Country Report

Czech Republic

Client: European Commission

Rotterdam, London, 11 November 2011

Country Report PES PMS

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ECORYS

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Table of contents

Summary 5

1 Background information 7

2 PES performance measurement systems – Design 9

3 PES performance measurement systems - Use 13

4 EURES 15

5 Geographical labour mobility 17
5.1 Design 17
5.2 Use 18

Annex 19

Summary

ID	
Country	Czech Republic
Name PES	Czech Public Employment Service/ Ministry of Labour and Social Affairs
Name researcher	MC
Additional remarks (e.g. source gaps, problems, challenges)	Country visited.

1 Background information

General information PES		Source*
Mission & tasks & targets	The role of the Czech PES consists of: • provision of employment services to jobseekers and employers; • to find suitable employment and assist employers to find suitable employees; • to provide training services to clients seeking new jobs and to clients already having a job but requiring an improvement in their knowledge and skills.	SEOR (2003).
Organisational setup (nr. of central, regional and local offices)	The Employment Service Administration (ESA) is part of the Ministry of Labour and Social Affairs. This central office manages 77 district labour offices: 14 of these are so-called "authorized" labour offices and act as an intermediary between the Ministry and the remaining other district labour offices in their region. The 77 labour offices operate 167 detached workplaces and 8 branch offices in Prague. The network of labour offices corresponds to the structure of territorial self-administration districts. Labour offices are located in administrative centres of the districts. Directors of district offices are appointed by the Ministry and they directly report to the ESA.	Kalužná, D.," the Czech Republic" 2008.
Human resources (nr. of staff if possible fte's) Please mention the year	In June 2007 there were about 1 800 placement and counselling officers.	Kalužná, D.," the Czech Republic" 2008.
Financial resources (annual budget) Please mention the year	2010 budget (in millions of Euro): Total: 274,44 of which 31,77 is spent on operational costs and 241,67 on ALMP programme costs.	Interviews

Institutional context		Source
How closely linked is the PES to relevant governmental body? (*deconcentration*: is this a part of a ministry, is it a legal form, a separate agency?)	There exists a very close relation between the PES and the Ministry of Labour and Social Affairs as the PES is currently a department of the Ministry. There have been several debates about the development of an agency type structure and the merger of employment services and benefits administration.	DWP, International review, 2009.
How much autonomy is given to regional and local level in PES? (*decentralisation*: who designs budget, the strategy etc.)	The PES governed via state employment policy. This policy is decided upon by the Government, in cooperation with other labour market actors, mainly employers and trade unions. In delivering the employment policy at regional and local levels, the state administration co-operates with territorial self-governing units (i.e. governments which issue from elections at regional and local level), occupational organisations, associations of people with disabilities and employers' associations. Budgets for active labour market programmes are determined at central level. The Ministry has the competence to allocate budgets to individual district labour offices. Each employment office receives a budget to run its operations that is based on historical data. The local offices however, have the discretionary freedom to decide upon concrete measures and the human resources they need to implement these.	Kalužná, D.," the Czech Republic" 2008. Presentation Czech Managerial Information System and notes.
To what degree are services or tasks outsourced to voluntary or private sector? (*Privatisation*: which services are outsourced and to whom?)	It is unclear how much is spend on contracted services. The Ministry has no separate budget item for monitoring this kind of expenses. Interviewees estimated that less than 7% of the PES budget is spend on contracted services. At the moment the PES has a monopoly on the market for recruitment services in the whole of the Czech Republic. Private agencies predominantly focus on the local Prague labour market and on foreigners.	Interviews.

Country information		Source
Sending or receiving country?	Sending country.	
Background information: • % of employment; • % of unemployment; • the main challenges on the labour market.	Employment rate: 65.5% (LFS, 2010); Unemployment rate: 7.3% (LFS, 2010). Employment opportunities are mainly located in industrial production sector.	Eurostat.

2 PES performance measurement systems – Design

Purpose		Source
For which purpose was the performance measurement system established and for which level? (check for accountability; management information)	The performance measurement system only exists since 2008. Yet, the system already won a prestigious global HP Software Award of Excellence at the international conference HP Software Universe in Vienna in December 2008. The main reason for the development of the performance measurement system was the necessity to efficiently manage the PES; for example the allocation of budget and strategic goals. Before the introduction of the system, it was possible to create synoptic reports only from the individual systems and it quite often required much manual work. Moreover, for a certain part of the data it was practically impossible to create long-term time series. The new system enables the PES to answer medium-term perspective questions like: If we reduce the period of payment of unemployment benefits by one month are we going to save money in the state budget? Or does that mean that after the termination of payment of this benefit by the Employment Office another governmental agency or even several agencies will start paying a similar amount to the same person?	Interviews.

Indicators		Source
What types of indicators are used to measure performance? (in terms of: inputs, outputs, results, impacts)	The indicators used in the Czech system contain input, output, result and impact measures. Indicators are structured in relation to 'quality' on the one hand and 'workload cost' on the other. Approximately 150 indicators have been developed out of which 24 are currently used for performance measurement.	Ecorys. Presentation Czech Managerial Information System.
Which (sub-) indicators are used for each type? (if there many, please put them in an annex)	Cf. Annex.	
Do indicators presuppose causal relationships (input-output; output-results; results-impact)? How?	Indicators do not presuppose clear causal relationships. The indicators are logically ordered in the sense that they refer to the different stages of the placement process.	Interviews.

Targets		Source
Do targets exists, i.e. are indicators quantified? For who are targets set (central office, local offices, individual employees)?	The system does not comprise targets.	
Are targets SMART?	N.a.	

Tools		Source
Does the PES PMS includes a Data Warehouse (DWH) and to which other administrations is this DWH linked?	The management Information system contains three main elements: OKPráce – information system for the employment area, operated at the Employment Offices; OKDávky – information system for the national social security benefits, operated also at the Employment Offices. The system also covers payments of child benefits and contributions to housing and; OKNouze – information system designed to assist people in a difficult financial situation. The system is also used by administrators from municipalities. These three elements form the core of the system. The DWH is also connected with the information system of the Czech Social Security Administration (Česká správa sociálního zabezpečení) that contains data necessary for payment of pensions and sick leave benefits and GINIS – an economic system operated at the Employment Offices are included. The integration of all these system in one single DWH is still work in progress.	Interviews.
Is a tool (e.g. Balanced Scorecard) for presenting management information available?	The system includes a tool to present management information via tables and diagrams. This tool can also simulate the effects of changes and show these accordingly.	Interviews.

Quality assurance		Source
Is quality of client satisfaction measured? How and frequency?	Customer satisfaction (neither of job seekers nor of employers) is not measured at the national level. Limited info on customer satisfaction is collected on regional level.	Interviews.

Management and support		Source
What are the main data sources of the PMS?	The performance measurement system includes an ICT system (DWH) that contains administrative information from the PES as well as from the Czech Social Security Administration.	Interviews.
How is data collected and updated?	Local labour offices and municipality offices collect data daily (e.g. on job seekers and vacancies) and send this to the central database. From these central database the data is automatically processed and prepared for management- use. There is no need to collect special data for regions as this kind of information is automatically generated.	Interviews.
Who has access to the data generated by the PMS?	The Ministry is in charge of the performance measurement system. The ICT system distinguishes various types of users who have access to various types of data.	Interviews.

Tagging customers		Source
Are customers willing to work abroad or willing to hire foreigners especially tagged in the system?	Job seekers are asked about their willingness to work abroad during the intake interview. They are however not marked as such in the ICT system. Employers are also asked about their willingness to hire foreigners and vacancies are earmarked as such in the ICT system.	Interviews.

Tracking customers		Source
Is contact maintained with clients to ascertain the results of activity/support provided? For example, are any follow-up surveys undertaken?	No.	Interviews.

Influence PES resources on PMS		Source
In which ways and to what extent is the PES PMS influenced by the PES resources, business models and national priorities?	The speed and flexibility of the associated ICT system is influenced by the budget available for the development of the performance measurement system. It could be faster and more flexible if more money was available.	Interviews.

3 PES performance measurement systems - Use

Performance management areas		Source
Is performance measurement being use for the operational, tactical or strategic level? By whom?	It is used at operational, tactical and strategic level. Most of all, the PMS system is seen as a technical means collect and store data originating in various systems in one place to identify various trends, relations and correlations and thus serve as a tool of effective communication and management for managers.	Interviews. Presentation Czech Managerial Information System and notes.
At which level (s) of the organisation is performance management practiced?	Mainly at the level of the local employment office director, but also in the Ministry of Labour and social affairs. The director of employment office can compare the results of his/her own office with the results of neighbouring employment offices. At the Ministry of Labour and Social Affairs, a manager can see the workload of individual employees at the Employment Offices and may intervene If deemed necessary. Finally, the system is used by the directors of the PES, head of units and the deputy minister.	
In which management areas (Human resources, Financial resources, Quality management, and Strategy development) are the findings of performance measurement used?	It is used for human resources in local offices, quality management and strategy development by for example the deputy minister. On the basis of performance data, the latter may decide to concentrate policies on specific groups. At the ministry, performance data is also used to prepare contract with the PES. Finally the system is used for the dialogue with stakeholders like the social partners, when preparing legal acts or to show how money has been spending by the PES.	

PES mission and target setting		Source
Please describe the target-setting process: actors involved, frequency, etc.	The system does not (yet) contain targets. There is thus no target-setting mechanism.	

Benchmarking		Source
Are sub national PES offices benchmarked?	Local offices are benchmarked for monitoring of performance.	Interviews.

Rewards		Source
Is target-realisation rewarded? How?	The system does not contain targets.	

4 EURES

Information about EURES		Source
General information about EURES (number fte's, cooperation with PES)	EURES is fully integrated into the PES system from its beginning in 2004. 14+1 EURES Advisers are operational in 14 regions of Czech Republic. Management of EURES Czech Republic is part of Ministry of Labour and Foreign affairs (from 1st of April 2011 the EURES agenda was moved to a new Directorate General of the Labour Office of the Czech Republic). There exists very tight cooperation between EURES and other departments. EURES is now a branch of one central Labour Bureau of the government. EURES advisers are present in meetings with employers and job-seekers.	Interviews.
Most important stages and tools	Activities from the annual activity plan include: • Work on network. Cooperation of EURES workers with other PES staff and stakeholders; • Workshops with partners; • Provide information to jobseekers about networking in country of interest and about job fairs; • Direct recruitment. There are in general 15 advisers who organise events with main partners. Provision of information via the EURES portal and via direct meetings with EURES advisers on the countries they are interested in. EURES advisers also evaluate whether a job seeker is well-suited to work abroad.	Interviews.
Assessment of the tools: what works well and why and what needs some improvement.	Job fairs and other types of meetings with jobseekers, employers and other PES counsellors, because these formats enable EURES advisors (and their PES colleagues) to make clear arrangements with job seekers and employers directly.	Interviews.
Which factors facilitate or hinder cross-national placement of individuals by EURES. Describe short their impact.	Barriers include language, lack of skills recognition, being ill-prepared for interviews; Facilitating factors include direct recruitment, and student exchange programmes. In particular the latter helps overcoming language barriers.	Interviews.
Opinion on the current way/form of reporting in the EA Monthly reports? What works well what does not.	The Monthly Report needs to be simplified and all reports need to be harmonised to reduce the workload it currently demands.	Interviews.
Alternative ways for measuring the performance of EURES (describe shortly)	Direct measures that can be deployed at job fairs and face to face interviews.	Interviews.
What other data is available for	There is no other performance data on EURES available	Interviews.

Information about EURES		Source
measuring the performance of EURES (other than that included in the monthly reports)?	in the Czech Republic.	
In your opinion, what are (or could be) the best indicators for measuring the impact of EURES on geographical mobility?	This is difficult to say, because EURES mainly provides information. Placement is done rarely as matching CVs with vacancies requires too much effort for advisers, especially the number of staff is being reduced.	Interviews.

5 Geographical labour mobility

5.1 Design

Specific to geographical mobility		Source
Is the performance of geographical mobility activities other than EURES assessed?	The performance of such activities is not assessed.	Interviews.
Do indicators related to geographical mobility activity exist within the PES performance measurement system?	No such indicators are included in the system.	Interviews.
Are targets in place?	Targets do not exist either.	Interviews.
Does the PES collect any (other) data on geographical mobility activity (i.e. which is not included in the performance measurement system)?	Yes, there is data about mobility within the country. PES collects also data on migrants from outside the EU as these require working permits. There exist various types of indicators on foreign workers from outside the EU who are registered at the PES: classification of employment, sex, education, country of origin, etc. Employers are obliged to register foreign workers from EU and EEA Member States at the PES. Data includes information on the personal characteristics and profession of the employee. There is no data on outflows.	Interviews.
Does the PES also monitor geographical labour mobility on the basis of data provided by another organisation (e.g. statistical office)? Which indicators are used?	Three cross-border partnerships provide statistics and data about commuters (Germany, Poland, Slovakia).	Interviews.
Where in the PES is data collected and processed?	Data is predominantly provided by Czech employers and subsequently stored and processed in the central database.	Interviews.
How is quality of service/client satisfaction related to geographical labour mobility activities measured?	No.	Interviews.
Is contact maintained with clients to ascertain the results of services related to geographical labour mobility provided? For example, are any follow-up surveys undertaken?	No.	Interviews.

5.2 Use

Specific to geographical mobility		Source
At what organisational level (strategic, operational, etc.) and frequency is the effectiveness of services related geographical mobility monitored?	The effectiveness of such activities is not monitored.	Interviews.
Is monitoring information or data used to inform future activity/resource allocation?	No, it is mainly used for monitoring inflows of foreign workers, not of activities in the area of geographical labour mobility.	Interviews.
Are good practices identified and shared? By whom?	No.	Interviews.
Where and when is information on geographical mobility and associated activity used? Is it shared with cross-border/trans-national partners?	Information on geographical mobility of non EU people is used for monitoring to see how many foreigners work in the country, where they live, whether they have proper permits, whether they use social benefits, where they come from, etc. The information is shared on the portal and if requested by colleagues from other countries. Also it is used to control illegal employment. If the employer has foreign employees, then PES can check their papers and papers of other employees.	Interviews.

Annex

Used sources

Kalužná, D. (2008), “Main Features of the Public Employment Service in the Czech Republic”, OECD Social, Employment and Migration Working Papers, No. 74, OECD Publishing. (Kalužná, D.,” the Czech Republic” 2008.

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SEOR (2003). The role of national PESs in processing job vacancies.

Arvo Kuddo, Employment Services and Active Labour Market Programs In Eastern European and Central Asian Countries, 2009.

Presentation Czech Managerial Information System (MIS) a milestone of communication between PES central office and related organisations by Ing. Petr Hortlík, Mgr. Barbora Novotná Ministry of Labour and Social Affairs, Czech Republic and notes accompanied the presentation.

http://portal.mpsv.cz/sz/zahr_zam/zz_zamest_eu.

List of indicators

- Number of registered job seekers per one employee;
- Average monthly number of contacts with registered job applicants and job seekers per employee;
- Number of applications for job mediation and applications for job retraining per employee;
- Number of applications for unemployment benefit per employee;
- Number of executions performed within the scope of employment;
- Number of commenced retrainings including ESF per employee;
- Number of job applicants and job seekers allocated to retraining upon agreements (paid only from resources of HREOP - NIP);
- Average price of retraining a job applicant, job seeker (paid only from resources for active employment policy) - **indicator to be finalised;**
- Purposefulness of retrainings;
- Number of requests for the permission to employ a foreigner per employee;
- Number of registrations of EU citizens and foreigners for who the permission to employ a foreigner is not required;
- Number of requests and schedules to agreements to AEP tools per employee;
- Structure of the share of individual AEP tools in the volume of financial means spent including ESF;
- Comparison of costs of placement of one job applicant by means of individual AEP tools (paid only from AEP resources) - **indicator to be finalised;**
- Comparison of costs of placement of one job applicant by means of individual AEP tools (paid only from AEP resources) - **indicator to be finalised;**
- Number of requests for meeting the wage claims of employees per one employee;
- Costs of support of a natural person by means of ESF programme - **indicator to be finalised;**
- Number of requests for a state social support benefit per employee;
- Number of performed executions in SSS;
- Number of SSS benefits paid per employee;
- Structure of share of paid individual kinds of SSS benefits;
- Number of clients of LO per one employee - **indicator to be finalised;**

List of indicators
• Number of all performed executions; • Costs of influencing the unemployment rate by AEP tools; • Share in LO costs per one employee - **indicator to be finalised;** • Influence on unemployment rate by means of AEP tools; • Total share of placed job applicants; • Influence on unemployment rate by means of LO's activity; • Average length of registration of a job applicant.

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