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Acronyms

AA – Advanced analytics

AI – Artificial intelligence

BL – Bench learning

HR – Human resources

KPI – Key performance indicator

LTU – Long-term unemployed

PES – Public Employment Service(s)

PP – Percentage points

QM – Quality Management

TRW – Thematic Review Seminar

WG – Working Group

WP – Work Programme

Foreword

2022 has been a year characterized by tragedy and adversity/setbacks, but also by solidarity and the strength of working together. The war in Ukraine has cast dark shadows over Europe, and millions of Ukrainian citizens have been forced to leave their country. In the first phase, secure protection, housing, childcare have been a priority. Gradually, access to the labour market has become an increasingly important element. PES is among the key actors to support this process, and are playing a central role in helping refugees and displaced people integrate into the labour market.

Many PES have experience from the previous refugee crisis and most PES were quick to establish routines and measures to support the new job-seekers from Ukraine. To meet the need to rapidly share experience and learnings, and to support each other, the PES Network Board met online in the spring to discuss needs and appropriate ways of working together to meet the new challenges. The discussion on the subject continued on the 23 and 24 June, when the 17th PES Network Board meeting took place under the host of the French Presidency in Lille. After two years of online meetings, the PES Network Board reunited for the first time after the outbreak of the pandemic for very fruitful in-person discussions. Concerns regarding support to displaced people from Ukraine were particularly that numbers of those registered with PES still remained low and that outreach and the importance of recognition of skills and language training. The Network also identified the need to add new activities to the Work Programme. For example, PES Staff Exchange and a Working Group on how to integrate refugees and displaced people.

In line with the needs to reduce carbon emissions, the Network emphasize combinations of online and hybrid formats, and to our delight as in person events. We entered 2022 with a demanding year behind us. The European economy was still affected by the measures introduced as a Covid-19 response, which was reflected in the PES Network Work Programme. At the same time, the demand for labour and companies having difficulties in finding workforce with the right skills, was also reflected. During the year, the PES Network have shown flexibility and successfully carried out the planned Work Programme activities as well as responded to the need for additional activities.

Looking ahead, PES and the labour market in the European Union are facing major challenges. Unemployment is still at a record low, at the same time as job vacancies are at a record high and companies are having difficulties in finding workforce with the right skills. At the same time, the European Economy is facing a risk of recession, and vulnerable groups have still difficulties entering the labour market. For PES, this means that we once again are key players in facing the challenges. The support and sharing of experiences in the Network will be more important than ever. As Chair of our Network, I would like to thank all my colleagues for their commitments during the year. I am very proud of all the solidarity and competence, and look forward to another year of co-operation.

JOHANNES KOPF

*Chair of the European Network of Public
Employment Service
Managing Director of AMS, the Austrian
Public Employment Service*

1. Introduction

The PES Network in 2022

The 2022 Work Programme of the PES Network was designed to be implemented in a challenging context, whereby pre-existing labour market trends have been hastened by the COVID crisis. The actual context proved to be even more demanding. While unemployment remained at record low levels, labour shortages grew across many sectors. PES were furthermore called upon when millions of Ukrainians fled their country, and so far more than 4 million registrations for temporary protection¹ have been recorded in the EU. In the wake of a potential recession, PES' expectations for short term developments in employment and unemployment levels (as measured by the European Labour Market Barometer) have fallen consistently since May, to reach levels comparable to the height of the COVID 19 crisis².

1 Migration management: Welcoming refugees from Ukraine (europa.eu)

2 <https://iab.de/en/daten/european-labour-market-barometer/>. A monthly indicator reflects the expected short-term development of unemployment and employment in the European labour market.

Overall, the Network was able to implement more than 20 activities in 2022, including some in addition to those planned, to support PES in helping displaced people from Ukraine.

In 2022, two Board meetings were held: the 17th PES Board in person in Lille (France) on 23-24 June and the 18th PES Board Online (Czech Republic) on 15-16 December. Furthermore, three AFEPA meetings were held on 7 March (online) 13 May and on 13-14 October in Brussels (hybrid). The Network's Chair participated in two EMCO meetings, discussing Active Labour Market Policies and Long-Term Unemployment during multilateral and thematic reviews in March and November respectively.

Box 1. The European Network of Public Employment Services

The European Network of Public Employment Services (PES Network) was established in May 2014 to enhance the co-operation between PES in Europe and extended in 2020 following a Decision of the European Parliament and Council. Its members are the Public Employment Services of all 27 EU Member States as well as Norway, Iceland and Liechtenstein and the European Commission. The Network is governed by a Board where each country and the Commission are represented. The Board meets twice a year to conduct strategic discussions and take decisions on the activities of the Network. It also works in close co-operation with the Employment Committee (EMCO). Advisors for European PES affairs (AFEPAs) are supporting and preparing the Board in the decision-making process. A Secretariat, provided by and based within the European Commission, assists the Board. In co-operation with the Chair and Vice-Chairs, it prepares the Board meetings and support the implementation of the Annual Work Programme.

1.2 Snapshot of the Work Programme 2022's implementation

The Work Programme was organised along four main thematic clusters:

- **Recovery and structural changes** - focused in particular on 'twin' green and digital transition, skills and labour shortages, more frequent transitions.
- **PES Service Delivery** - facilitating and encouraging continuous improvement and modernisation of PES' service delivery, one of the core tasks of the Network.
- **PES Performance Management** - including quality management, knowledge management and human resource development, as well as digitalisation.

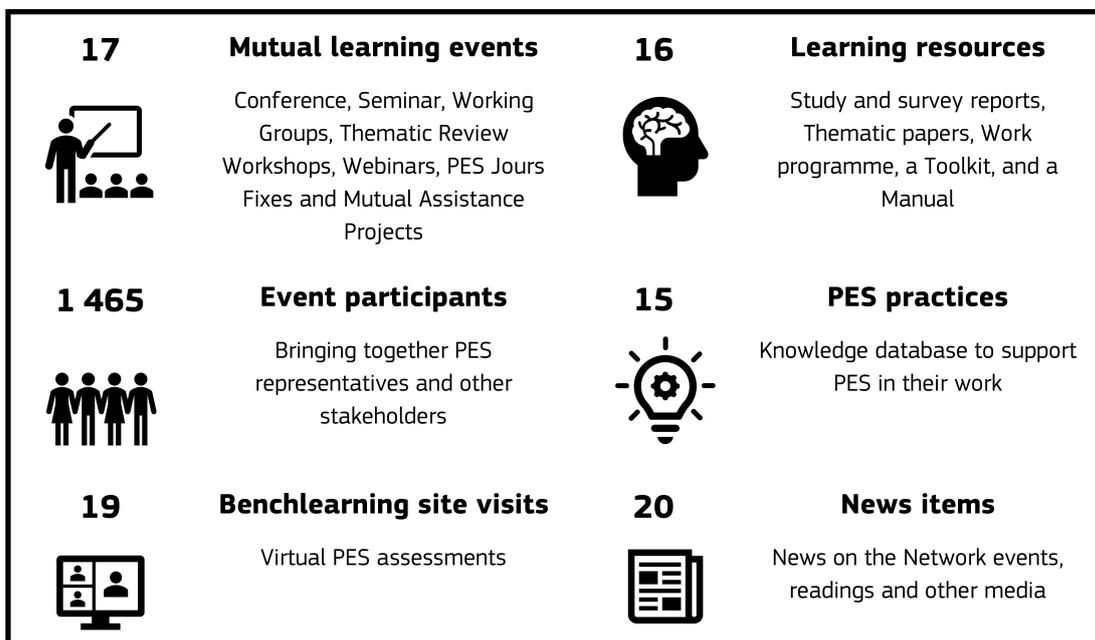
- **PES visibility and partnerships** - enhancing the outreach of the Network and co-operation with partners in the labour and social field.

The Work Programme was implemented with actions in the areas of benchmarking, mutual learning, and information and dissemination.

Benchmarking remains the core activity of the PES Network. Qualitative benchmarking was carried out through online site visits by peers from other PES. In total, 16 PES were assessed in the framework of the 3rd cycle of bench learning in 2022: Denmark, Estonia, Cyprus, Ireland, Slovakia, Romania, Sweden, Iceland, Finland, Spain, Belgium-Actiris, Luxembourg, Norway, Slovenia, Belgium-Le Forem and Poland.

In 2022, 20 mutual learning events were carried out, bringing together close to 1 500 participants.

Figure 1. Overview of the PES Network's activities – 2022



2. Key results from thematic priorities

In 2022, PES continued to adjust strategies to deal with rapidly changing labour markets and upcoming challenges. The Network supported them by facilitating learning from the experience gained under the pandemic and sharing their experience with new responses.

This section summarises the experience gained in this respect in 2022 for each of the four strands of the Work Programme.

PES in 2022: key trends¹

In 2022 PES operated in an environment of mounting labour shortages while long-term unemployment kept rising. In most PES the number of unemployed jobseekers had been decreasing between 2020 and 2021. The opposite occurred with vacancies. Young unemployed were profiting from the recovery, but LTU numbers rose again.

PES expenditure (not counting benefits and pro forma expenses) increased between 2020 and 2021 for most of the PES for which this information is available. Expenditure on benefits typically shrank, while expenditure on staff training rose again. However, the development of human resources did not match these financial developments. More than half of the PES saw their staff numbers decrease between April 2021 and April 2022 and over 60% of PES reported higher turnover rates.

Further advancements were made by PES in developing partnerships with other actors in their ecosystem. Almost all PES co-operate with municipalities in one form or another, especially if dealing with vulnerable, hard-to-place groups. Three-quarters of the PES also employ outsourcing to make use of the specific expertise of other organisations, typically in the private sector and including non-profit businesses and NGOs.

The pandemic reinforced the relationship between

PES and employers. By 2022 about half of the PES involved employers in the development of recovery plans, especially when these concerned specific sectors or the placement of (specific groups of) jobseekers.

PES strategies for 2022 incorporated efficiency as well as quality objectives. Besides external objectives for clients and the labour market, 18 PES included internal objectives and targets in their strategies for 2022. These mostly relate to the quality of their services and the efficiency of work processes, with digitalisation as a related objective.

In 2022 PES across Europe continued the development and introduction of digital services, even if the situation made returning to face-to-face contact possible. Digital service delivery is becoming a permanent feature in PES.

2.1 Recovery and structural changes

A changing environment leading to new support measures

The measures introduced by Member States to mitigate the negative impact of COVID-19 on employment have eased capacity pressures on PES in maintaining labour market attachment, as Europe emerged from the crisis. Nevertheless, the longer-term challenges from structural labour market changes remain. Pressures from imbalances persist, with recruitment difficulties in bottleneck occupations and vulnerable clients struggling to find work.

PES overall have a broad set of ALMPs at their disposal to meet these challenges. PES have continued to scale back job retention schemes introduced during the pandemic. While fewer

¹ Report on PES Capacity 2022 (forthcoming).

interventions were introduced compared to earlier years, many amendments to existing interventions were still made, mostly aimed to make measures more accessible by widening eligibility².

New measures are mainly in the area of training. They more often encompass specific groups of workers who are at risk of becoming unemployed and are thus increasingly used in preventing unemployment and skills shortages. Offering training measures for bottleneck occupations can also be discerned as a rather new trend. Content-wise, PES try to ensure the training offer addresses digital skills at different proficiency levels demanded in the labour market and to close digital skills gaps in the workforce.

However, many PES have not yet made substantial progress in the area of greening, although PES started to offer training for specific and in-demand green skills. Also, only a few new programmes have aimed at increasing the labour supply of women and reducing occupational gender segregation. This is an important observation in light of the labour and skills shortages that became apparent in 2022.

Skills intelligence an area of growing importance for PES

The role of PES regarding skills intelligence has evolved greatly and they now have a key role in identifying present and future skills needs, preparing for the impact of the twin green and digital transitions. Most PES (18) already analyse future

² Report on PES Capacity 2022 (forthcoming)

skills needs, providing information which is used in career guidance and upskilling and reskilling programmes³. Some state-of-the-art methodologies are used by PES to assess current and forecast future skills, which other PES can take inspiration and learn from.

PES still perform skills-intelligence analyses mostly in-house, but they co-operate as well with government agencies and ministries of education and labour for information and with other stakeholders such as research institutes (for methodological development and quality assurance).

As a result, PES now provide important input for anticipating recruitment difficulties, guiding job-seekers towards training courses and informing them about developments in the labour market. This befits the role PES are playing increasingly as career guidance advisors and brokers, and key providers of training.

Dealing with labour and skills shortages

In 2022 many PES took action to address shortages, including filling vacancies and encouraging applications in essential sectors⁴. Across the EU, innovative approaches were designed and tested to deal with challenges, ranging from poor working conditions to image problems of specific sectors and a lack of (digital) skills amongst job seeking clients.

³ Thematic paper available at: <https://ec.europa.eu/social/BlobServlet?docId=25743&langId=en>.

⁴ PES Network Stakeholder conference 2022, Jointly addressing labour and skills shortages, preparing for Europe's Future Labour Market, Conference paper, June 2022

Box 2. Success factors skills-intelligence systems' effectiveness

Organisational aspects play an important role in the successful delivery of skills intelligence. In order to set up and successfully operate the skills-intelligence system, PES must ensure:

- human resources capacity, by providing qualified, motivated, trained and stable core staff, with adequate technical, analytical and communication skills;
- sustainable funding sources, not only covering initial investment, but ensuring proper daily operations and development of the system;
- dedicated (top) management support ensuring enough time and support for innovation and development of the new system;
- strategic focus, by involving key staff and carefully plan how the results will be used to inform evidence-based policy;
- constant development, improvement and monitoring – ensuring a permanent controlling process.

Source: PES Network Seminar on 'Future skills, career guidance and lifelong learning', held online on 9 February 2022, Thematic report.

The PES Network Stakeholder Conference on 'Jointly addressing labour and skills shortages' highlighted that new approaches included human resources advisory services to companies, intensification of the recognition of prior learning, job rotation schemes to speed up work experience, and even partaking in campaigns to tackle stereotypes in specific sectors.

Sectoral pathways and partnerships between PES and sectors increased, notably with those sectors that experienced high levels of labour or skills shortages. Local partnerships remained important for the delivery of basic employability services, especially for persons that have severe and/or multiple employment barriers, thus contributing to addressing shortages.

PES also sought ways to respond through the use of digital technologies and artificial intelligence to increase the transparency of job offers and to improve matching efficiency. Finally, PES maintained their position as the central labour market service provider within a wider ecosystem for service delivery.

PES support to Ukrainians forced to flee their country

In 2022 after Russia's war of aggression on Ukraine, PES have responded rapidly to the influx of displaced people and the implementation of the Temporary Protection Directive. Many PES have offered a simplified registration/pre-screening for displaced people from Ukraine. Others have used dedicated counsellors or teams of counsellors, speaking Ukrainian or with access to interpreters. Most PES cooperated and coordinated actions with other relevant actors, such as government, municipalities and NGOs. A few PES co-operated with education authorities on recognition of skills and diplomas. Some PES started forms of outreach activities as mobile teams or representatives meeting people in arrival centres etc.

Most PES have offered website information in multiple languages. At the same time materials and measures were prepared and translated for Ukrainian (and sometimes Russian) speakers. In some countries, there were job offers specifically aimed at people displaced from Ukraine, or job offers translated to Ukrainian.

Box 3. PES Network actions on Ukraine

To facilitate sharing of information and experience, the PES Network Secretariat launched in March 2022 a questionnaire and a new SharePoint WikiPES to collect information and experiences from PES, regularly updated since.

In May 2022 an extra meeting of the Network's Board took place. In October the Network facilitated an exchange of experience between a small number of PES on the support to be provided to displaced people from Ukraine. A new working group started its examination of the work of PES in the integration of displaced people and refugees in November.

Related Network activities

The Network published a study on Service delivery by PES in the wake of the COVID-19 crisis and a thematic report on PES support to recovery accompanying a Thematic Review Workshop on the subject held in November 2021.

The annual PES Network seminar brought together representatives of 27 PES to discuss skills intelligence and the role of PES in producing and using it. The PES Network Stakeholder Conference on 'Jointly addressing labour and skills shortages' brought together around 400 participants from over 30 countries.

A new study was launched on new forms of active labour market policies, focused on recent trends in the development of new ALMPs in the PES (to be published in 2023).

2.2 PES service delivery

Prioritising the human dimension

PES' relationships with clients is changing. In 2022, PES further used the experience gained during the pandemic to make significant strides forward to use other, often digital, communication modes and channels. At the same time, many PES explored new ways to prioritise the human dimension in the design and delivery of services, focusing on clients' needs and personalised

services. Innovation, can be a new and better way of working and meeting people's needs⁵.

Technological change is reshaping not just the types of jobs available, but also employers' recruitment methods and jobseekers' search methods. PES are therefore increasingly digitalising their service offering and making efforts to ensure inclusive service delivery for clients. One of the challenges for PES is to be aware of the need for face-to-face counselling, in particular for vulnerable groups and persons with weak or no digital skills, for certain transactions and to assist some clients for whom face-to-face contact is essential. Another challenge concerns understanding how staff expertise and artificial intelligence can be best combined.

Making services inclusive

Labour shortages during 2022 added a new dimension to the rationale to include people with a great distance to the labour market. Many PES responded to this by clearly defining the role of career counselling within their service portfolio and widening their client base among target groups. A key development in this respect in 2022 though, was making their services more inclusive.

Most PES play an important role in supporting the job search and protecting jobseekers' rights against labour market discrimination. Some PES

⁵ New forms of PES service delivery. Thematic paper accompanying the Thematic Review Workshop (TRW) on New Forms of Service Delivery held on 5-6 July 2022 in Athens.

Box 4. Learning from behavioural sciences

To gain a better insight into the human dimension, PES can learn from behavioural sciences. An internal meeting on the topic 'Behavioural science and capacity to act', hosted by the Dutch PES in April, highlighted that PES may face issues of low acceptance and lack of compliance by clients with labour legislation and employment services, due to the complexity of the behaviours, decisions, or information involved.

Behavioural sciences can help create PES products and services so that clients better adhere to guidelines or comply with employability measures.

How the Dutch PES makes use of behavioural sciences is also the subject of episode 14 of PESPod podcasts.

base themselves on a detailed and proactive anti-discrimination strategy, other PES mainstream support for discriminated groups into their overall approach of individualised services. In most PES, however, the measures for reducing discrimination remain dominated by demand-side policies, lacking supply-side measures and internal procedures to tackle all sources of discrimination⁶.

Secondly, PES undertake various actions to make their services more inclusive, with particular attention for the long-term unemployed and persons with disabilities. For instance, the long-term unemployed are increasingly benefitting from additional support before, during and/or after the training programmes provided by PES and their partners (such as mentoring, coaching, socio-pedagogical/professional or social guidance, childcare services, financial support or participation in other active employment measures)⁷.

Several PES have developed specific strategies for persons with disabilities, which can be part of a wider inclusion strategy or target persons with

disabilities specifically⁸.

PES have put in place a variety of measures to support people with disabilities. Internal measures now include staff training, making job alerts accessible, introducing guaranteed interviews for persons with disabilities and hire people that can be role models within their team. Examples of services and ALMPs for this group include case management and video-counselling, job carving, workplace adaptations such as the provision of work aids, assistants and workplace adjustments and tailored training and mentoring schemes⁹. When implementing the strategy, PES typically seek co-operation with other organisations, notably NGOs already working with this target group and organisations in the health and training sectors¹⁰.

Related Network activities

The Network published a study on 'Mapping PES responses against labour market discrimination'.

8 https://ec.europa.eu/eurostat/databrowser/view/tepsr_sp200/default/table?lang=en

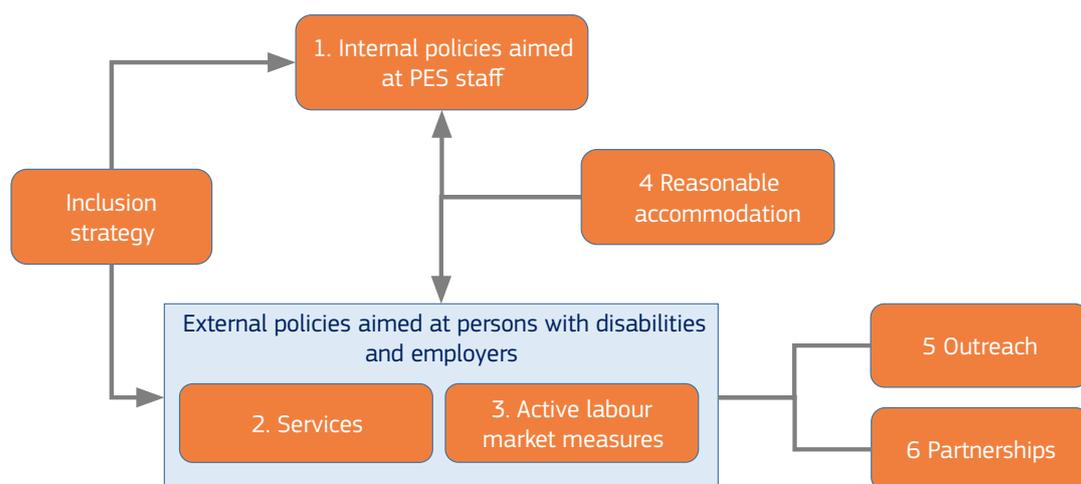
9 Practitioner toolkit on strengthening PES to improve the labour market outcomes of persons with disabilities, July 2022.

10 PES Network Stakeholder conference 2022, Jointly addressing labour and skills shortages, preparing for Europe's Future Labour Market, 7-8 April 2022, Conference paper, June 2022.

6 European Commission (2022), Mapping PES responses against labour market discrimination.

7 Network study on 'Labour market training for long-term unemployed'

Figure 2. Areas of action for PES to support persons with disabilities



Source: Practitioner toolkit on strengthening PES to improve the labour market outcomes of persons with disabilities.

In 2022, a toolkit was published on strengthening PES to improve the labour market outcomes for persons with disabilities, as a deliverable of the European Commission's new Disability Employment Package. It was disseminated during a webinar held in October.

New forms of PES service delivery were the subject of a thematic review held in Athens in July.

Two podcast episodes were devoted to service delivery. The first featured the Dutch PES and discussed the role behavioural sciences can play for PES (Episode 13). The next episode was on inclusion and featured Actiris, the Belgian PES responsible for the Brussels region.

Three internal Network meetings were organised on 'Behavioural science and capacity to act' (hosted by the Dutch PES in April), 'Broadening the range and further professionalisation of client-oriented counselling' in March and on the management of innovation in PES in May (hosted by the German PES).

crisis introduced digital channels and e-services across the board. In 2022, PES work processes capitalised on the digital opportunities and the initiatives they had developed. PES use digitalisation to contribute to process efficiency and effectiveness, free-up human resources, and generate new ways of reaching organisational goals. Digitalisation has also proven to be a precondition to successfully collaborate with clients, key partners and stakeholders.

By now, to a greater or lesser extent, all PES have digital tools in place such as online registration via applications, interfaces or platforms, phone support for customers who could not use online channels, distant counselling services via MS Teams or Skype, and online training.

The discussions held in the PES Network, in particular within the context of the Working Group on PES Digitalisation highlighted the importance of a sound digitalisation strategy.

PES must determine how the strategy impacts on their processes and how they will help clients to use it. The change management process is also key to success because culture and "readiness" can be either a supporting factor or a significant blockage to people accepting and using the solution being delivered. Related to this, communication should be tailored and effective. And it is important for governance to be managed in an integrated way – inside and outside of the PES – and not confined to one department or organisation.

2.3 PES performance management

Digitalisation - the next steps

In previous years, digitalisation took flight in PES and was accelerated by the pandemic. The

Box 6. The Network in action - Work Technology in the Bulgarian PES

In order to support the process of digitalisation of services and their delivery, the Bulgarian PES undertook an extensive review of their work processes.

The new digitalisation initiative supports or facilitates the electronic communication with job seekers, the provision of specialised consulting services for job seekers and employers, individual employment mediation for job seekers, the provision of specialised labour mediation for employers and the creation of teams to work with employers and the one-to-one approach when working with employers.

In order to support the initiative, the Bulgarian PES was able to build on input from the PES Network. The Network's peer assessment carried out during the 3rd Bench learning cycle, and especially the recommendations made at the end of the assessment visit provided important input. In the words of the PES: 'The discussions at meetings, drawing our attention to practices that we could learn from and the peer recommendations at the end of site visits each time make us ask ourselves the question 'what could we change?'. The MAP and other Network activities helped us focus on specific elements for improvement as well as providing concrete suggestions for implementing changes.'

A comprehensive Digital Action Plan will be implemented from the beginning of 2023, boosting communication with clients as well as internal efficiency.

Quality management - an integral approach

Like other organisations in the past, PES have evolved from quality assurance to quality management, and from measuring customer satisfaction to an emphasis on excellence. The focus on quality and Quality Management (QM) has widened in recent decades. While originally emphasising the measurement of customer satisfaction, quality management now covers all processes within the organisation and is used to build sustainable relationships with all key stakeholders, not only with customers.

One important step for PES was a move from product quality to process quality, which led to the inclusion of the whole organisation in QM. PES are nowadays confronted with different QM models and the need to choose the appropriate one.

Staff management- facilitate adjustments to change

By 2022, staff management practices in PES had significantly changed. Some of the newly introduced measures after the COVID-19 pandemic have been retained as permanent measures. These include online onboarding of new employees (introduction and adaptation of newcomers, including initial training), regular online team meetings (weekly, daily), new leadership

approaches/programmes, and health-related measures (related both to physical and mental health).

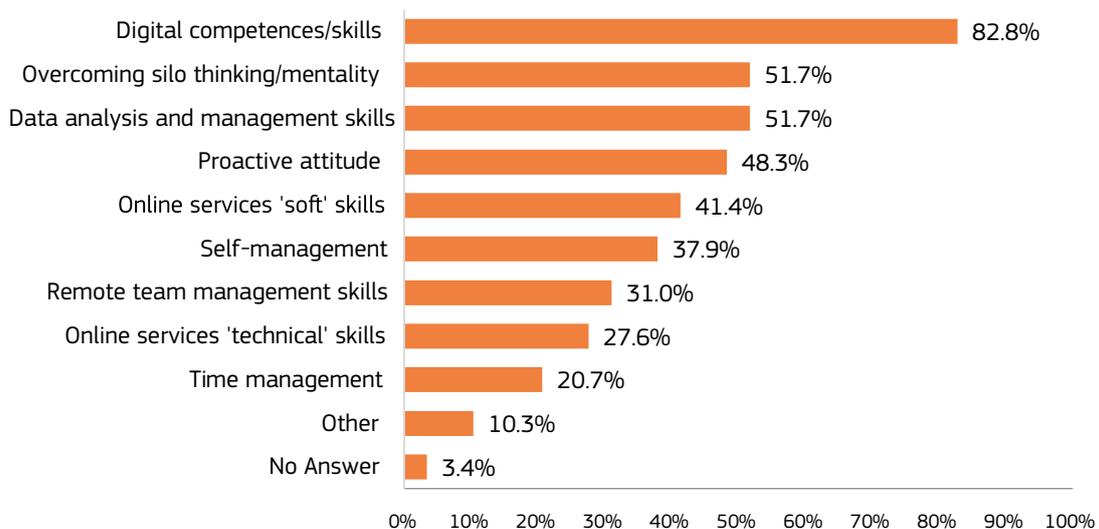
The vast majority of PES introduced new communication tools/channels (e.g. new platforms, internal communication tools, etc.) supported by specific training. Performance management practices were altered accordingly, towards a more intensive use of digital and online support tools and revision of workloads and targets.

One of the most significant developments is the introduction or upscaling of remote and hybrid work in PES. PES faced a shift amongst their own staff in terms of working preferences towards hybrid/remote after COVID-19.

As with other organisations, PES encountered recruitment difficulties, especially in IT-related areas. More than half of the PES saw their staff numbers decrease between April 2021 and April 2022 and over 60% of PES reported higher turnover rates. They addressed this issue through additional efforts to increase the attractiveness of PES as an employer, using brand/image strengthening actions, but also changing employment conditions to be more competitive within the labour market¹¹.

¹¹ Report on PES Staff management – Challenges in the 'new normal'.

Figure 3. Key PES staff competences needed in the future due to changes in service provision and work organisation in PES



Source: Survey and report on PES Staff Management – PES Strategies and practices (forthcoming, title to be changed).

Box 7. The Network in action - Mutual assistance on HR management – Lithuania

In 2022, the Mutual Assistance Project (MAP) for the Lithuanian Public Employment Service, UZT, came to a successful conclusion. Thanks to the contributions of peer PES representatives (Austria, Belgium-Brussels) that supported throughout the MAP, UZT has managed to progress significantly its Human Resource (HR) Management reforms, integrating this process into wider organisational and cultural change.

The meetings provided inspiration, guidance and advice that fed directly into the ongoing reforms planned by the Lithuanian PES. Key aspects in the process were to align HR more directly with the vision, values and mission statement of the organisation, taking into account the perspectives of staff, clients and the wider society.

Head of PES Inga Balnanosiene highlighted the tangible progress achieved by the Lithuanian PES during the process: “We have simplified our institutional strategy; we have updated our human resource management processes.”

The Mutual Assistance Project was concluded in March 2022. It benefitted from three online workshops and intervening planning meetings covering topics such as HR management models, staff empowerment, staff development, and cultural change.

Related network activities

The Network conducted an internal study and launched a new Working Group to determine the way forward for PES and the Network's activities related to digitalisation.

The Network published a thematic paper presenting the work of a PES Working Group on Quality Management, following the last meeting of the dedicated working group.

A report on PES staff management challenges was prepared, based on the answers to a survey conducted amongst the Network PES. PES visibility and partnerships

2.4 PES visibility and partnerships

Creating a positive image for PES

Creating a positive image is an important part of a PES' external communication strategies. There are several elements that PES have been developing in this respect. These include branding to make clear what PES do and why accompanied by a strong and up-to-date visual identity. Publishing good stories and interesting research data are used to establish the PES as a source of expert information and labour market forecasting for media. This in turn can be expected to reinforce public confidence. PES have also been adapting the social media channels they use to reach specific PES target groups. Facebook is still essential but becoming less effective for reaching younger age groups. YouTube, Instagram, LinkedIn (and occasionally TikTok), etc. are all widely used. IT solutions have been implemented to ensure maximum accessibility and communication

and allow PES staff to act fast in response to client questions or complaints¹².

Supporting employers to become more attractive

With labour shortages mounting, the concept of attractiveness has also become increasingly important to employers. This applies to the level of individual companies, but also to whole sectors of activity. In response to this, the trend of widening PES advisory services to employers with advice on how to retain employees has increased in 2022. For PES, this includes challenging mind-sets towards the inclusion of vulnerable groups and the importance of proactive outreach and personal relationships, even in a digitalised world.

More generally, the pandemic reinforced the relationship between PES and employers. By 2022 about half of the PES involved employers in the development of recovery plans, especially when these concerned specific sectors or the placement of (specific groups of) jobseekers.

Related network activities

Following the final meeting of the Working Group on PES visibility and branding were published, a thematic paper on outcomes and lessons learnt from was published¹³. A new Working Group was launched in 2022 on PES Network internal communication.

A webinar on new forms of support to employers was held in June.

¹² Working Group on supporting PES visibility and branding. Outcomes and lessons learnt, April 2022.

¹³ <https://ec.europa.eu/social/BlobServlet?docId=25893&langId=en>

3. Benchmarking to support PES Modernisation

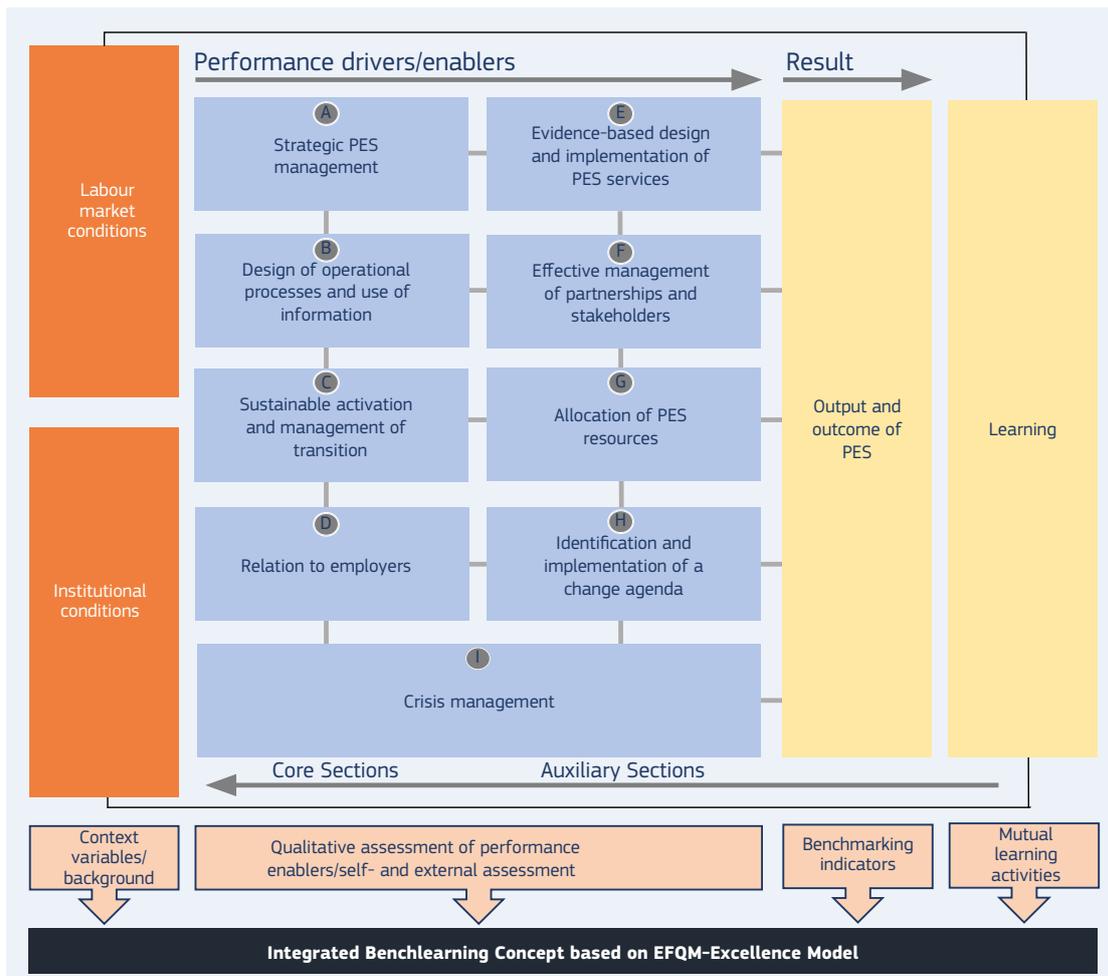
3.1 Introduction

Benchlearning is central to the PES Network’s activities: it is the process of creating a systematic link between benchmarking (both quantitative and qualitative) and mutual learning activities such as those described above. The ultimate aim is to support each PES in improving performance

through comparisons and learning from peers.

In order to achieve this, a structured analysis of PES performance and its drivers is conducted through the analysis of performance data (quantitative Benchmarking) and an on-going process of PES self-review, peer review and expert review (qualitative Benchmarking).

Figure 4. Description of the PES benchlearning model and assessment process



Quantitative benchmarking

Each year PES are asked to provide data on twenty indicators that are calculated from the PES data and other sources. The time series of these indicators and their correlation with other data are published on a dashboard and made accessible to registered users. The dashboard is the major tool used to promote transparency between all members of the PES Network.

Qualitative benchmarking

16 assessments were conducted in 2022: Denmark, Estonia, Cyprus, Ireland, Slovakia, Romania, Sweden, Iceland, Finland, Spain, Belgium-Actiris, Luxembourg, Norway, Slovenia, Belgium-Le Forem and Poland 2. The last assessment concluding the 3rd cycle will take place in January 2023 in Italy.

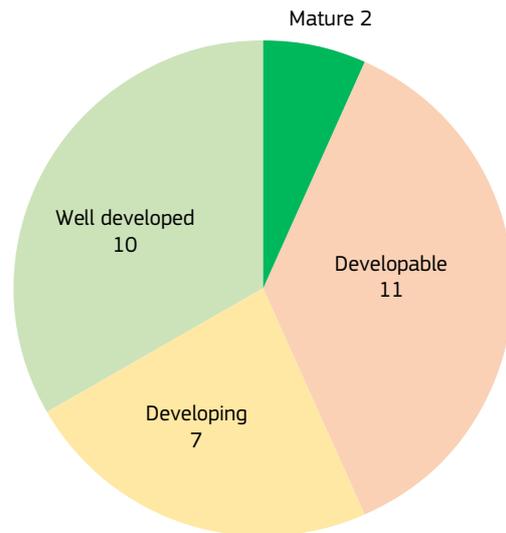
Conclusions from the 3rd Benchmarking cycle and progress achieved

Having concluded nearly all external assessment visits by the end of 2022, some conclusions can be drawn concerning common challenges of the PES and relevant progress achieved by the PES in the Network with a view to the different enabler sections.

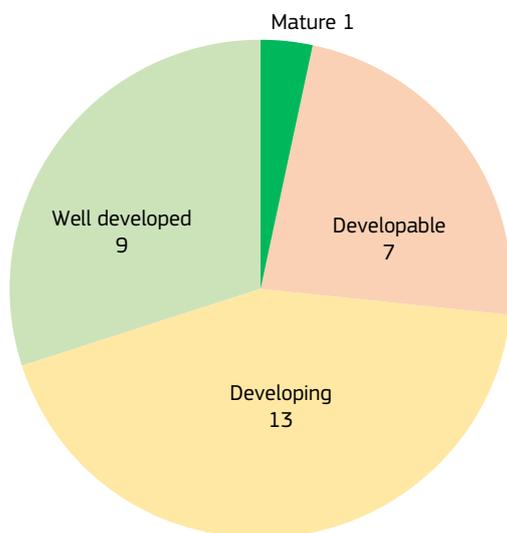
Key challenges

As far as the challenges are concerned, many PES in the Network continue to face increasing **matching problems**. While more and more employers (including the PES) are in search of skilled workforce, a growing share of jobseekers falls into vulnerable categories with low educational attainment, outdated competences and limited work experience. Strategies of the PES in the Network to tackle this issue range from intensifying the labour market integration of third-country nationals and the support to employers in the upskilling of their low-skilled workforce to intensified training, guidance and coaching for jobseekers in the PES registers. As the pie chart of maturity levels show, one-third of the PES (10) can be considered as at least well-developed.

B2: Support structure

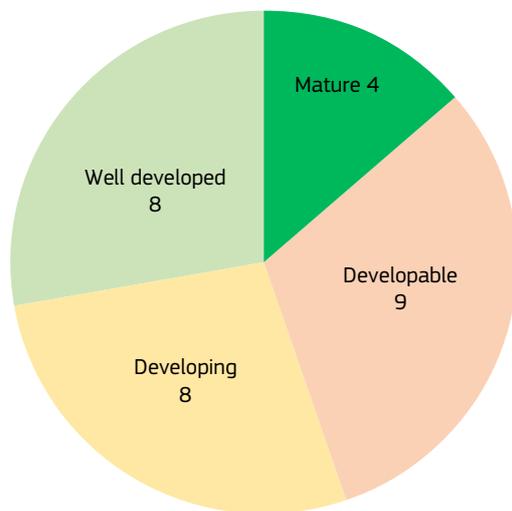


D3: Matching



Despite the negative impact the COVID-19 pandemic had on labour markets, it also led to a substantial boost in the **digitalisation** of PES services and has been widely used by the PES to modernise its processes and adapt them to new technologies and standards. The pie chart shows that 12 PES can be considered as at least well-developed in providing a support structure. However, getting everyone within the organisation on board and at the same time keeping the atmosphere of trust and confidence with PES customers and partners vis-à-vis an increased digital service delivery remains a challenge, especially for those PES which just started automation and digitalisation processes.

G1: Human Resources



A third challenge often mentioned by the PES during the site visits refers to **Human Resource management**. Some PES are confronted with a situation where a substantial share of staff are reaching retirement age, and with the existing shortage of qualified workers in the labour market, an increasing number of PES must develop

new strategies or adapt existing ones to ensure both a quantitative replacement for staff turnovers and the qualitative safeguarding of important knowledge to be kept within the PES. Here, 12 PES proved to be at least well-developed in Human Resources management (see pie chart).

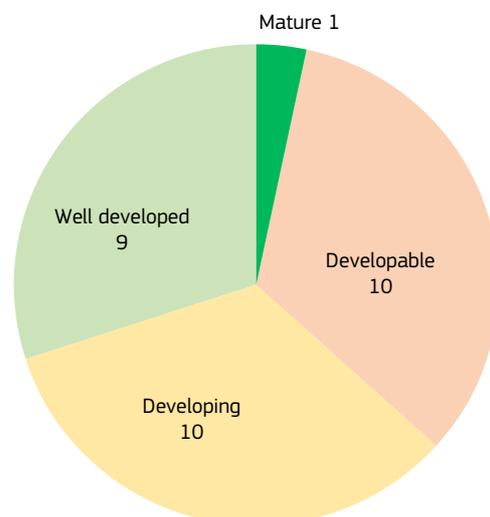
Progress achieved, remaining challenges and interesting practice examples related to specific enabler sections

As far as the different enabler sections¹⁴ are concerned, the Benchmarking visits reveal the following **progress** which has been achieved in the recent years:

Within **Strategic Performance Management** (Section A), more and more PES have started to better align their Key Performance Indicators (KPIs) with their strategic objectives, to reduce the number of KPIs, to shift their attention from output-orientation towards outcomes, giving a more active role to regional and/or local offices

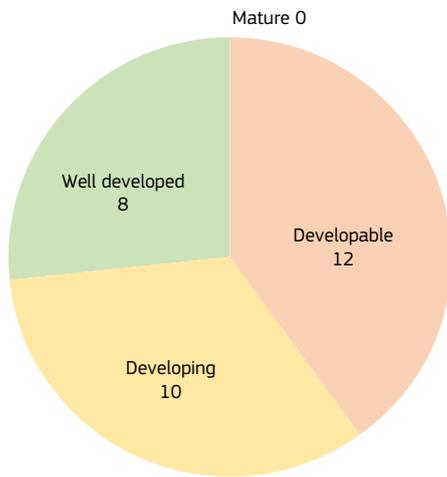
in the target planning processes and to more structured dialogues between hierarchical levels on performance during the year, aiming at improvements and sustainable progress. As the pie chart shows, 10 of 30 PES have been assessed as well-developed or better for this section.

Section A



¹⁴ In the 3rd PES Benchmarking cycle, the Excellence model of PES Benchmarking serving as a basis for the self- and external assessments is structured around the following eight enabler sections: Section A – Strategic performance management, Section B – Design of operational processes, Section C – Sustainable activation and management of transitions, Section D – Relations with employers, Section E – Evidence-based design and implementation of PES services, Section F – Management of partnerships and stakeholders, Section G – Allocation of PES resources, and Section I – Crisis Management.

Section B

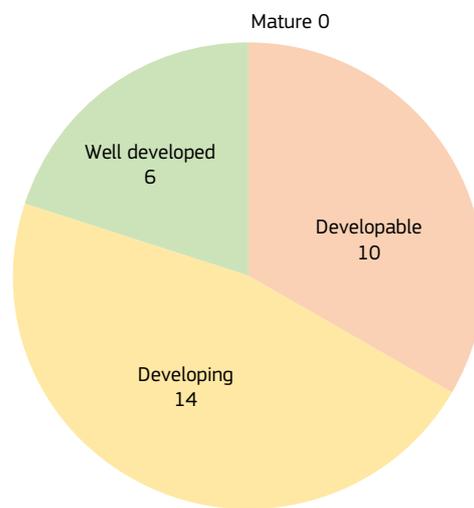


In the field of **Design of Operational Processes** (Section B) notable progress was achieved in the area of offering customers different and flexible ways of interacting and communicating with the PES (channel management). During the lockdown phases, PES showed high flexibility and quickly replaced former face-to-face contacts with phone, e-mail-driven or digital PES services. As the pie chart shows, 8 of 30 PES have been assessed as well-developed for this section.

In the area of Sustainable Activation and Management of Transitions (Section C) services which are better customised to the specific needs of vulnerable groups is a trend that was identified during the assessment visits. Since mass

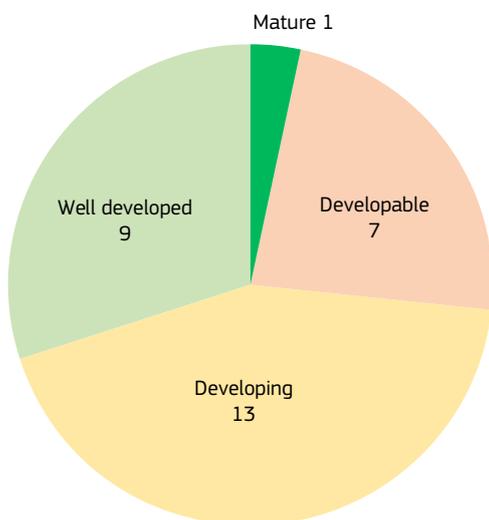
unemployment is no longer an issue in Europe, PES have begun to diversify and customise their services according to the specific needs of an increased share of customers who are hard to place within the labour market. Services and ALMPs have been differentiated according to specific needs of vulnerable groups such as long-term unemployed migrants, refugees, persons with disabilities, older unemployed, NEET and/ or early school-leavers. Offering targeted and functioning solutions is a huge step forward.

Section C



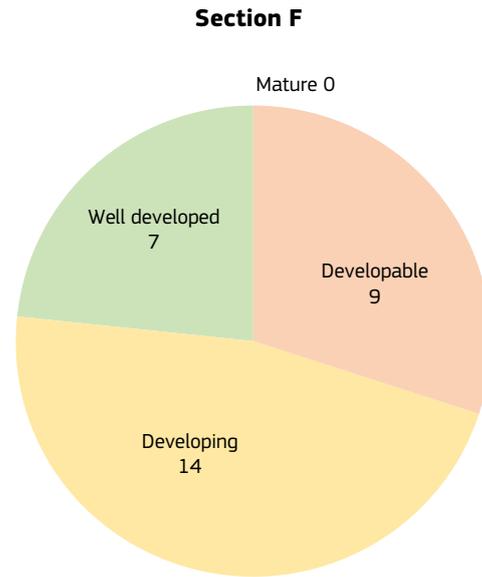
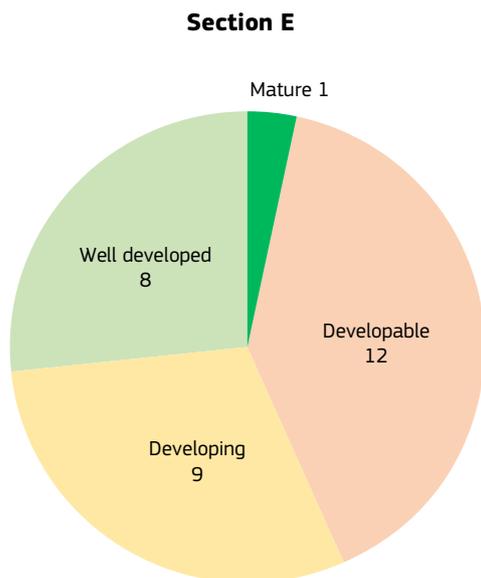
With 6 PES being considered as well-developed and none as mature, there is a lot of room for improvement for the 24 other PES (see pie chart).

Section D



As mentioned above within **Relations with Employers** (Section D) the PES have intensified their activities for reacting effectively to the increasing pressure of bringing together an increased demand for a skilled labour force with a growing share of jobseekers who are quite far away from being integrated into the labour market due to obstacles such as a lack of formal qualifications, skills and/or work experiences, insufficient language skills, health and psychological problems and/or difficulties on the private level. Therefore, in addition to the strategies of supporting customers from vulnerable groups with targeted services and ALMPs (see above), some PES have revised and successfully adjusted their matching systems achieving an improvement of quality of matching results and of the matching process as such. Here, 10 of 30 PES are considered well-developed or mature in this section.

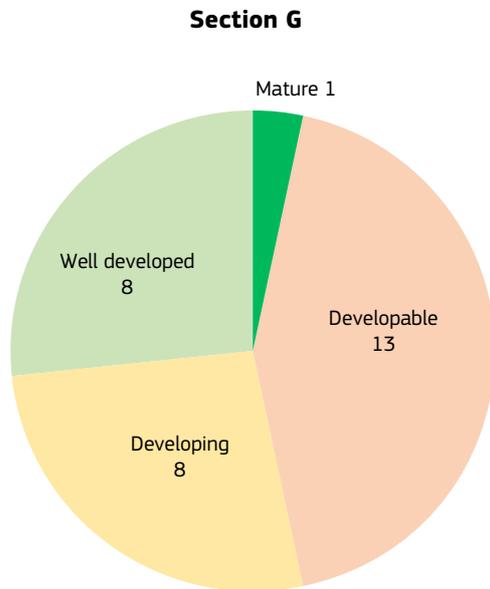
An important result within **Evidence-based Design and Implementation of Services** (Section E) was that nearly all PES in the Network make extensive use of pilot projects for testing new services and ALMPs before rolling them out. However, the degree of monitoring and evaluating pilot projects and informing the decision-making process at the strategic level varies significantly between the PES. There are nine PES considered as at least well-developed in this section as the pie chart of this section shows.



In line with the adjustments introduced in the model of the European Framework for Quality Management (EFQM) which is one of the methodological pillars of the Benchmarking approach, a strong embedding of PES in their ecosystems has been confirmed during the assessment visits as a relevant prerequisite for the achievement of strategic PES objectives. With a view to **Management of Partnerships and Stakeholders** (Section F), all PES have established functioning partnerships at the different organisational and regional levels, and usually all relevant stakeholders are addressed in these partnerships. However, what is missing in many PES is a genuine partnership strategy starting with a mapping of potential partners with reference to their contribution to the PES objectives. This is reflected in the overall maturity for Section F, where just seven PES are considered as well-developed and none as mature (see pie chart).

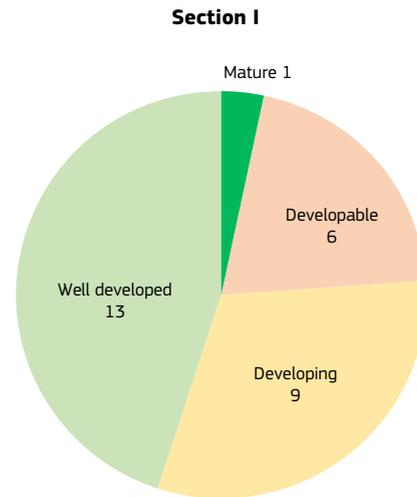
In the field of **Allocation of PES Resources** (Section G) the external assessment teams gained rich evidence of highly motivated and engaged staff in all the PES. Staff engagement and commitment remained high during the COVID-19 pandemic and can be considered a crucial pillar for all PES in successfully managing the continuity of services, the ongoing individualised customers' support and the payment of benefits when PES are responsible for disbursing benefits. What some PES lack however is a coherent HRM strategy with view to substantial turnovers taking place in the next years due to the age structure of PES staff. Securing institutional knowledge and the establishment of effective mechanisms of

knowledge transfer within the PES will therefore continue to require specific attention of the PES management. There is 9 of 30 PES considered at least well-developed in Section G (see pie chart).



As mentioned above, the strong commitment of highly motivated and competent staff was a substantial factor in many PES enabling them to react quickly to the organisational changes which took place during the COVID-19 pandemic. Within the area of **Crisis Management** (Section I), some PES management strengthened leadership and empowerment approaches to achieve a trusting working atmosphere despite the huge challenges imposed by the COVID-19 pandemic, thus making best use of staff competences and commitment. Specific crisis management strategies, risk registers, business continuity plans, etc., also seem to have helped overcome the challenges of this specific crisis better than PES which adopted more ad hoc strategies. Almost half of the assessed 29 PES in this section¹⁵ (14 PES) prove to be at least well-developed.

¹⁵ The assessment in Latvia took place before the Covid-19-pandemic fully hit Europe and the approach has been adapted including the newly integrated Section I.



Follow-up in Thematic Learning Dialogues (TLDs)

Thematic Learning Dialogues (TLDs) began in autumn 2022. Based on the recommendations PES received from the external assessment teams during the 3rd cycle of external assessments, thematic areas within the 8 sectors of performance enablers have been identified as topics to be covered. In order to achieve the ultimate objective of a TLD, addressing relevant needs and producing concrete and sustainable results by making use of the expertise of peers there will be a close follow-up and continued support for securing results in 2023.

The ultimate decision on the topics covered by the TLDs has been taken based on this evidence resulting from the recommendations given by the external assessment teams, the preferences of a PES in other-than-mentioned learning fields, their interest and possibility to participate in a TLD, the availability of mature PES willing to host a TLD and the availability of peers from mature or well-developed PES in supporting representatives from PES interested in achieving progress in the respective field.

In 2022 three TLD on channel management strategy hosted by France, systematic quality management hosted by Estonia, and on building a strategy for organisational resilience hosted by Norway have been conducted. Six TLDs have been scheduled for 2023: Employers' Strategy, Exchange among PES operating in a decentralized model on good practices and common challenges, KPIs focused on outcome, and Systematic Quality Management. Two other TLDs are planned on digital change strategy and change management strategy. There will be a follow-up of results from TLDs in the 4th PES benchmarking cycle.

4. Concluding remarks

With the support of the Network, the member PES in recent years made **clear progress in all areas of their internal organisation** that enable or contribute to a better performance for their clients. Benchlearning has been an enabler for PES to build capacity and improve their performance in key areas. PES strategies firmly accommodate the EU's ambitions to deal with recovery and structural changes, including those related to changing skills needs and digitalisation. In both areas PES are adjusting their services and service delivery to the resultant changes in the labour market, as well as adapting their internal processes.

The Network has proven its **flexibility and capacity to cope with repeated crises** when rising to the challenges posed by Russia's war against Ukraine. This will continue to be necessary, with future upsurges in the number of refugees (climate change, political developments) dealing with new barriers to labour market integration resulting from inflation and people struggling to make ends meet.

Several issues flagged up in earlier years have not lost importance. These include the development of **comprehensive or holistic approaches** and working in **partnership** with other stakeholders. They apply to areas ranging from identifying and addressing changing skills needs to servicing vulnerable groups on the labour market. Related to this is the supply perspective and a call for **supply side measures** appeared in various exchanges organised by the Network this year.

A recurring theme this year is **inclusiveness**. This firstly refers to identifying groups that are likely to miss out on the economic recovery and tailor services and their delivery to them, including the use of digital channels. The call for inclusiveness also entails an appeal to PES to **involve customers in designing** services and processes. PES are likely to develop better services for people with

disabilities or people facing discrimination on the labour market if these target groups are involved in their design.

Inclusiveness can also be extended to include the increasing attention to the importance of making use of **PES staff 'on the ground'** as they know their clients and see the actual functioning and impact of what the PES are offering. It makes sense to involve them at the design stage and gather their feedback once policies are operational.

Finally, new forms of work and rapidly changing skills needs also call upon PES to expand the provision of services to 'non-traditional PES clients', including **employed workers**.

This last point draws attention to employers. For PES, these are important partners, as are sector branches, especially for collecting skills intelligence and skills policies. However, the labour shortages surfacing in 2022 also drew attention to the concept of **attractiveness and image of work**. This became increasingly important, not just at the level of individual companies, but for whole sectors of activity. More and more advisory services are not just about matching jobseekers with employers, but also about how to retain employees. This provides PES with opportunities to **expand their offer to employers** with services in the fields of branding, public relations, and Human Resources management. Obviously, PES need to select what they can and cannot realistically offer and it will in all cases mean that their counsellors will require training for this. At the same time, to support vulnerable groups, PES also need to be ready to challenge employers' mind-set towards these groups.

In all of this, PES should not forget the need to establish a clear profile, both as service provider and as employer.

Annexes

Annex 1 Work Programme

Recovery and structural changes	PES Stakeholder conference Meeting labour and skills shortages <u>Online</u> 7-8 April	Future skills, career guidance, lifelong learning Identification of skills needs <u>Seminar</u> 9 February	Greening of the labour market Identifying changes and PES needs Impact on taxonomies <u>Thematic Review Workshop</u> (Jan 2024) <u>and self-driven working group</u>	Ukraine - Supporting PES welcoming displaced people <u>Survey, Heads of PES meeting, Staff Exchange (05/10), Working Group (22/11)</u>	New ALMP interventions Mapping measures and their effectiveness <u>Study</u>	Short time work schemes Taking stock of PES experience <u>Focus group</u> (5 April)
PES service delivery	New forms of service delivery (incl. digital) Guiding PES in service delivery <u>Thematic Review Workshop</u> (5-6 July) <u>and Toolkit</u>		Behavioural science Customer service from a behavioural perspective <u>Jour Fixe</u> (20 April)	Anti-discrimination and inclusive services Mapping of PES responses <u>(Toolkit and Dissemination webinar 20 October)</u>	PES support to LTUs PES capacity survey II <u>Report</u>	
PES performance management	PES Benchlearning Performance Assessments Assess 17 PES under 3 rd cycle, focus on Check and Act and new section I <u>Site Visits</u> (until Dec.)	Thematic learning dialogues Deepening discussion on PES priority topics identified during benchlearning <u>First Workshops</u> (22-23, 29-30 Nov, 8-9 Dec)	PES 4.0 Task Force Defining common priorities and steering cooperation on PES digitalisation (incl. on data-driven services) <u>Working Group</u> (9 Nov, 7 Dec)	PES Staff management New challenges faced by PES <u>Survey</u>	Quality management Providing information on quality management <u>Working Group</u> (17 Feb, 31 March)	
PES visibility and partnerships	PES communication and visibility Improve PES reputation and visibility <u>Working Group</u> (29 March)	Internal communication Reviewing PES Network communication <u>Ad hoc Working Group</u> (13 Dec 2022)	Communication activities Reinforce the visibility of PES Network activities and expertise <u>Newsletter, webpages, videos, PESpod, PES practices</u>	New forms of support to employers Reviewing state of play of PES services to employers <u>Webinar</u> (9 June)	PES Network partnerships Cooperation with relevant labour market stakeholders	
Others	Mutual Assistance Projects Peer PES support to LV	PES current challenges Self-driven exchanges <u>Jours Fixes upon demand</u> (De 15 March, DE 24 May)	PES capacity survey and PES Network annual report <u>Mandatory publications</u> (Survey launch end April)	Research Linked to/supporting the learning activities <u>Ad hoc studies and surveys</u>	Labour Market Information <u>EU Labour Market Barometer</u>	
Meetings	PES Board FR: 23-24 June (in person) CZ: 15-16 December (online)	AFEPAs 7 March, 30 March, 13 May 13-14 October	Benchlearning Working/Steering Group 22 and 24 March 15/16 November	Benchlearning Assessors 12 (new) / 13 (all) January	Work Programme 2023 Incl. Innovation Lab review	

Annex 2

Outputs from the 2022 activities

Outputs from Mutual Learning Events

The PES Knowledge Centre presents the knowledge outputs of the PES Network in one easy-to-search database. Innovative and inspiring practices from the work of PES across Europe are regularly shared through the PES Practices Database.

Outputs from Working Groups, Thematic Review Workshops, Seminars)

- Future skills, career guidance and lifelong learning in PES
- Quality Management in PES
- Supporting PES visibility and branding
- Jointly addressing labour and skills shortages, preparing for Europe's Future Labour Market
- New forms of PES service delivery
- Staff Management – PES Strategies and practices
- Support to vulnerable groups
- PES support to recovery

Reports and toolkits

- Mapping PES responses against labour market discrimination
- Service delivery by Public Employment Services in the wake of the COVID-19 crisis
- Labour market training for long-term unemployed
- PES capacity report (forthcoming)
- Practitioner toolkit on strengthening PES to improve the labour market outcomes of persons with disabilities
- PES Network Benchlearning Manual

PES practices published in the PES Practice Repository by October 2022

- Digital performance dashboards, Belgium
- From mentoring and work experience to employment for young people, Slovakia
- Integration of vulnerable groups through

- workshops, Slovenia
- More Digital Jobs, Portugal
- Outreach and activation of NEETs by use of Mobile Teams, Romania
- Your Talent Counts, Belgium
- COVID-19 Regional labour market transition teams, Netherlands
- Piloting a new digital profiling system, Portugal
- Upgraded benefits for unemployed persons who train in labour shortage areas, Denmark
- Job-matching from day 1 (MD1), Sweden

Governance documents

- [PES Network work programme 2022](#)

Position Papers

- [Position paper - A contribution to the topic 'Greening the labour market'](#)

Information on the PES Network communication activities

News and events

The PES Network regularly publishes news items to highlight key messages from its work. Some four times a year, a round-up of the latest news and events is disseminated through the network newsletter, along with other updates on key labour market topics European level. The calendar year 2022 saw:

- 20 news items
- Event pages for 15 network events
- 3 newsletters: April, July and October

PESPod

The PES Network launched its podcast 'PESPod' as a new communications tool in 2021. This engaging output provides an opportunity not only to discuss key themes and emerging practices being developed by PES across Europe, but also to get to know some of the people within the network. In 2022, a further four episodes were published:

- Domestic abuse - how PES can save lives (Sweden)
- Benchlearning assessment - Et vive Pôle emploi (France)

- Labour shortages (Norway)
- Behavioural Science (the Netherlands)

Videos

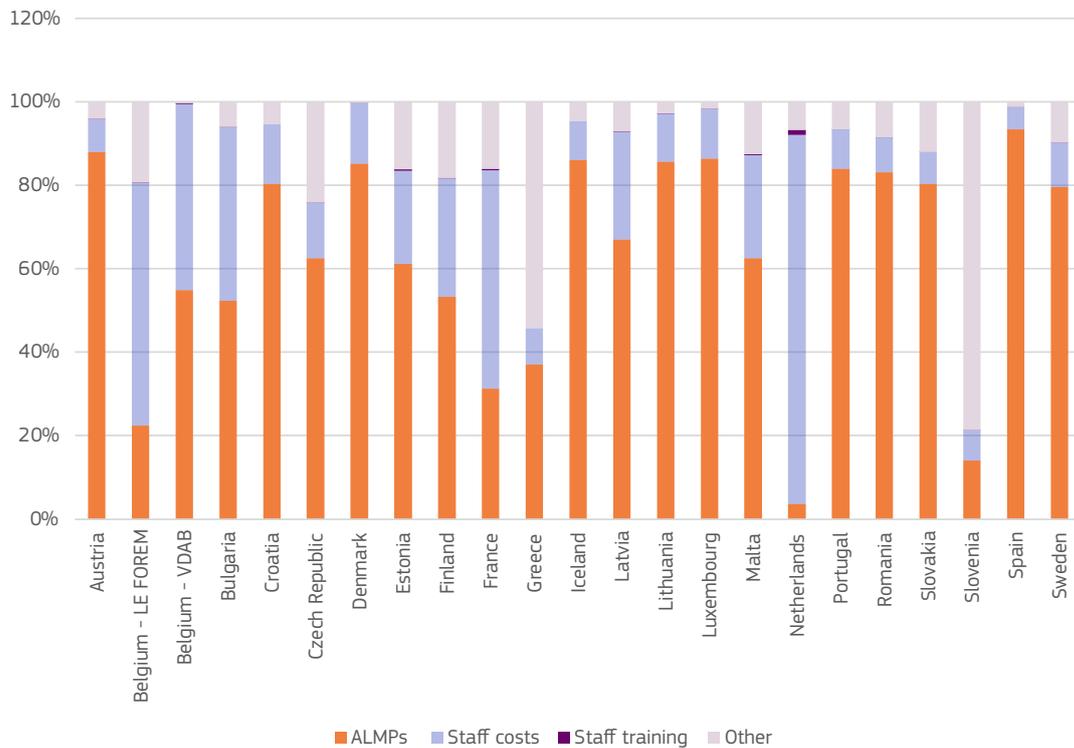
In 2022, the first video was on the topic of skills and labour shortages. This video was linked to and shown at the PES Network Annual Stakeholder Conference in April 2022. The second video presented how PES are working - often with partner organisations - to support the transition of young people into the labour market.



Annex 3

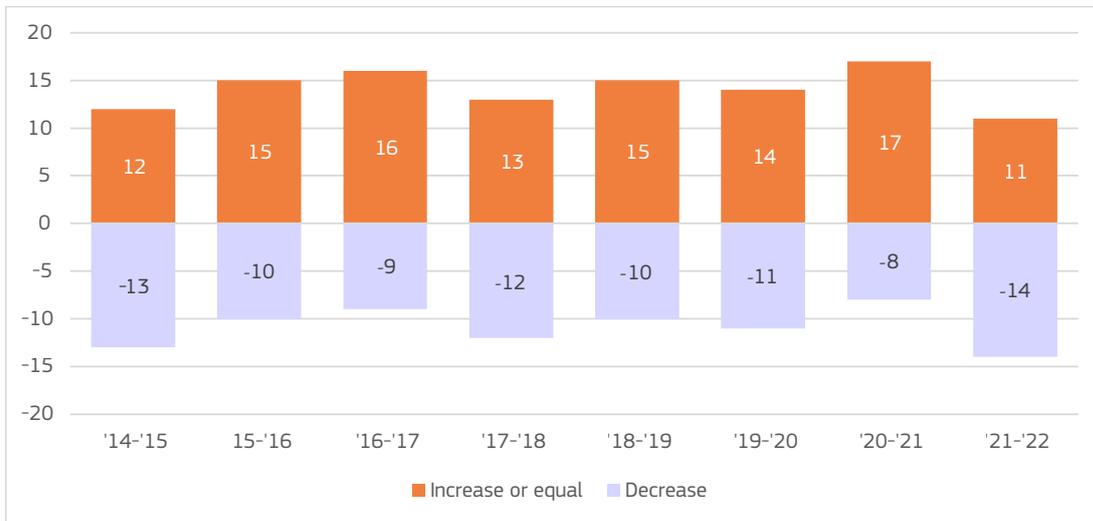
Figures from PES Capacity report

Figure 5. Expenditure by item in 2021 as a percentage of total expenditure, excluding benefit payments and pro forma budget items



Source: Annual PES Benchlearning Data Collection.
 Information for 23 PES. No information – or insufficient information – is available for BE-Actiris, CY, DE, HU, IE, IT, LT, NO and PL.

Figure 6. The number of PES experiencing an increase or a decrease in staff (in FTE) between 2014 and 2022 (30 April)

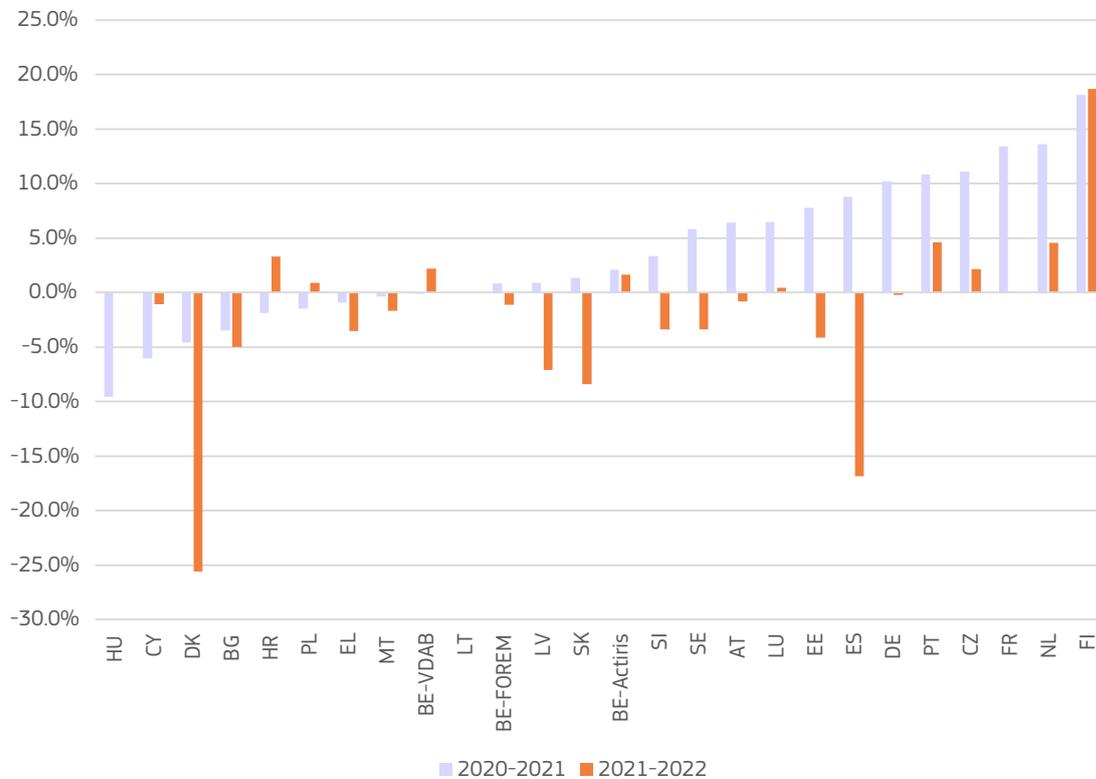


Source: responses to PES Capacity Questionnaires, 2015-2022.

Note: Based on 25 PES, no information – or insufficient information - is available for IE, IS, IT, LI, PL, RO, and NO. All data refer to 30 April or the closest date to this time where data were available.

Note: HU and LT approximate figures.

Figure 7. Annual percentage change in the number of staff between April 2020 and April 2022

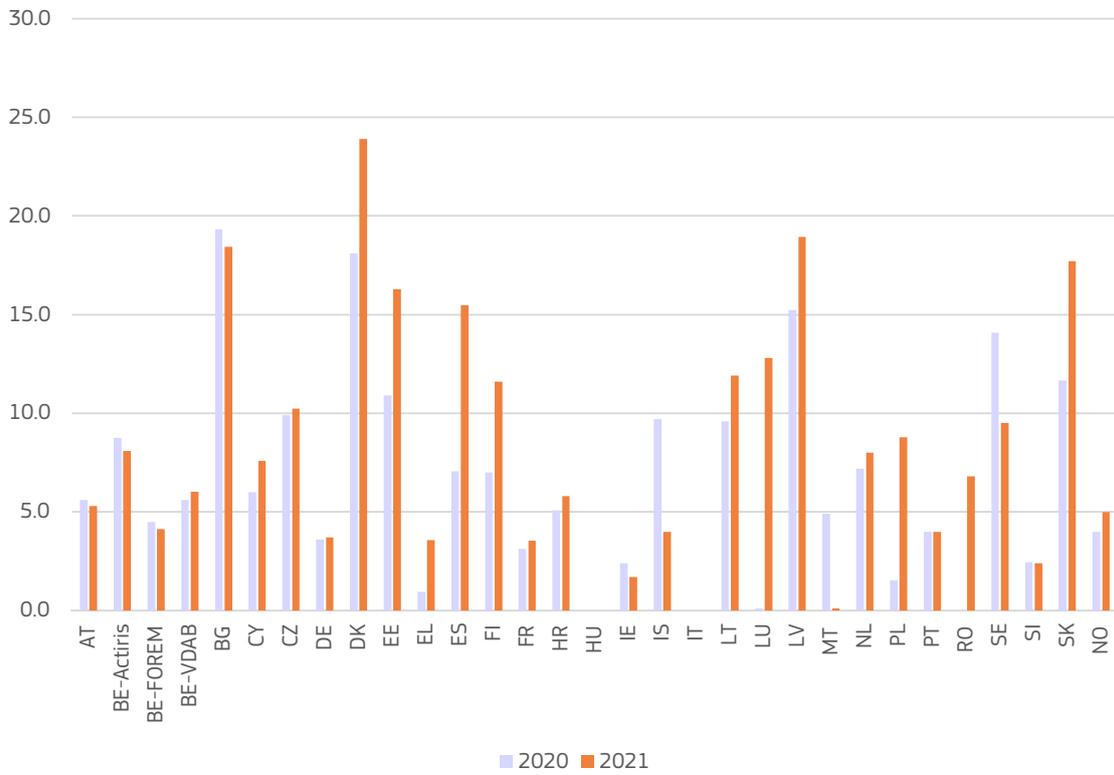


Source: responses to PES Capacity Questionnaires, 2020-2022.

Note: Information for 26 PES, no information or insufficient information is available for IE, IS, IT, LI, RO and NO. All data refer to 30 April or the closest date to this time where data were available.

Note: HU and LT approximate figures.

Figure 8. Overall staff turnover in 2020 and 2021



Source: responses to PES Capacity Questionnaires, 2021 and 2022.

Note: 28 PES. No sufficient information for HU, IT, LI and RO. Staff turnover is defined as ‘the proportion of total staff leaving the organisation over a set period of one year for whatever reason’ (including retirement, leaving voluntarily, redundancy, etc.).

