.

## PROMISING PES PRACTICE<sup>1</sup> Reduction of segmentation groups based on an integration prediction

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### GERMANY

The previous six profile types (market, activation, support, development, stabilisation, assistance) have been substituted by the so-called integration prediction. The integration prediction results from the assessment carried out by an employment counsellor regarding the marketability of a client (i.e. the employment counsellors' perception if a client can be employed successfully within six months after registration). It is carried out according to the four-phases-model (4PM) as standard for profiling the customer. The four phases are: i) profiling, ii) target definition, iii) strategy selection and iv) action and controlling. Counsellors at the German PES have been positive about the move towards the integration prediction.

Name of the PES	German PES (Bundesagentur für Arbeit).
Scope of measure	National reform The scope of the measure is to reduce complexity in the profiling process according to new standards applied in all German PES.
When was the practice implemented?	The new categories were first introduced in one participating agency of the pilot project (2015) and then rolled-out to the entire organisation in November 2016.
What was the driver for introducing the practice? Was it internal or external?	The application of existing guidelines for segmenting registered unemployed into six groups was done differently by German PES employment agencies and employment advisors. Therefore, unemployed jobseekers would be directed to different segments and offered different service packages. In order to reduce complexity, the two prediction categories ("marketable" vs. "non-marketable") were introduced.
Which organisation was involved in its implementation?	All organisational levels of the German PES, especially Employment Advisors who carry out the profiling, were involved.
Which groups were targeted by the practice?	Employment advisors at the German PES and registered unemployed.
What were the practice's main objectives?	Easy to handle, concise and transparent segmentation of registered jobseekers.
What activities were carried out?	The integration prediction results from the assessment carried out by an employment counsellor regarding the marketability of a client. It is carried out according to the four-phases-model (4PM) as standard for profiling the customer. The four phases are: i) profiling, ii) target definition, iii) strategy selection and iv) action and controlling. "Marketable" should be assigned when a client is deemed to move from unemployment into employment within the six months after registration as an unemployed jobseeker, whereas "non-marketable" categorises an integration prediction that is likely to take more than six months. Apparently, obstacles to integration into the labour market that can be resolved within six months do not contradict marketability. The reduction of profiling categories is supposed to focus the integration process on individual action strategies which can be followed during the integration process. This simplification was mainly derived from the findings of the pilot project "Mach es einfach" (Make it easy/ Just do it), launched by the Federal Employment Agency in 2015.

<sup>1</sup> Practices referring to promising changes/reforms/approaches.

	<p>In this pilot project, employees from the participating three Employment Agencies were asked to improve their counselling and placement support to jobseekers and therefore were given enhanced discretion to manoeuvre. One of the results was the need for reducing complexity during the profiling process, thus leading to only two profile type categories instead of six profile types.</p> <p>Another expectation of this pilot phase was to find out, whether a more decentralised service design and implementation is more effective and efficient than the standard approach. The possibilities for local units to design and to prove decentralised solutions approaches of active labour market policy have therefore been facilitated.</p>
What resources and other relevant organisational aspects were involved?	Regular financial and staff resources of the German PES.
What were the source(s) of funding?	The regular financial sources of the German PES (from the contributory system) were used.
What were the outputs of the practice: people reached and products?	Focussing on action strategies (e.g. promoting vocational training, stabilising housing situation) improves the quality of counselling and placement support.
What outcomes have been identified?	Counsellors experienced the new categories and the focussing on individual action strategies as a relief compared to the former segmentation.
What are the lessons learnt and success factors?	Focusing on action strategies is also a process of rethinking the allocation of resources to the sequential steps of the integration process. It is important that the staff is well trained in applying the four-phases-model (4PM) to ensure professional working with action strategies.



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