



**The European Commission Mutual Learning Programme  
for Public Employment Services**

DG Employment, Social Affairs and Inclusion

**PES TO PES DIALOGUE  
REPORT 2012**

Dissemination Conference:  
Results from the second year of the PES to PES  
Dialogue programme

(October 2012)

This publication is commissioned by the European Community Programme for Employment and Social Solidarity (2007-2013).

This programme is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the EU2020 goals in these fields.

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In collaboration with the Budapest Institute

*Please cite this publication as: European Commission (2012), PES to PES Dialogue Report 2012, Brussels, Authors: Helen Tubb and Ellen Murray*

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## EXECUTIVE SUMMARY

This report provides a summary of the main results from the second year of the [PES to PES Dialogue](#) programme. It focuses specifically on the **strategic management of PES services and measures in order to maximise the effectiveness and continuous improvement of PES interventions** within the context of employment policy priorities.

Public Employment Services (PES) have played an important role in the achievement of the [European Employment Strategy](#) targets by turning employment policy orientations into concrete actions. This role is set to continue - if not strengthen - in taking forward the priorities of the [Europe 2020 Strategy](#), the corresponding employment guidelines, as well as the [Employment Package](#) agreed in April 2012.

The topics covered during the second year of the programme fall under three thematic strands. These strands and summary of the main results are presented below.

### Thematic strand 1: PES services for jobseekers and employers

***The maintenance of strong working relationships with employers is critical to maximise job matching, secure pathways for vulnerable groups and improve labour market intelligence in the context of the new skills agenda.***

Some PES have **specialist teams for employers**, enabling staff to focus exclusively on dealing with business needs, providing services such as acquiring vacancies and recruitment. Other PES have **generalists who deal with both employers and jobseekers**. Whatever the approach, **customer segmentation** to define strategically important or 'priority' employers (such as SMEs) is becoming more widespread in order to maximise placement outcomes and target resources effectively.

PES are using a **variety of cooperation partnerships** and channels to make initial contacts with employers, such as 'prospecting teams' and contacts with local chambers of commerce. PES nevertheless emphasise that **trust-building is critical** in the dialogue with employers and face-to-face, rather digitalised contact should feature strongly in any provision.

High-level agreements between PES and employers (and employer organisations), awards to companies and **commitments towards Corporate Social Responsibility** goals are used by many PES to encourage employers to offer opportunities to the hard-to-place. There is scope to develop these approaches towards SMEs as they have the potential to place disadvantaged groups. Building up relationships with international companies is also important in this respect.

***Demographic ageing has led to a paradigm shift in employment policies from 'early exit' to 'extending working lives'. As a consequence, PES are increasingly focusing on preventive measures to retain older workers in the workplace, alongside reintegration measures for the older unemployed.***

Research indicates that older workers are less likely to become unemployed, but once unemployed are likely to be so for longer. PES are therefore increasingly placing

**emphasis on prevention**, rather than cure in order to avoid long unemployment spells. Pushed by the crisis, many PES provide '**rapid response mechanisms**' to give information and advice on site to workers who are affected by restructuring. There are potential efficiency gains in targeting these services at older workers.

Another preventative measure is to promote and support the **up-skilling and training of older (and other low-skilled) workers**, including human resource or qualification counselling for companies (SMEs) It is important to be mindful that this innovation can 'cross an invisible line' and raise delicate questions about the balance of responsibilities between the PES and the employer in workforce development.

There is a widespread consensus among PES that the best route to achieving the effective activation of older jobseekers is through **competent individual action planning** based upon resource-oriented profiling.

**Age-specific measures** for the older unemployed are effective **only if well targeted** to those in need (e.g. counselling in self-help groups and networking). However, when targeting, it is always important to avoid 'negative labelling' and be open to the idea that age-specific measures can in fact provide useful lessons for other target groups, such as the long-term unemployed, disabled or jobseekers in general.

## **Thematic strand 2: Personalised services and employment guidance**

***The last decade has seen considerable progress in PES approaches towards individual action planning, with quality employment counselling increasingly being seen as an important precondition.***

Although PES tread a fine line between being the 'enabler' and 'controller' (of the requirements for benefit receipt), in many PES, the focus of employment counselling is placed on the **empowerment of jobseekers**. Innovative approaches for empowerment were discussed, such as an increased emphasis on co-production of the IAP, for example, by inviting the jobseeker to draft the action plan *before* attending the first interview.

Despite the term *individual* action plan, evaluations show that IAPs tend to be too standardised. One topic of discussion was how PES can work with **quality assurance** in this specific area. This implies establishing quality standards, putting systems in place to check and assess the quality of IAPs, as well as the wider issue of the training and development of PES staff.

A strong message from PES has been the critical role of the employment counsellors and their **professionalism** in ensuring the quality and effectiveness of the individual action planning process. This includes the ability to create trust; be transparent (in handling their support and sanctioning roles); have a positive outlook on the jobseekers' prospects; and become a 'sales person' (in 'marketing' the vacancy to a jobseeker or the jobseeker to an employer).

The dual role of PES in 'supporting' and 'controlling' jobseekers is clearly evident in relation to monitoring and follow-up, although the **share of jobseekers actually sanctioned is low** at around 10%. Emphasis is being increasingly placed on more regular monitoring as the frequency and intensity of contacts vary widely across European PES.

### **Thematic strand 3: PES organisation and management strategies**

***Performance management has become increasingly important and widespread as part of the modernisation of PES across Europe, pushed and informed by the introduction of public management models.***

PES performance management is widespread. One of the most important measures mentioned is the **duration of the unemployment spell**, which links to the overarching performance management objective of making PES more effective in bringing people back into (sustainable) employment as soon as possible.

Most PES use a combination of output indicators (e.g. number of registered vacancies or completed interviews) and intermediate outcome indicators (e.g. placement of jobseekers into employment, vacancy filling). Some also explicitly apply input indicators (e.g. levels of spending, staff hours). Most PES combine indicators in some form of **balanced scorecard or other data presentation system**.

A key message from the PES discussions is that it is not necessarily the indicators that count, but the way in which they are used. As such, PES seem to be entering a more 'mature' phase of development insofar as they are **moving towards fewer, more focused measures and targets** and are increasingly concerned with the quality of the overall systems and procedures.

Performance management can also serve as part of a more evaluative approach to management, which focuses on substantive organisational learning and performance improvement. PES use a range of strategies and methods to **identify areas for innovation and improvement**, such as customer and stakeholder surveys, benchmarking, external assessments, performance dialogues and randomised trials.

In general, such approaches require a willingness to take risks and a **culture of trust, transparency and engagement**. Consequently, the focus should be on learning how to do things better, rather than punishment. **Leadership on all levels** therefore plays a crucial role in fostering a climate that raises, but also challenges and tests innovations at all stages.

***Staff competences and training are critical for offering quality services to jobseekers and employers. A survey of 22 PES was therefore carried out during the second year of the programme.***

The level of diversification of job profiles in a PES varies considerably, depending on the operational structure and priority tasks of each PES. However, there is a clear trend towards **separate job profiles for services for employers and for jobseekers**.

There are some **common core competences for employment counsellors**, including a combination of employment counselling, administration and social skills; knowledge of the labour market, occupational pathways and regulatory frameworks; and an attitude comprising empathy, patience and flexibility.

There is **significant variation in PES approaches to the recruitment and especially the training** of employment counsellors. For example, whilst specialised inception training is provided to employment counsellors in all countries, the duration varies significantly, from three years (for example in Germany) to under 10 days.

Overall, the employment counsellor's role can be seen as an **emerging 'occupation'**. This deserves further attention in the future given the discrepancy between similar competence requirements, on the one hand, and diverging recruitment and training concepts, on the other.

### **The future...**

The second year has seen the PES to PES Dialogue move from being a fledgling programme to an **established platform for mutual learning and exchange** between European PES. Building on themes from the first year, it has continued to focus attention on some of the key issues and challenges for the effective modernisation of PES in the context of Europe 2020. It has also gained recognition amongst national, European and international stakeholders as an important source of information on the latest findings regarding PES practice.

Looking to the future, the PES to PES Dialogue will continue to identify avenues for **continued analysis, discussion and collaboration**. It will go deeper into the management topics, such as performance and human resource management, and take a closer look at the situation of more vulnerable groups of jobseekers. The 2013 work programme for the PES to PES Dialogue will be adopted by the Heads of PES in December of this year. And as the new year of activities unfolds, the latest information will be available in the next newsletter and posted on the PES to PES Dialogue [website](#).

# 1 INTRODUCTION

## 1.1 Purpose of the report

This report provides a summary of the main results from the second year of the [PES to PES Dialogue](#) programme. It focuses specifically on the **strategic management of PES services and measures in order to maximise the effectiveness and continuous improvement of PES interventions** within the context of employment policy priorities. It is based on information gathered through the activities held during the second year of the PES to PES Dialogue (Peer Reviews, Dialogue Conference and follow-up study visits), a series of analytical papers on important PES topics, as well as a final [Dissemination Conference](#) entitled "Innovative and Effective Approaches for the Strategic Management of PES", which was held in Brussels on 19-20 September 2012.

## 1.2 EU policy relevance of the PES to PES Dialogue

Public Employment Services (PES) have played an important role in the achievement of the [European Employment Strategy](#) targets by turning employment policy orientations into concrete actions. This role is set to continue - if not strengthen - in taking forward the priorities of the [Europe 2020 Strategy](#), the corresponding employment guidelines, as well as the [Employment Package](#) agreed in April 2012.

The PES delivery role is particularly central in taking forward priorities set down in Employment Guidelines 7 and 8.

### **Guideline 7: Increasing labour market participation of men and women, reducing structural unemployment and promoting job quality**

"Employment services play an important role in activation and matching and they should therefore be strengthened with personalised services and active and preventive labour market measures at an early stage. Such services and measures should be open to all, including young people, those threatened by unemployment, and those furthest away from the labour market."

### **Guideline 8: Develop a skilled workforce responding to labour market needs and promoting lifelong learning**

"Member States should promote productivity and employability through an adequate supply of knowledge and skills to match current and future demand in the labour market. Quality initial education and attractive vocational training must be complemented with effective incentives for lifelong learning for those who are in and those who are not in employment."

The European Commission (Commission) launched the PES to PES Dialogue, their dedicated mutual learning programme for PES, in September 2010. The programme aims to enhance the capacity, quality and effectiveness of PES service delivery by

facilitating the exchange of information and learning between PES across the EU (and beyond).

The activities of the PES to PES Dialogue are guided by and contribute towards the work of the [European Network of Heads of Employment Services](#) (HoPES). Each of the topics covered by the programme are key issues on the PES agenda formally agreed by the HoPES network. The second year of the PES to PES Dialogue has built on the results of the first year by continuing to focus on optimising PES delivery mechanisms in a climate of growing budgetary pressure, challenging labour market conditions, as well as the need for increased financial and public accountability.

PES have used the results from the first year of the programme to stimulate further bilateral cooperation with other PES and to consider how their own services and measures can be improved. The findings have also been used by the Commission to inform their policy initiatives in the field of employment, young people and corporate social responsibility, as well as their development of the ESF common strategic framework 2014 - 2020 and the conceptual work of the [European Lifelong Guidance Policy Network](#) (ELGPN). They have also provided a valuable source of information for international organisations, such as the Organisation for Economic Cooperation Development (OECD) and International Labour Organisation (ILO).

### **1.3 Thematic strands of the PES to PES Dialogue**

The topics covered during the second year of the programme fall under three thematic strands, as follows.

#### ***Thematic strand 1: PES services for jobseekers and employers***

In the context of the crisis with both increasing unemployment and reducing budgets, it has become increasingly important to find effective ways to integrate vulnerable groups into the labour market. Tackling youth unemployment is a key priority identified both in the EU2020 strategy and the Youth on the Move flagship programme, and for PES themselves. A [Peer Review](#) on Youth Integration in 2011 explored this topic. This year a [Peer Review](#) on PES and older workers focused on **how PES can prepare for demographic change through supporting the retention and reintegration of older workers**. The impact of demographic change is one of the key challenges facing European labour markets and has been on the EU agenda for a number of years, including featuring in the priorities of the Employment Guidelines. Added impetus has been provided by the [European Year of Active Ageing and Intergenerational Solidarity](#) (2012), as well as the recent [Employment Package](#) ([Towards a Job Rich Recovery](#)). The Peer Review reviewed the benefits of a target group versus an individualised approach for older workers.

A key finding from the first year of the programme is the importance of **engaging with employers to achieve the sustainable integration of jobseekers**. A [Peer Review](#) on effective services for employers examined how PES can best meet the [demand side of](#)

the labour market by developing and improving services for employers, and the role of customer segmentation in effectively targeting services.

### ***Thematic strand 2: Personalised services and employment guidance***

The EU2020 Strategy and Guideline 7 of the European Employment Guidelines emphasise the importance of developing personalised services for jobseekers. [Lifelong guidance](#), [multi-channelling](#) and [profiling](#) all play an important role in personalising the support for jobseekers; these topics were covered during the first year of the programme. Individual action planning is another important method which is widely used by PES to ensure that the support for jobseekers is tailored to their needs. In the second year of the programme, a [conference](#) on this topic explored how PES can empower and provide employment guidance to jobseekers through **individual action planning**, whilst striking the 'right' balance between support and sanctions.

### ***Thematic strand 3: PES organisation and management strategies***

To provide effective personalised services open to all, above all to vulnerable groups, organisational and management choices can make a difference with regards to PES service capacity. One of the consistent themes from the first year of the programme revolved around the **qualification, training and involvement of PES staff** at all levels. An [analytical paper](#) has explored the current approaches to job profiles and training of employment counsellors of PES in Europe.

The theme has also been taken forward in the second year via the examination of performance management and improvement, which is framed by broader concepts of new public management and includes the important issue of target-setting, as well as concepts such as quality assurance, organisational learning and innovation. Two analytical papers have been prepared on this subject matter: [performance management in PES](#) and [organisational development, improvement and innovation management](#) in PES. This also relates to the topic of monitoring and evaluation, which was a cross-cutting issue identified in the first year of the programme and remains pertinent to the debate around PES performance.

Another relevant document under this strand is the [analytical paper](#) on PES and **decentralisation**.

The topic of **sub-contracting** was also addressed in the second year of the programme through the publication of an [analytical paper](#). As a result of discussion within the PARES programme, it was decided that the paper should focus specifically on **result-oriented** sub-contracting. It builds on the findings of the [analytical paper](#) prepared during the first year, which focused more broadly on a variety of approaches to sub-contracting in PES. The topic of sub-contracting is dealt with under the Commission initiative [PARES](#) (Partnership between Employment Services).

## **1.4 Structure of the report**

For each of the above-mentioned topics, the report presents the key findings, followed by issues for future discussion and collaboration for PES. It then cuts across the topics and provides a summary of the transversal issues for the strategic management of PES. Finally, it concludes by drawing overall messages and looking ahead to the future work of the PES to PES Dialogue.

Further information, including PES case-studies, can be found in the analytical papers and the documents prepared for the various activities. Please note that the analytical papers are intended to provide the latest information and insights into PES practice across Europe. They are also intended to kick-start debate and identify further questions and issues that could be taken forward within the context of the PES to PES Dialogue.

## 2 PES SERVICES FOR JOBSEEKERS AND EMPLOYERS

In order to secure rapid and high-quality employment opportunities for jobseekers and meet current and future skills needs, PES are increasingly focused on engaging and collaborating with employers. They are also increasingly having to cope with the challenges presented by demographic change by supporting the retention and re-integration of older workers.

### 2.1 PES services for employers

The maintenance of strong working relationships with employers is not only critical to maximise job matching and secure pathways for vulnerable groups, but also to improve labour market intelligence in the context of the new skills agenda. In many PES, there has been a tendency to focus on the supply side of the labour market and achieving placement through a more individualised approach, but there is an increasing focus amongst PES on engaging with the demand side. This was evidenced during the [Peer Review](#) on Youth Integration in 2011 where good relationships with employers were considered essential for the successful, sustainable employment of young people.

#### **Key findings**

An [analytical paper](#) and discussions at the [Peer Review](#) on effective services for employers and the [follow-up study visit](#) on agreements with large companies identified the following lessons for PES.

#### *Design of effective employer services as part of the overall PES organisation*

- Most PES have long-standing relationships with employers which are often managed at the local level. Nonetheless, as noted by Larsen et al (2011, [Analytical Paper](#), p.2)<sup>1</sup>, there is an ongoing need for **improved interaction between PES and employers, both to achieve the goal of serving a greater number of employers and to address the negative perceptions** that are held in many countries surrounding the type of jobseekers mediated by PES.
- The organisation of employer services varies between PES. Some PES have **specialist teams for employers**, enabling staff to focus exclusively on dealing with business needs, providing services such as acquiring vacancies and recruitment. The organisation of specialist employer services ranges from national account managers working with national companies, through to specialist counsellors for particular sectors, regions or size of company. Other PES have **generalists who deal with both employers and jobseekers**. This approach

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<sup>1</sup> Larsen, Christian Albrekt and Patrik Vesan (2011), *Why public Employment Services always fail. Double-sided asymmetric information and the placement of low skill workers in six European countries*, in: Public Administration 2011, Blackwell Publishing Ltd.

helps to maximise the level of coordination between functions and is seen to deliver a strong work focus for jobseekers. The different approaches have implications for the organisation of service delivery, bridging of interfaces and staff training.

- Customer segmentation to define strategically important or 'priority' employers is becoming more widespread **in order to maximise placement outcomes and target resources effectively**. The selection criteria range from employers notifying large volumes of vacancies, to companies with the most potential to take on disadvantaged groups. 'Target customers' receive additional services in Germany and France, such as advice on recruitment methods and the preparation of job descriptions. In contrast, in the Netherlands, universal services are limited to electronic vacancy matching, while only priority customers receive face-to-face services.
- Beyond the above examples, there appears to be **further scope to develop well targeted, specialist services for SMEs**. These smaller enterprises can experience recruitment difficulties owing to their lack of human resource capacity, yet represent significant employment potential, including for disadvantaged groups. The value of such SME targeting was highlighted in the [Peer Review on PES and older workers](#); in particular, the German PES offers qualification counselling to employers, with a strong focus on SMEs.

#### *Effective strategies for employer engagement*

- **PES use a variety of cooperation partnerships and channels to make initial contacts with employers**, such as contacts with local chambers of commerce. Some PES (for example, Belgium, France, Hungary) have their own '**prospecting teams**' who visit strategic employers who move into the area to establish their needs and explain the PES services on offer.
- The **most popular way of maintaining employer relationships is by telephone**. However, online contact is increasing and research shows that **employers appreciate the high-quality online matching services developed by a number of PES**.<sup>2</sup> PES nevertheless emphasise that trust-building is critical in the dialogue with employers and face-to-face, rather than digitalised contact should feature strongly in any provision.
- Following initial contact, **effective recruitment and achievement of sustainable placement outcomes by quality staff** are all key to establishing good working relationships. The range of services covers the use of **candidate pre-screening, interviews on PES premises or employer-specific targeted training**. Particular methods that can help to gain the trust of firms include the use of **work**

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<sup>2</sup> These were discussed in detail during the [Peer Review on Multi-channelling in PES](#)

**trials** (where potential recruits are tested out in the workplace) or the **combination of subsidies with placement and recruitment services**.

- **Many PES** (such as those in the UK and France based on their customer segmentation system) **work extensively with large, multi-national employers that have a large number of vacancies**. Such relationships can also have multiplier effects, both in terms of impacting across the country and having a 'signalling effect' to other employers and suppliers of the value of PES services, both within and across national borders. A notable example is the "**Young Jobs**" **project led by Swedbank**, one of the largest banks in Sweden with a strong tradition in societal engagement and Corporate Social Responsibility (CSR). The project supports the creation of three-month apprenticeship positions for young people (aged 18 to 24) in bank branches, as well as amongst Swedbank's corporate clients. Since 2010, nearly 3,000 apprenticeships have been created in total, and thanks to this success, Swedbank is exploring collaboration opportunities in other countries, notably the Baltic states.

#### *Effective employer collaboration for the re-integration of disadvantaged groups*

- Subsidies and other active labour market policies (ALMPs) continue to play a role in incentivising employers to offer opportunities to disadvantaged groups. However, the Peer Review discussions primarily highlighted the **importance of having employment counsellors who find suitable jobseekers to fill vacancies**, including those who are harder to place, and also offering follow-up services to ensure a sustainable placement. This point relates to Section 4.2 on job profiles and training.
- **High-level agreements** between PES and employers (and employer organisations), **awards to companies** and **commitments towards CSR goals** are used by many PES to encourage employers to offer opportunities to disadvantaged groups. Indeed, the "Young Jobs" project mentioned above formed an integral part of Swedbank's CSR commitments. Across all countries, CSR has tended to be the mainstay for work with large employers, however it is a **banner under which PES services could equally be developed for SMEs**.
- PES also use a range of approaches to 'market' their clients by **highlighting the skills and potential of jobseekers with few formal qualifications to employers**, including bringing employers and jobseekers together through open days or job fairs. The French PES has developed an innovative method of 'recruitment by simulation' which focuses recruitment entirely on the capacities of jobseekers to perform tasks required in the workplace.

#### *Follow-up and transfer*

- Thanks to discussions held in the Peer Review and follow-up study visit, **several PES (France, Hungary, Sweden and Slovenia) are currently exploring the idea of a pilot project**. The aim of the pilot will be to create a 'multiplier effect':

to use the agreement between a PES and international company in one country as reference to stimulate similar cooperation in another country.

### ***Issues for future discussion and collaboration***

#### *Combined versus separate services for employers*

- If the observed trend is for the roles of employer and jobseeker counsellors to be separated, how can **PES bridge the interface when filling vacancies** (for example, through team meetings or a common system of linked indicators)?
- Where counsellors deal with both jobseekers and employers, how can **PES ensure that the counsellors are given sufficient time to dedicate to serving employers?**
- Counsellors who work with employers require different competences compared to those who work with jobseekers, such as marketing skills and human resource expertise. What are the **key competences and training needed to effectively work with employers** and could these be used by all European PES for human resource management? This question relates to Section 4.2 on job profiles and training.
- Most PES use 'rough targeting' based on the sector, geographical location or size of the company. How can **this targeting be refined** in order to further individualise and segment services to employers and thereby maximise limited resources?

#### *Monitoring and evaluation*

- The monitoring of placement outcomes and employer satisfaction is an important tool for many PES, with only a limited number (for example, Sweden, Germany) regularly monitoring a more detailed catalogue of qualitative and quantitative indicators. How can **PES best assess employer requirements and improve their services?** This question relates to Section 4.1 on performance management.
- How can **PES monitor and evaluate the effectiveness of subsidies and other ALMPs in stimulating the engagement of employers?** And what is an appropriate policy for the duration of such support; for example, should employers be expected to be 'self-sufficient' by a particular point in time?

#### *Optimisation of sustainable placements*

- Some PES services have tended to prioritise or be targeted at large employers due to strategic issues and high placement potential. However, there is an increasing recognition of the value of SMEs, particularly in terms of employing disadvantaged groups in the context of CSR. How can the **PES take full account of the role of SMEs in placement outcomes and labour market transitions?**
- How can **PES best ensure the sustainability of placement and satisfaction of employers by developing follow-up services** that go beyond the initial placement? These are currently only provided by a few PES, so how can they be further developed?

## 2.2 PES and older workers

During the last decade, demographic ageing and the shrinking of European populations has led to a paradigm shift in employment policies from 'early exit' to 'extending working lives'. As a consequence, PES increasingly have to cope with a new challenge: they are required to provide effective employment assistance to jobseekers close to pensionable age, and in some countries, they are also expected to guide employers towards age-sensitive human resource management.

### **Key findings**

A [Peer Review](#) and [follow-up study visit](#) have contributed to the evidence base from the [analytical paper](#) on this topic to identify the following solutions for PES.

#### *Expansion and improvement of awareness-raising activities*

- **Awareness-raising efforts by PES** have been successful where the 'right' channel is found for the 'right' audience. Examples include basic tools with a high multiplier effect, such as **argumentation cards shared with employers, PES staff and other stakeholders** which aim to dispel the myths about older workers (for example the 'Argument Map' from the Netherlands); **awareness-raising events with employers** (for example Estonia, Netherlands); and **media campaigns** to highlight the positive experience of employing older workers (for example Austria, Germany, Poland).
- PES experts highlighted that PES would **need broader policy support at national level in order to raise awareness in society** more generally. A change of attitude must be seen as a general public responsibility as a driver for change.
- There are some concerns that approaches focusing on changing stereotypes can be ineffective or even backfire on other groups of workers. In general, **changing attitudes can be more effective if supported by the corresponding policy approaches**. This may include a change in the threshold perceived to be the start of old age, for example, by raising the statutory pension age.

#### *Increasing importance of preventative measures in retaining older workers*

- Research indicates that older workers are less likely to become unemployed, but once unemployed are likely to be so for longer. PES are therefore increasingly placing emphasis on **prevention, rather than cure** in order to avoid long unemployment spells. In this respect, the follow-up study visit showed that it can be **most effective for PES to mainstream age issues into the universal service offer for employers**. Pushed by the crisis, many PES have also provided **rapid response mechanisms** to give information and advice on site to workers who are affected by restructuring (such as the mobility centres in the Netherlands or the reconversion programmes in Belgium). **There are potential efficiency gains in targeting these services at older workers.**

- A limited number of PES show signs of a paradigm shift, expanding service delivery to offering **human resource advice** on age or diversity management (for example Germany, Belgium). The German PES offers **qualification counselling for employers, targeted at SMEs**. Given that SMEs are not always aware of the staffing implications of an aging and shrinking workforce, more could be done in **targeting such services to smaller companies**. More generally, there is added value in **targeting human resource advice and support at companies that are experiencing recognised constraints**. Typical examples are recruitment difficulties and skills shortages in a specific industry/sector (e.g. Germany) or cases where there are insufficient funds for health promotion and risk prevention (e.g. Austria, UK).
- Another preventative measure is to **promote and support the up-skilling and training of older (and other low-skilled) workers**. In Germany, this is limited to SMEs (WeGebAU). In Denmark, up-skilling programmes are used at the same time to provide young workers with work experience through a job rotation scheme. Whilst the PES provision of training or human resource support is innovative, it is important to be mindful that this type of intervention can 'cross an invisible line' and raise delicate **questions about the balance of responsibilities between the PES and the employer** in workforce development.
- **Health promotion and risk prevention** is an emerging field of activity for some PES, with funding being made available in Austria and the UK to support health promotion or rehabilitation in SMEs.

*Effective approaches for the re-integration of unemployed older workers*

- There is a widespread consensus among PES (participating in the Peer Review) that the best route to achieving the effective activation of older jobseekers is through **competent individual action planning based upon resource-oriented profiling**. This approach can help to identify the full range of skills of older workers (particularly the 'softer' skills) by trained employment counsellors and include the recognition of informal learning and sign-posting to other specialised services. This point relates to Section 3.1 on individual action planning.
- **Age-specific measures for the older unemployed are effective *only* if well targeted to those in need**. For example, counselling in self-help groups (for example Netherlands, Germany) have been successful in helping older workers back into employment. In their age-specific approach, several PES target their schemes specifically at the **most vulnerable groups of older workers**. However, when targeting, it is always important to **avoid 'negative labelling'** and be **open to the idea that age-specific measures can in fact be effective for other target groups**, such as the long-term unemployed or disabled. Moreover, the measure may have to be age-specific because it is a requirement of funding, but this does not mean that it has to be marketed as such to clients and the outside world.

- Due to the stereotypes surrounding the senior target group among employers, it can also be useful to introduce **measures that directly bring jobseekers into contact with employers** so that their value based upon experience and acquired competences comes through. Job fairs and work trials (for example, Netherlands), as well as simulated recruitment methods (for example, France) may be effective here.
- In some countries, the **role of social partners has been highlighted as important** in raising awareness and taking forward plans for action in relation to older workers; the (Walloon) Belgian 'reconversion units' are a notable example in this regard.

### ***Issues for future discussion and collaboration***

#### *Mainstreaming of demographic topics*

- The **mainstreaming of demographic and age-sensitive topics into the services for employers and jobseekers** appears to be an effective approach for the future. How can PES best achieve this?
- PES managers and counsellors need to be aware of the specific needs of older workers, even if there are no specific services or measures for them in the PES toolbox. How can PES best adapt the standard **training for employment counsellors to include a focus on the problems and priorities of older people?** This question relates to Section 4.2 on job profiles and training.

#### *Role of PES in preventative measures*

- Where prevention is currently part of the PES brief, the **most widely used tool is in-work training**; some PES who offer this service limit it to SMEs who are less able to afford such measures. A limited number of PES also offer human resource services for SMEs. However, the question remains: what is the **respective role and financial commitment of PES and employers in the provision of these services or training?**

#### *Improvement of the evidence base*

- PES practice in supporting the labour market integration of older workers varies considerably and there is little research evidence on the impact of the various PES measures and services. There is significant potential for the use of **impact evaluations**, which could help PES to increase the effectiveness of their services for older workers. This question relates to Section 4.1 on performance management.

*Role of the European Social Fund*

- The **European Social Fund (ESF)** provides an important financial instrument for **responding to the challenges faced by older workers in the labour market**. In the current funding round, the [ESF AGE Network](#) has provided a forum for networking and mutual learning on the theme of active ageing between ESF actors across Europe. Looking to the next funding round (2014-2020), how could **PES make best use of ESF opportunities and engage in related partnerships and networks?**

### 3 PERSONALISED SERVICES AND EMPLOYMENT GUIDANCE

The EU2020 Strategy and Guideline 7 of the European Employment Guidelines emphasise the importance of developing personalised services for jobseekers. The topics of [Lifelong guidance](#), [multi-channelling](#) and [profiling](#) play an important role in personalising the support for jobseekers and were explored during the first year of the programme. Individual action planning is another important method which is widely used by PES to ensure that the support for jobseekers is tailored to their needs.

#### 3.1 Individual action planning

Individual action plans (IAPs) have become widely used by PES in the process of employment counselling and the last decade has seen considerable progress in PES approaches towards individual action planning, with a greater focus on early intervention and ongoing monitoring and adjustment.

##### *Key findings*

A [Dialogue Conference](#) was dedicated to the subject of individual action planning. The two [keynote discussion papers](#) and the [toolkit](#) from this conference highlight the following findings.

##### *Development of effective individual action plans*

- Although PES tread a fine line between being the 'enabler' and 'controller' (of the requirements for benefit receipt), in many PES, the focus of employment counselling is placed on the **empowerment of jobseekers**. Some PES (for example, Ireland) empower jobseekers through the use of a **method of critical reflection and learning**, which reflects the learning processes of identifying the problem, making sense of it and moving to solve the problem. A **thorough, holistic assessment of the jobseeker**, which uses both profiling and diagnostic methods and skills (as used in Germany, for example) is also important to explore the jobseekers' situation<sup>3</sup>. Empowerment can also be achieved through an **increased emphasis on co-production of the IAP**, for example, by inviting the jobseeker to draft the action plan *before* attending the first interview; the German PES is currently running a trial on this 'jobseeker first' approach.
- The quality and effectiveness of the IAP can be enhanced by ensuring that it is **clear for the jobseeker** and **includes goals that are 'SMART'** (Specific, measurable, achievable, relevant and time-bound). In addition, it should reflect the two main client groups (those who are job ready and those who require more support) and directly relate to the allocation of ALMP places. **It is important that the IAP reflects the mutual obligations** of the PES to provide support and the jobseeker to take steps

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<sup>3</sup> More information on profiling systems is available in the report from the [Dialogue Conference](#) held in 2011.

towards the labour market. This is best achieved with a document **agreed and signed by both sides**.

- Despite the term *individual* action plan, an observation amongst most PES is that IAPs tend to be too standardised. The quality of the IAPs could be improved by allowing **more scope to tailor the content according to individual needs** and issues, coupled with **adequate time for in-depth communication** between the employment counsellor and the jobseeker.
- **Quality assurance is fundamental to the process of developing effective IAPs.** This implies **establishing quality standards**, putting systems in place to check and **assess the quality of IAPs**, as well as the wider issue of the **training and development of PES staff**. In Estonia, for example, there is a specialist team in the PES head office which is responsible for assessing the quality of IAPs based on a 1-4 scale.<sup>4</sup> The results of the assessments feed into their PES performance management system. This point relates to Section 4.1 on performance management.
- One effective way to target scarce resources is through client segmentation and this is no less the case when it comes to the digitalisation of IAPs. **Initial profiling** can help to **identify jobseekers who are 'ready' to use online and self-help tools** and minimise any digital divide issues. Currently, some PES prefer face-to-face contact, whereas others are moving towards the online development of IAPs; a similar trend can be seen in the monitoring and follow-up of plans. Ultimately, whatever the approach, there needs to be a recognition that the **move towards digital provision implies a (psychological and practical) shift of responsibility to the jobseeker**<sup>5</sup>. Interestingly, the Dutch PES is currently carrying out an evaluation on the effect of providing digital services to jobseekers compared to face to face services.
- A strong message from PES discussions has been **the critical importance of the employment counsellor's professionalism**. Their skills, knowledge and especially the attitudes are also fundamental to the individual action planning process. Important attributes of the counsellor are the ability to:
  - **Empower** (shifting the locus of control to the individual jobseeker);
  - **Create trust**;
  - **Be transparent** (in handling their support and sanctioning roles);
  - **Have a positive outlook** on the jobseekers' prospects;
  - **Become a 'sales person'** (in 'marketing' the vacancy to a jobseeker or the jobseeker to an employer); and
  - **Understand the wider strategic commitments and policies of the PES**.

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<sup>4</sup> The assessment covers the accuracy and consistency of background information; assessment of the strengths and barriers to employment; overall approach and coherence of the plan; relevance of planned activities; and reporting on progress.

<sup>5</sup> For further information on the use of e-channels, see the analytical paper on ['Multi-channel management'](#).

This point relates to Section 4.2 on job profiles and training.

- Developing IAPs is not the easiest of tasks for the employment counsellor, particularly in more difficult cases. Several PES representatives have commented on the **ethical dilemmas that counsellors face** and the **potential for high stress levels**. Approaches to mitigating these effects include:
  - Providing **mentoring and coaching** (for the employment counsellors, by **trained colleagues**);
  - Providing **training on key technical skills, especially counselling techniques**; and
  - **Giving the counsellors a considerable degree of flexibility and autonomy** in delivering their work; a typical example is where a counsellor is able to attribute more time to interviewing one jobseeker compared to another in order to respond to needs.

This point relates to Section 4.2 on job profiles and training.

#### *Monitoring and follow-up of individual action plans, including the role of sanctions*

- The dual role of PES in 'supporting' and 'controlling' jobseekers is clearly evident in relation to monitoring and follow-up, although the supporting function prevails as the share of the jobseekers sanctioned is low at around 10%. Emphasis is increasingly placed on **more regular monitoring**, while the **frequency of contacts depends on client/counsellor ratios and PES regulations**. In some countries (e.g. Estonia, Germany, Ireland), frequent and early monitoring is part of a supporting approach whilst for others (e.g. UK) the emphasis is on controlling by short, regular meetings to monitor compliance with the action plan. This point relates to Section 4.1 on performance management.
- The question of sanctioning is a politically and psychologically sensitive one for policy makers and PES employment counsellors. A **sanctioning regime** can clearly only help to correct behaviour in situations where **jobseekers are in receipt of benefits**.
- There are advantages and disadvantages to giving responsibility for sanctioning to employer counsellors or delegating this to a third party. Whatever the approach taken, there needs to be **clarity concerning the different roles of PES and third party staff**, rapid decision making and some degree of counsellor discretion over whether to apply sanctions, providing it is underpinned by clear guidelines.
- Generally speaking, there appears to be infrequent follow-up in order to review and update the IAPs according to the progress made, any changes in personal circumstances, etc. An **added emphasis on follow-up** would help to ensure that **the plans are individualised throughout the unemployment spell**.

## ***Issues for future discussion and collaboration***

### *Effective design, monitoring and follow-up of individual action plans*

- What are the main lessons from PES practice about **how IAPs can best become enabling** tools in the context of limited budgets and digitalisation?
- **How far can IAPs be digitalised** without undermining the rapport between the employment counsellor and the jobseeker and what are **appropriate criteria for client segmentation** in this respect?
- **What quality control standards and systems are needed** to monitor and ensure the quality of IAPs, particularly if there is a move to make IAPs more individualised? This point relates to Section 4.1 on performance management.
- Keeping the IAPs up to date and relevant is an important part of motivating the jobseeker and ensuring their route into employment. How can the **low prevalence of follow-up in the case of some PES** be addressed?

### *Balance between support and sanctions*

- **How can PES balance the weight given to more support-oriented PES functions**, like counselling, **compared to more administrative ones**, such as monitoring and sanctioning? This question relates to Section 4.2 on job profiles and training.
- What is the 'appropriate' role of sanctions given that research shows that they lead to rapid integration without necessarily leading to quality, sustainable employment? There is also **evidence that different groups of jobseekers can be motivated (or de-motivated) by different sanctions**, but further exploration of this is required.

### *Development of high-quality and appropriate staff competences*

- The quality and the effectiveness of an IAP and the allocation of ALMP resources relies on the **skills, experience and personal qualities of the employment counsellor**, including the ability to manage the dual roles of supporting and monitoring. While some offer specific training, PES requirements and practices in this regard appear to be diverse in Europe. Is there potential in developing a framework to be endorsed by the European network of PES? This question relates to Section 4.2 on job profiles and training.

### *Partnership-working*

- PES cannot deliver all services themselves. Therefore, **further development of partnerships is needed**, including cooperation with specialised career guidance providers (for example, Scotland, Denmark), private providers or NGOs (UK).<sup>6</sup>

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<sup>6</sup> For further information on sub-contracting in PES see [PARES](#) programme and the analytical paper on [Sub-contracting in PES](#).

*Value of early intervention*

- There is some research to indicate the added value of early intervention, but there is a **lack of research on the efficiency gains of early intervention, the role of duration and frequency of interviewing and the circumstances under which early intervention is most beneficial.** Further research is critical to ensure a stronger evidence base for the strategic management in PES. This point relates to Section 4.1 on performance management.

## 4 PES ORGANISATION AND MANAGEMENT STRATEGIES

Within the third strand, performance management has become increasingly important and widespread as part of the modernisation of PES across Europe, pushed and informed by the introduction of public management models since the 1990s. Budgetary restraints following the economic crisis have added urgency to the use of such models, especially in terms of achieving efficiency gains and better understanding (and demonstrating) the value of specific PES interventions vis-à-vis their cost. Over time, these models have also reflected wider concepts and principles, such as organisational learning, improvement and innovation, with the Common Assessment Framework (CAF) being the most recent and prominent example. They have also related to the fundamental issues of staff competence and engagement, whether one talks about senior managers responsible for organisational change and headline performance, through to front office staff focused on securing successful placement outcomes.

### 4.1 Performance management in PES

PES use a wide variety of approaches to performance management. These approaches are influenced by a range of external and contextual factors, including political goals, socio-economic context, degree of (de)centralisation, and the organisation of employment services and welfare benefit. They also incorporate, in varying degrees, practices to stimulate organisational development and learning, including direct improvements through innovation.

#### *Key findings*

Two analytical papers (one on [performance management](#) and the other on [organisational development, improvement and innovation management in PES](#)) have identified a number of key findings in relation to various aspects of PES performance management. They particularly build on the work of the PES benchmarking group, as well as a recent study commissioned by the European Commission (2012).<sup>7</sup> Their primary purpose is to stimulate debate and provide the basis to deepen discussions on PES performance management in the future.

#### *Performance measures and targets*

- PES performance management is widespread and can be understood in terms of **five types of performance measure**, namely:
  - 1) **Input measures** (e.g. levels of spending, staff hours);
  - 2) **Output measures** (e.g. number of registered vacancies or completed interviews);
  - 3) **Process measures** (e.g. quality of jobseeker interviews, employer satisfaction);

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<sup>7</sup> "PES Performance Measurement Systems and Geographical Labour Mobility: Final Report", Ecorys,

- 4) **Intermediate outcome measures** (e.g. placement of jobseekers into employment, vacancy filling); and
- 5) **Final outcome measures** (e.g. (un)employment rate, inactivity rate).

Analytical measures (e.g. cost per jobseeker, benefit savings from interventions) can also be added to interpret relationships between these different factors. There is significant debate about the comparative advantages and disadvantages of these indicators and their associated targets. However, one constant is that most **PES tend to measure outputs and intermediate, rather than final, outcomes, recognising that the latter is influenced by variables in the labour market outside of PES control.**

- **At European level, a PES benchmarking group has developed and agreed a set of six indicators, namely:**
  - 1) **Transition from unemployment to employment;**
  - 2) **Speed of transitions from unemployment to employment;**
  - 3) **Transition after training interventions;**
  - 4) **Providing access to vacancies;**
  - 5) **Vacancy filling;** and
  - 6) **Customer satisfaction for jobseekers and employers.**

These indicators are coupled with good practice advice, which emphasises carefully designing indicators to reflect the importance of context (employment, resources, etc.) and to align with common PES goals (which in turn relates to policy/political objectives).<sup>8</sup>

- PES discussions have revealed that one of the **most important measures is the duration of the unemployment spell** which links to the overarching performance management objective of making PES more effective in bringing people back into (sustainable) employment as soon as possible. Beyond this, most PES use a combination of output and intermediate outcome indicators. Some also explicitly apply input indicators.
- The **majority of PES also incorporate some measure of satisfaction with the use of their services**, at least among jobseekers, but many also incorporate employers. Most PES combine indicators in some form of **balanced scorecard or other data presentation system**, but far fewer set out a clear framework of causal relationships between indicators (for example with employment or unemployment rates).

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<sup>8</sup> The common PES goals are as follows: aiming at a successful transition from unemployment to employment; taking a special interest that the transition to employment takes place fast; being focused on transitions from ALMP-training measures to employment; opening access to a large share of vacancies through the PES information system; and making sure that registered vacancies are filled.

- **Many also combine the analysis of management information with a consideration of the labour market context** (on final outcomes, such as employment, unemployment etc.), but do not explicitly make the analytical connections between PES performance and labour market conditions.
- **Soft indicators** (e.g. confidence or self-awareness of jobseeker, quality of employer relations) **also form an important part of performance measurement**, particularly in relation to which measures and services do and do not work - and why. These 'softer' insights also help to make more qualitative judgements about how measures and services can be improved.
- Other points to consider in determining the 'right' set of PES measures and targets include the fact that, ultimately, **performance information needs to be:**
  - **Timely;**
  - **Usable;** and
  - **Based on robust data**, requiring the corresponding data collection infrastructure.

As a consequence, it is important to take account of the **cost of collecting and analysing certain types of information vis-à-vis the benefits offered.**
- A concluding message from the PES discussions is that it is not necessarily the indicators that count, but the way in which they are used. As such, **PES seem to be entering a more 'mature' phase of development** insofar as they are **moving towards fewer, more focused measures and targets** and are increasingly concerned with the quality of the overall systems and procedures.

#### *Performance management systems*

- The target setting process in different PES varies and includes annual and multi-annual timescales and a variety of different top-down and bottom-up processes of negotiation. Virtually everywhere there is a **negotiated process of target-setting including the PES and the relevant government ministry**. In some countries however, there is an additional sub-national process of negotiation at different organisational levels of the PES (for example, Austria, Czech Republic, Germany). Overall, **effective target-setting entails:**
  - **Reviewing targets regularly;**
  - **Ensuring that continuous improvement is built into expectations;**
  - **Balancing qualitative with quantitative information;**
  - **Making sure that PES staff have the understanding and skills to actually reach the goals set;**
  - **Combining a top-down and bottom-up process in the negotiations with stakeholders;** and
  - **Disseminating information and maintaining a dialogue on why certain targets have been set.**

- There are a number of challenges associated with the design of performance management systems. A **common PES concern relates to 'creaming' and 'parking'** i.e. prioritising those who are more easy to place.<sup>9</sup> Several studies suggest that these practices are present in a variety of different countries, though they are thought to be more prevalent in systems where contracting-out and payment by results operate (if the payment is not made conditional on placing the most vulnerable).<sup>10</sup>
- Perverse incentives (e.g. creaming and parking) can be minimised through the use of **differentiated targeting** depending on the complexity of problems (e.g. targets for specific vulnerable groups). Moreover, the risk of focusing on short-term gains by fast placement in whatever job can be counteracted by **measures that include the sustainability of placement**, such as job quality and retention. These are more effective when supported by **strong and consistent managerial messages** about what behaviours are not acceptable.
- Common pitfalls in the design of performance management systems can also be avoided by **integrating performance management in a broader evaluation strategy**, which helps to balance numerical performance with more substantive information about operational practice. Measurement against soft indicators (like the confidence or self-awareness of the jobseeker) can also usefully feed into evaluations, both internal and external. **Ensuring that performance is regularly reviewed** and that **a wide range of stakeholders are included in this process**, as well as **ongoing monitoring**, can also be effective in this respect.
- The **design - and potential integration - of data systems is fundamental to effective performance management**, not only in terms of being able to compare data (EU or nationwide), but also understand and track the correlations between different performance measures. Improvements in this area entails investment in IT infrastructure, better coordination between geographical and functional units and strong direction from senior staff. The analytical paper on performance management cautions that **integrated data systems can be complex and costly** and should therefore be given due consideration. However, the **performance management benefits that might emerge are considerable**.
- The PES benchmarking group suggested that **performance indicators should use a mechanism to ask questions about performance** rather than to answer them, suggesting an open and balanced management approach, helping to overcome drawbacks. This line echoes the findings of the analytical paper on organisational development, which reveals a changing attitude towards

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<sup>9</sup> Creaming refers to the practice of selecting jobseekers who can ordinarily help themselves. Parking relates to the opposite, whereby jobseekers who need help are deselected.

<sup>10</sup> Please refer to p.7 of the analytical paper on [Performance Management in PES](#) for further information on the relevant studies.

measurement in PES. Where in the past, 'more was better' and huge management information systems were created (systems which tended not to deliver the expected added value), performance data has now become a **'trigger' for discussion and dialogue rather than control**. This cultural shift is important in relation to the way in which PES engage with their staff and relevant stakeholders.

- Case-study information suggests that **performance management is not generally applied to individual PES staff**; individual performance monitoring is more limited. However, it is clear that **PES practitioners need to be aware of the system of performance management in place** and understand how they can influence performance - which includes helping to **identify improvements and innovation** (further discussed below). This requires PES staff to be trained in the performance management systems and receive regular communications about performance. Frontline staff should also be consulted about the setting up and measurement of targets that relate to their area of work. This point relates to Section 4.2 on job profiles and training.
- Recent studies argue in favour of **performance management as at least partly a political and social governance process**, as opposed to a purely technical managerial one. They emphasise the potentially beneficial role that the inclusion of the social partners can have in the process of performance management by including them in setting objectives and the selection and design of performance indicators and targets. They also suggest that this is important at both a national level and a local level, especially where a greater degree of decentralisation and local management autonomy is in place.

#### *Performance improvement, organisational learning and innovation*

- It is widely assumed in management literature that **performance management can bring benefits to organisational systems**. This works by improving accountability, clarifying and generating support for the achievement of management objectives, including by introducing incentives and sanctions for their achievement and enabling learning from experience. At its best, performance management can also serve as part of a more evaluative approach to management, which focuses on **substantive organisational learning and performance improvement** through enhancing operational understandings of the link between activities (inputs, processes, outputs), on the one hand, and their ultimate effects (outcomes), on the other.<sup>11</sup>
- A number of quality management models are available which can assist organisations in managing - and improving - their performance, including **ISO \_\_\_\_\_**

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<sup>11</sup> Please refer to p.6 of the analytical paper on Performance Management in PES for further information on the relevant studies.

[9000](#), the [Balanced Scorecard \(BSC\)](#), [European Foundation for Quality Management \(EFQM\)](#) and [CAF](#). EFQM and CAF are particularly interesting as they **focus on a broad organisational performance perspective and place explicit emphasis on improvement**, compared to the other methods indicated.

- There are various definitions of innovation, but the **one that focuses on 'improvement and rupture'** seems to resonate most for PES: innovation is not a goal in itself, but something *new* that leads to a *positive step change* in the organisation or service. The clients (jobseekers and employers) must also be the main beneficiaries of the innovation.
- It is important to acknowledge that **innovation takes time** and may not yield benefits in the short term. However, it can be worth the wait: PES have found that when innovation has been shown to be successful, it has helped them to **justify changes (and the associated costs) at the political level**.
- PES use a range of strategies and methods to identify areas for innovation and improvement. For instance, most PES (interviewed for the analytical paper on organisational development) **involve stakeholders and customers** in the functioning and evaluation of the PES work and services. The Flemish PES, VDAB, for example, has a long tradition of organisational development, supported by EFQM/CAF and the Balanced Scorecard, which focuses on users (both jobseekers and employers) and measures their satisfaction as a source for identifying improvements.
- **Internal and external assessments** can also be helpful in detecting and acting on the need for improvement. The regional offices of the Austrian PES, for instance, undertake regular self-assessments, which are then followed by external visits, all against the agreed benchmarks. This forms part of the PES's wider quality management approach.
- Another effective method is **performance dialogue**. An example is the Danish model which involves a regular interaction between the four employment regions and individual jobcentres to discuss performance, exchange practices and learn. This dialogue is informed by a dedicated website [www.jobindstats.dk](http://www.jobindstats.dk), which contains information on the performance of all the jobcentres. Clearly, **this level of transparency requires a strong degree of management 'maturity'**.
- In most PES, there is **some form of benchmarking of local offices and/or other organisational units**. However, there is variety in the degree of sophistication used to group similar organisational units in this comparative process. Where **clustering** is in place (for example, in Austria or Germany), it is clearly appropriate to **ensure comparability in the analysis between different labour market contexts, finances and resources**. Labour market context analysis should go beyond simple measures of unemployment stocks and flows,

- but also more qualitative judgements about the nature of labour market demand and supply (e.g. taking account of variables such as seasonal fluctuations, etc.).
- PES experience also suggests that there is scope to optimise the improvement and learning via **randomised controlled trails** (as in the case of Denmark since 2005), launching pilots or running experiments on service delivery.
  - In general, such approaches require a willingness to take risks and a culture of trust, transparency and engagement. Consequently, the focus should be on **learning how to do things better**, rather than punishment. **Leadership on all levels** therefore plays a crucial role in fostering a climate which raises, but also challenges and tests innovations at all stages. Some PES (for example, Austria, Belgium (VDAB) and UK) even go as far as to **translate this innovative leadership attitude into the competency framework of the PES organisation**. This point relates to Section 4.2 on job profiles and training.
  - From PES evidence and particularly the Austrian case, it is clear that **decentralisation can play a role in performance management and improvement**. Where combined with negotiated target-setting, long-term accountability and management autonomy, this appears to increase the sense of responsibility for performance improvement.<sup>12</sup> Crucially, this sort of decentralisation seems to be essential in ensuring that the analysis of performance variation has a purpose.
  - **A few PES pay financial incentives for innovation**, taking account of the value of benefits generated. The Austrian PES, for example, has a 'Financial Award' for good ideas put forward by staff implemented at the local, regional or national level. This is coupled by the 'Best of AMS'<sup>13</sup>, which is an annual public celebration of the best performing offices and the best staff ideas by the senior management. **These approaches, both financial and non-financial, can help to promote and reward good practice, which forms part of the culture of learning and improvement.**

### ***Issues for future discussion and collaboration***

#### *Performance management*

- A key outcome for the discussions so far is the **importance and value of increasing synergies with the PES benchmarking group**. How can PES build on the work of the group in identifying and agreeing common indicators at transnational level? What good practice can be shared in relation to designing effective performance management systems?

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<sup>12</sup> The case study findings build on wider evidence that decentralisation is effective in increasing public sector performance ("Institutional Drivers of Efficiency in the Public Sector", Van Dooren et al., 2007, [Analytical Paper](#), p.16).

<sup>13</sup> AMS is the Austrian PES.

- What **key organisational, infrastructure and policy frameworks need to be in place** to ensure performance measurement can be effectively used for feeding into ongoing organisational improvement (like a data warehouse, management dialogue)?
- In particular, should **PES and Member State governments consider investing in integrated data systems**, which on the one hand, enable the development of long-term datasets for the evaluation of differential performance, but on the other, represent substantial costs and complexity?
- **What is needed in terms of resources and staffing** to build up an effective performance measurement system? This question relates to Section 4.2 on job profiles and training.
- Have any **PES measured or evaluated the impact of interviewing or counselling**, and if so, how was this undertaken and what were the results?
- Do any **PES have a measure for sustainability** (not only duration of unemployment, but also duration of employment following placement), and if so, how useful has it proved to be?
- How can **PES measure the performance of the organisation as a whole and how is the 'political system' involved** (e.g. evaluation, target-setting, organisational performance, involvement of the 'policy level' in the development of working methods)?

*Performance improvement, organisational learning and innovation*

- What has been **learnt about the main management and organisational elements required** to support continuous improvement in PES (including CAF)?
- What is **good practice in encouraging local agencies and front-line staff** to contribute to improvement and innovation? This question relates to Section 4.2 on job profiles and training.
- In which areas does one **see the main effects and benefits from systematic organisational development / continuous improvement**?
- What do **PES leaders need to do in order to foster a climate** which raises, but also challenges and tests innovations at all stages?
- How can **PES play a pivotal role in the labour market and co-ordinate the chain of actors** involved to spread innovation and improve performance?
- How can the **results from performance management and evidence-based organisational development be best disseminated** at national and European levels?
- What happens in the **case of persisting poor results for the whole PES or for individual regions/branches**?

## 4.2 Job profiles and training of employment counsellors

One of the key findings from the first year of the PES to PES Dialogue programme was the critical importance of staff competences and training for offering quality services to jobseekers and employers. The [analytical paper](#) on lifelong guidance highlights how the employment counsellor's role is changing and growing into the wider field of lifelong guidance. The paper emphasises that the development of staff competencies is critical to the quality and effectiveness of PES services. Little is known, however, about the similarities and differences between the various job profiles and competences requirements, nor the job entry requirements and training programmes, for employment counsellors in the European PES. A survey of 22 PES was therefore carried out during the second year of the programme with the view to providing an overview of the existing profiles and training of employment counsellors and highlighting common job profiles, competences and training considered vital for the counsellor role.

### **Key findings**

An [analytical paper](#) on this topic has identified the following lessons and potential solutions for PES.

#### *Job profiles and competences of employment counsellors*

- **The level of diversification of job profiles in a PES varies considerably, depending on the operational structure and priority tasks of each PES;** the profile of the employment counsellor is only *one* part of the PES organisation and needs to be considered in context. That said, there is a **clear trend towards separate job profiles for services for employers, on the one hand, and for jobseekers, on the other.** The competences required for working with employers are quite different to those required for working with jobseekers, so separating the two functions can help to professionalise recruitment and sales techniques for counsellors who work with this particular client group. This point was also highlighted in the topic on PES services for employers.
- **A number of PES also provide specialised counsellors for different client groups,** such as the unemployed with complex difficulties or young unemployed. Further insights and examples can be found under the topic of PES and older workers.
- Competences are defined as the skills, knowledge and attitudes required to undertake a task. Although it is difficult to compare competences due to the diversity in PES models, there are **some common core competences for employment counsellors that arise most frequently in the analysed PES and via PES discussions.** These include:

## Skills

- Assessment and matching;
- Interviewing and counselling (including the ability to listen non-judgmentally, motivate and inspire clients);
- Networking (with employers, external providers and other labour market actors);
- Information technology (especially in response to the digitalisation of services);
- Administration and organisation; and
- Management and human resources (in cases of practice/team leaders).

## Knowledge

- Labour market situation and trends;
- Business profiles and recruitment requirements;
- Occupational pathways and trends;
- PES mission and strategy;
- PES systems and procedures;
- Regulatory requirements and frameworks (covering activation, benefits, ALMPs and funding); and
- Diversity awareness (covering gender equality, migrants, long-term unemployed, older workers and the disabled).

## Attitudes

- Teamwork and cooperation;
- Client orientation (including empathy, patience and understanding);
- Stress resistance;
- Flexibility; and
- Assertiveness (to ensure compliance with rules).

The above listing provides a useful basis to continue the discussions with PES and **explore the potential for a common competence framework for employment counsellors**, thereby professionalising this role in European PES.

- The changing service requirements and the shift towards online/self-help provision in many PES pose new challenges to the work of employment counsellors, **requiring them to focus more on hard-to-place individuals** and be able to effectively use the existing IT and online tools in a face-to-face context. This directly impacts on the competency requirements of the employment counsellor role.
- **Networking skills are becoming increasingly important** due to the increased need for employment counsellors to work in partnership with external public, private and third-sector organisations in order to achieve sustainable integration outcomes.
- The employment counsellors' role is characterised by distinctive tasks and competences, **which is a clear sign of the role as an emerging 'occupation'**. The **key tasks of employment counsellors are a mix of placement, guidance and**

**administration.** They also include elements of social work. The mix of tasks requires both 'soft' and 'hard' skills and is similar to some extent to the requirements characteristic of social workers, although the core tasks of employment counsellors require a stronger focus on rapid labour market integration.

- The ultimate goal for any competence framework - common or otherwise - is the **professionalisation of the employment counsellor** role. If there is a clearer and consistent understanding of the requirements of the role, as well as the underpinning competences, the counsellor gains **greater professional recognition** and hence becomes more **empowered to deliver high standards of service.**

#### *Recruitment and training of employment counsellors*

- Whilst there is a relative consensus amongst PES on the key tasks and competences of employment counsellors, **there is significant deviation in PES approaches to recruitment and especially training.** This can be seen in both entry level requirements and ongoing staff development.
- **There are significant differences in the initial entry requirements for employment counsellor positions in PES.** Given the importance of assessment and counselling tasks within the employment counsellor role, the requirement for secondary level educational attainment in some countries may be too low. The profile of education is also important, although only a few countries (for example, Germany) have developed institutions and programmes at the university level, preparing employment counsellors to work effectively from the first day of work.
- Specialised inception training is provided to employment counsellors in all countries; the duration varies significantly, from three years (for example, Germany) to under 10 days. The approach to further training also varies. The most common factor determining further training is **training needs analysis**, although **some PES have a formal obligation to undertake further training** on a regular basis. The majority of training programmes are based on internal expertise, which may limit the knowledge already available within the organisation. **Further efforts could be made to link with external knowledge providers** that could provide expertise which may be missing in PES.
- Over half of the PES analysed confirm that training is the same for every employment counsellor. Considering the need for a flexible approach and the different training needs of individuals, it may be **more effective and cost-efficient to further diversify and individualise the training approach.**

## ***Issues for future discussion and collaboration***

### *Core competences of the employment counsellor*

- Elements of career guidance can be seen in varying degrees in the counselling tasks of the employment counsellor. This implies that **further research and discussions need to take place in order to take proper account of related work by [ELGPN](#), [Cedefop](#), [IAEVG](#)** and other network/organisations. It is nevertheless important to maintain a clear distinction between the employment counsellor, on the one hand, and the career guidance counsellor, on the other.
- Despite the wide diversity in job profiles across Europe, there are some core competences for the employment counsellor role and **PES are open to the idea of examining the potential of a common competence framework at EU level**. This observation is backed up by the findings of the analytical paper, as well as the discussions in the Dissemination Conference. Using the above-mentioned list, combined with the listings in the analytical paper, what would be the **next steps in developing the idea of a common competence framework**? Which PES would like to be involved? What would be the role of the Commission? How could synergies be created with related networks and initiatives, such as the ELGPN?
- A strong message from the PES discussions was the **importance of having the right personal traits and attitudes as an employment counsellor**. A 'people person', 'optimistic', 'open', 'empathetic' and 'flexible' were words echoed time and time again, alongside the more formal knowledge and skills required for the role. This is a topic worthy of **further discussion in order to clearly define and agree the common traits** and identify ways to instil and/or support them.
- **Recruitment is an important area of discussion**, bearing in mind the position of PES in the market place and the existence of private employment agencies and other related service providers. What **professional and educational background should PES be looking for** from external recruits? What is the **role of previous work experience**? What **personal traits should be sought** in the recruitment process?

### *Impact of the use of online/self-help tools on the employment counsellor role*

- The **increasing use of online tools has had a strong impact on the job and competency profiles of employment counsellors and their training requirements**, including skills for using IT tools and competences to serve the more difficult to place clients who are not able to use online self-help tools. This point was also highlighted under the topic of individual action planning. An issue for PES is how to **best prepare their employment counsellors for the significant use of IT tools**?

### *Career paths of employment counsellors*

- One area of concern is the **lack of a clear definition or the short duration of the career paths for employment counsellors** in some PES. How can PES provide greater internal development opportunities to help retain counsellors in the service and to have a highly motivated workforce, able to adapt to changing service requirements?

### *High-quality staffing as part of quality assurance*

- How can PES ensure **adequate staffing as part of quality assurance**? This includes setting requirements for the level and educational profile **when recruiting** from the market and preparing **integrated inception and continuing training programmes**, which are tailored to the needs of their own PES service, as well as to the individual needs of counsellors.

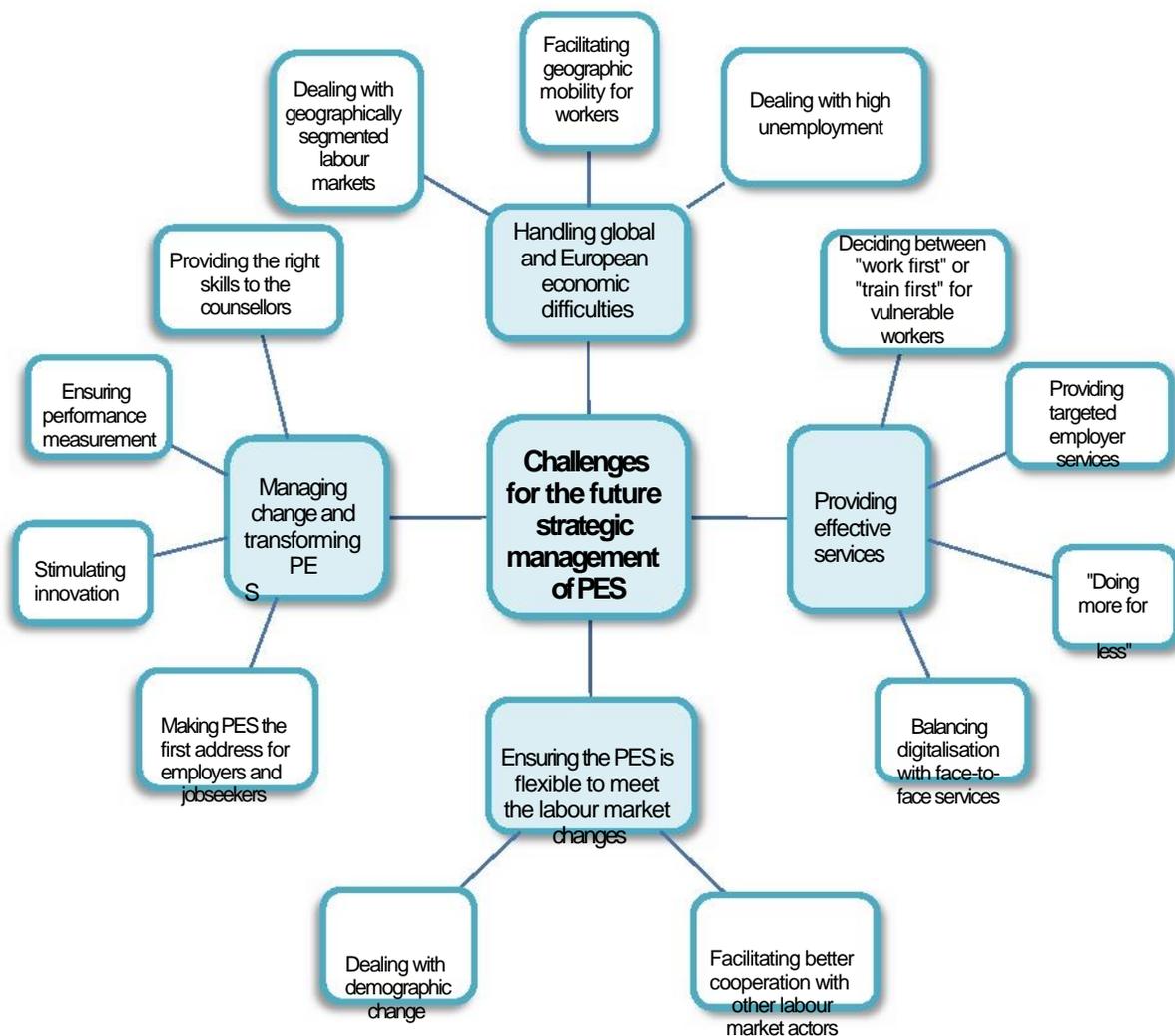
### *Links to EURES*

- One important area of discussion is how to **link the outcomes of discussions** on the job profiles and training of employment counsellors **with the reform of EURES**. For example, could common training be delivered for EURES advisors (who are currently only trained to provide information)? How can the eventual professionalisation of employment counsellors in national PES contribute to the improvement of EURES services for end users at the EU level?

## 5 PES AS 'TRANSITION MANAGEMENT AGENCIES': KEY ISSUES FOR THE STRATEGIC MANAGEMENT OF PES

The topics covered during the second year of the PES to PES Dialogue programme have raised a number of issues for the strategic management of PES. In some cases, they have built on and reinforced the importance of certain issues raised in the first year. And in all cases, they have helped PES managers and practitioners to reflect on how best to deal with current and future challenges for employment service provision across Europe - many of these challenges were indeed highlighted by participants in the Dissemination Conference (see Figure 5.1 below).

**Figure 5.1: 'Challenges for the future strategic management of PES' highlighted by the conference participants**



**The value of the second year's topics is that they fit directly with the [Employment Package](#)** agreed in April 2012, which specifically calls for PES to transform themselves into 'transition management agencies' in the labour market, "delivering a new combination of the 'active' and 'passive' functions that support sustainable transitions throughout workers' careers." To demonstrate this fit and pave the way for future discussion between national/regional policy-makers and PES practitioners, the issues have been specifically clustered around the 'major building blocks' for PES referred to in the package.

## **5.1 Key issues for strategic management**

### *Active and preventive labour market measures*

Historically, PES have tended to focus on the supply side of the labour market, dealing initially with the more passive side of administration of benefit claims, then on activation with increasing attention for the specific needs of disadvantaged jobseekers. However, as part of the modernisation process and pushed by the challenges of an ageing and shrinking workforce in recent years, they have been increasingly turning to the **demand side of the labour market. This has a dual purpose: to secure employment opportunities for jobseekers** (who have grown more numerous and diverse due to the economic crisis) and **address the future skills needs of employers** in the context of demographic change and of international competition. This trend can be observed in the range of employer-related services and business models now offered by PES, as well as ongoing discussions amongst PES strategic managers about how best to identify, engage and maintain the cooperation of key employers from the local, as well as the national perspective.

A strong message regarding the design of PES services for employers is the **critical importance of prevention rather than cure**. PES or other labour market stakeholders need to be **proactive in helping companies to anticipate and address their skills shortages** via the use of labour market intelligence and support for human resource development - particularly to make use of the potential within companies and enhance in-work training. Relevant examples include the German PES initiative to assist SMEs in investing more in the qualifications of older employees, labour mobility centres in the Netherlands, as well as a range of networking activities and cooperation agreements to facilitate the placement of young people.

The **particular needs and characteristics of SMEs** have been regularly mentioned, such as limited human resource capacity, niche recruitment difficulties, and low access or awareness of diversity or CSR-related initiatives. In further developing the service offer, **PES could give greater consideration** - and even segment and target more services - **to SMEs**, particularly with the view to responding to local labour market needs and increasing opportunities to place disadvantaged jobseekers.

The effectiveness of preventive approaches very much hinges on employers' perception and understanding of the role of PES and the jobseekers they represent. Despite good

progress by PES in this area, more could be done to **raise awareness and 'market' a more positive image of PES amongst the business community (and other labour market actors).**

The perceptual challenge also applies to particular types of jobseeker, notably older workers and the long-term unemployed. Several PES (such as Austria, Estonia, Germany, Netherlands and UK) have addressed this by launching **media campaigns, networking and other forms of awareness-raising. Such approaches need to be strengthened and more routinely built into PES service delivery and promotion.**

#### *Individualised services versus target group approach*

PES display a wide range of service delivery models, depending on financial, political, organisational and other factors. However, there is an observed trend towards early intervention and more personalised services, with a **greater use of profiling and professional employment counselling, including individual action planning.**

A fundamental question for the future is the **degree to which services (and measures) are targeted at specific groups.** This question ties in with the competences required of PES staff and is even more pertinent in the face of limited resources, since not all services (and measures) can necessarily be made available for all.

In terms of the jobseekers, PES tend to offer universal, individualised services. This can be seen in the case of older workers where age-related support is only offered in very specific circumstances. There is also an individualised approach for young people, although it is combined with greater specialist support - which could be explained by the specific life situation of young persons, the importance of the transition from/to education and/or employment, as well by the severe scarring effects of youth unemployment on work biographies.

Other types of jobseeker (such as the low-skilled, vulnerable groups, the disabled) have not yet been discussed in the context of the PES to PES Dialogue. However, they would benefit from further discussion in order to determine the exact circumstances under which it makes sense to have specialist PES services and/or referrals to ALMPs. One key question in this discussion is whether jobseekers who are able to help themselves should *de facto* be offered universal services (ideally via self-help/online methods), thereby freeing up resources the jobseekers who are furthest away from the labour market.

On the demand side, PES have generally had good experiences with targeting employer services on the basis of segmentation. They have also effectively used specialised counsellors and/or for 'priority' employers, particularly large, national firms. However, more knowledge is needed on effective ways to engage and collaborate with employers, including the development of approaches to best serve SMEs.

In helping PES to make strategic decisions about how to model their service delivery and where to prioritise resources, three key observations come to the fore.

- There is a need for **increased monitoring and evaluation of service delivery**, framed within the context of target-setting and performance management. Monitoring and evaluative data are essential in understanding the effectiveness and efficiency of particular PES services (and measures), including the relative merits of early intervention and personalisation.
- **A more substantial evidence base is required at the national and wider, international levels.** Various discussions in the second year have referred to a lack of research data and called for improvements in this area in order to underpin strategic decision-making in PES. The list of possible research topics include the impact of counselling, the impact of early intervention and sanctions, the effectiveness of age-specific measures, as well as the behavioural effects of different performance management regimes.
- According to the OECD, **the balance between benefit generosity and activation measures is an important influence on employment rates**; as a general principle, if activation works well, there is low unemployment, with high levels of social protection. All the inter-locking elements (benefit system, activation regulations, PES and other institutional arrangements) need to work together. Given the persistently high levels of unemployment in Europe, the 'whole system' is not operating as well as it could do. **PES managers therefore have an important role to play in supporting the overall system, and in particular, making activation measures more effective.**

*Development of strong and well informed partnerships*

The importance of developing effective partnerships and cooperation was raised in the first year of the PES to PES Dialogue, and not surprisingly, echoed again in the second. It has also been reflected in the complementary work of the [PARES](#) initiative. **Without forging and maintaining strategic links with other actors**, such as schools, education and training providers, career guidance services, private employment agencies, social partners and relevant NGOs, **PES will not be able to fulfil their role as 'transition broker', nor make use of the wider capacities in the labour market.**

**Partnership-working not only applies to the design and delivery of specific services and measures, but the wider analysis and improvement of PES practice.** Indeed, both the performance management and organisational development topics stressed the value of involving external stakeholders in the design and development of related systems - also making references to principles of governance. Moreover, during the conference, the ILO stressed the importance of dedicating **more time and resources to the design and implementation of performance management systems**, not only to provide key information, but also to offer **greater scope to share and compare information between partners in the labour market.**

### *Use of e-services*

The debate around the use of online versus face-to-face delivery has continued into the second year, building on the [analytical paper](#) on Multi-channel Management. In this digital age, it is unsurprising that PES are increasingly turning towards electronic modes of service delivery, alongside the more traditional forms of contact. This trend is not only advantageous from a **cost-efficiency point of view**, but is also driven by motives for **increasing the speed, access and integration of PES services overall**.

A key message from the discussions so far is the importance of an **integrated approach**, whereby online and self-help services are integrated with face-to-face support. Individual jobseekers therefore have seamless service access via different media channels according to their circumstances and needs, with the more independent being 'steered' towards online provision and those with multiple barriers receiving more intensive, hands-on support.

One principal consequence of the move towards online delivery is the **renegotiation of the 'psychological contract'** between employment counsellors and jobseekers. This point was raised initially in relation to individual action planning, but applies to PES work more generally. If the jobseeker is no longer required to come to the PES office and meet with the counsellor in person (or at least, not as often), they naturally have much greater responsibility and autonomy for their job search and career development. The feedback from PES is that this shift **needs to be carefully moderated to take account of clients who lack IT skills or clearly need more intensive support** to ensure that jobseekers do not feel abandoned by the PES.

In terms of employer interaction, in many countries, the **use of online channels has helped PES to segment their service offer** by limiting the time for more time-consuming, face-to-face contact with certain core clients. However, such approaches require investment in high-quality technological applications, which often need time to bed in, and as noted above, also staff equipped with the appropriate competences to effectively work with more difficult to integrate client groups.

One of the lessons highlighted by PES is the **growing prominence and importance of social media**. Facebook, Twitter, LinkedIn, to name but a few, form a part of digital developments which cannot be overlooked, particularly if PES wish to **engage with regular users such as certain businesses or young people**. In addition, if designed and managed well, social media can provide **opportunities for more innovative, bottom-up approaches**, whereby end users more directly and instantaneously feed back on - and potentially even help to develop - PES services and measures. Whilst there are a few leading PES examples (such as Belgium VDAB), social media is by no means a common and advanced practice and **could be further developed in the context of the digitalisation of PES services**.

## 6 CONCLUSIONS

The second year has seen the PES to PES Dialogue move from being a fledgling programme to an **established platform for mutual learning and exchange between European PES**. Building on themes from the first year, it has continued to **focus attention on some of the key issues and challenges for the effective modernisation of PES** in the context of Europe 2020. It has also **gained recognition amongst national, European and international stakeholders** as an important source of information on the latest findings regarding PES practice; the EU Employment Committee now sees the PES to PES Dialogue as essential in helping to identify good practice on the ground.

Looking to the future, the PES to PES Dialogue will continue to identify avenues for continued analysis, discussion and collaboration. It will go deeper into the management topics, such as performance and human resource management, and take a closer look at the situation of more vulnerable groups of jobseekers. The 2013 work programme for the PES to PES Dialogue will be agreed and adopted by the Heads of PES in December of this year.

A key outcome from the PES to PES Dialogue has been the reinforcement of collaborative opportunities. The most immediate example is the PES cooperation to launch a **pilot project on international company agreements**. Given the richness of discussions, there undoubtedly needs to be **increased synergy between the programme and the PES benchmarking group** in relation to the development of common performance indicators. The programme also needs to **maintain links with the ELGPN** when it comes to the development of a common competence framework for employment counsellors and potential overlaps with the field of lifelong/career guidance. And finally, the ESF AGE Network has highlighted the importance of **maximising opportunities via the ESF**, particularly in light of the new funding period (2014-2020).

Given the above plans, **2012/13 looks set to be another fruitful year of the PES to PES Dialogue**, for PES individually and collectively. As the new year of activities unfolds, the latest information will be available in the next newsletter and posted on the PES to PES Dialogue [website](#).