Country Report

Luxembourg

Client: European Commission

Rotterdam, London, 13 March 2012

Country Report PES PMS

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ECORYS

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Summary

ID	
Country	Luxembourg
Name PES	Administration de l'Emploi (ADEM)
Name researcher	ELB, TV
Additional remarks (e.g. source gaps, problems, challenges)	Country visited

1 Background information

General information PES		Source*
Mission & tasks & targets	The PES provides 11 "services": • Placement; • Unemployment benefits; • Employment "maintenance" (part-time unemployment benefits, incentives for employers, geographical mobility support for jobseekers, business creation support); • Foreign workforce (work permits); • Youth employment; • Careers service ("professional orientation") (high school students etc.); • Women employment; • Disabled employment; • Part-disabled employment ("reduced ability to work"); • Labour medicine; • Participation to EURES. However, some of these services are in reality just payment of different benefits and allowances or in charge of administrative tasks. Also, the "Placement" service also encompasses the "Social" service. The main mission of the placement service is that of "compensating between the offer and demand". The main target seems to be the number of referrals (jobseekers presented to a vacancy), but the OECD report notes that there are up to 40 referrals for each recruitment through that route, while three-quarters of the jobseekers hired where hired through another channel, and therefore recommends that this target should be abandoned to placement of jobseekers rather than referrals.	Annual report 2009, 2010. See also: http://www.adem.public.lu/adem/organisation/index.html. OECD PES Audit 2007.
Organisational setup (nr. of central, regional and local offices)	Because of the financial crisis, ADEM increased its number of offices. New local offices have been introduced in Esch/Belval, Wasserbillig.	Interviews.
Human resources (nr. of staff if possible fte's) Please mention the year	2009: • 93 agents in placement and foreign workforce services, additional (?) 3.25 FTE jobs in social service; • 14 counsellors are expected to be hired in the coming 2 years.	Annual Report 2009, 2010. Interviews.
Financial resources (annual budget) Please	2010: Funding involves various sources (State budget, UI fund):	Interviews.

General information PES		Source*
mention the year	• Budget for administration: 40 mio Euro; • Budget for ALMPs: 400 mio Euro.	

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?)	The ADEM is directly dependant of the Ministry of Labour and Employment, and its staff are civil servants.	OECD, PES Audit, 2007.
How much autonomy is given to regional and local level in PES? (*decentralisation*: who designs budget, the strategy etc.)	Beside the civil servants which form the core of the service, the ADEM employs "consultants" who have expert knowledge of specific sectors and provide placement services and network with businesses.	OECD, PES Audit, 2007.
To what degree are services or tasks outsourced to voluntary or private sector? (*Privatisation*: which services are outsourced and to whom?)	Services like trainings for jobseekers are often not provided by ADEM as these belong to the competence of other government organisations. Yet, the provision of most services remain in the public sector. Privatisation is thus very limited (the Luxembourgish market for private provision of such services would be also very small). Private actors are nevertheless involved in service provision, e.g. Adecco is involved in the organisation of job fairs in Lux.	Interviews.

Country information		Source
Sending or receiving country? Please elaborate.	Luxembourg is clearly a receiving country: every day 150.000 cross-border workers enter the country.	Interviews.
Background information • % of employment; • % of unemployment; • Business circle; • the main challenges on the labour market (problems and groups); • the Main emphasis of the national employment Strategy.	• unemployment: 6.3% in December 2009, up from 5.0% in December 2008; • Seasonal variations: unemployment up in the second semester and January.	Annual Report 2009. See also rapport 2010.

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 ADEM doesn't have a performance measurement system with indicators and target-setting and a management that steers the organisation towards target realisation. The ADEM nevertheless has a 'Tableau d' board' that includes main labour market information. Research on the effectiveness of ADEM interventions is predominantly undertaken by CEPS/INSTEAD. Such evaluations are undertaken on an ad-hoc basis. For example, the Ministry of Labour requested CEPS in 2006 to evaluate the effectiveness of ALMPs. CEPS is currently evaluating the trainings for unemployed that are offered by ADEM. A performance measurement system is currently being introduced as the ADEM is on the brink of being reformed. This is considered necessary in order to bring the ADEM in line with current standards, to build a modern professional organisation, to be able to anticipate on existing challenges in a better way, and to answer questions from the EC (for example).	Interviews.

Indicators		Source
What types of indicators are used to measure performance? (in terms of: inputs, outputs, results, impacts)	The 'Tableau d' board' includes does not include performance indicators but: • Level of employment; • Level of unemployment; • Jobseekers residing in Lux; • Participants in labour market programmes.	Interviews.
Which (sub-) indicators are used for each type? (if there many, please put them in an annex)	N.a.	
Do indicators presuppose causal relationships (input-output; output-results; results-impact)? How?	N.a.	

Targets		Source
Do targets exists, i.e. are indicators quantified? For who are targets set (central office, local offices, individual employees)?	The current system doesn't include a target system. The future system will.	Interviews.
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?	Despite the lack of a performance measurement system, ADEM has access to data on employees delivered by employers from the IGSS (Social Security Inspectorate). The reformed ADEM will participate in a new labour market observatory that is expected to have a DWH. Information for this DWH will be provided and used by ADEM, but also by the IGSS, STATEC and research institutions like CEPS/Instead.	Interviews.
Is a tool (e.g. Balanced Scorecard) for presenting management information available?	Except for the 'Tableau d' board', there is no overview of management information.	Interviews.

Quality assurance		Source
Is quality of client satisfaction measured? How and frequency?	Customer satisfaction is not regularly measured. Recently, ADEM and STATEC are discussing the option of including questions about how customers think about ADEM in the LFS.	Interview.

Management and support		Source
What are the main data sources of the PMS?	Currently ADEM has administrative data from its local offices and from the IGSS at its disposal. CEPS also makes use of the individual action plans that are produced by the Jobseekers and their case-managers.	Interviews.
How is data collected and updated?	N.a.	
Who has access to the data generated by the PMS?	N.a.	

Tagging customers		Source
Are customers willing to work abroad or willing to hire foreigners especially tagged in the system?	Job seekers are being asked about their willingness to work abroad. This is rather self-evident given the small size of the country. It is also legally obliged.	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?	Employers are often contacted informally to ask how (former) job seekers are performing, after they have been placed.	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?	N.a.	

3 PES performance measurement systems - Use

Performance management areas		Source
Is performance measurement being use for the operational, tactical or strategic level? By whom?	N.a.	
At which level (s) of the organisation is performance management practiced?	N.a.	
In which management areas (Human resources, Financial resources, Quality management, and Strategy development) are the findings of performance measurement used?	N.a.	

PES mission and target setting		Source
Please describe the target-setting process: actors involved, frequency, etc.	Targets are not applied in the ADEM.	Interviews.

Benchmarking		Source
Are sub national PES offices benchmarked for functional reasons, including	The ADEM is too small to benchmark local offices.	

Rewards		Source
Is target-realisation rewarded? How?	Targets are not applied in the ADEM.	Interviews.

4 EURES

Information about EURES		Source
General information about EURES (number fte's, cooperation with PES)	1 EURES Manager, 1,8 fte EURES Assistant Manager, 1 Assistant, 6 EURES Advisors. Advisors are present in Luxembourg, Esch, Diekirch and Wiltz. The largest share of EURES activities concern EURES-T in Luxembourg. EURES Advisors are always also 'regular PES counsellors'.	Interview.
Most important stages and tools	Jobfairs (1 in Lux, organised by EURESLUX, around 10 in other countries visited by EURESLUX). Annual skills survey. Publications "Les *cahiers transfrontaliers*" which provides labour market information mainly intended for employers.	Interview.
Assessment of the tools: what works well and why and what needs some improvement.	The Lux job fairs are based on a preselection of employers. They are organised per sector. In 2010, it exclusively concerned HORECA, and in 2012 it concerns HORECA and the Tourism sector. These are the sectors with a large turnover. Also, Luxembourgish employees working in these sectors have the highest chance of also going abroad. The 2010 Job fair was organised with Pole Emploi. After every job fair a survey is undertaken of which the results are laid down in mission reports for EURES staff. The skills survey concerns a survey among employers (done in cooperation with the employer federation FEDIL) to determine which skills are in demand. Every year a different sector is in focus (Industry, Construction, ICT).	Interview.
Which factors facilitate or hinder cross-national placement of individuals by EURES. Describe short their impact.	Because of the high wage level and high living standards in Luxembourg, there seems to be almost no outflow of workers from Luxembourg. Whereas these factors attract workers, they also prevent Lux workers from leaving the country. Facilitating factors include: • Salary differences; • Living standard; • Social benefits in kind.	Interview.

Information about EURES		Source
	Factors hindering include: • Language (yet, this depends per sector and company); • Salaries & living standards; • House ownership.	
Opinion on the current way/form of reporting in the EA Monthly reports? What works well what does not.	All activities undertaken by Adem are *de facto* cross-border/ international. It is therefore very difficult to separate ADEM activities from EURES activities. In addition, all time spend completing the EURES MR forms cannot be spend on other activities: given the effort required, this is sometimes a pity.	Interviews.
alternative ways for measuring the performance of EURES (describe shortly)	N.a.	
What other data is available for measuring the performance of EURES (other than that included in the monthly reports)?	N.a.	
In your opinion, what are (or could be) the best indicators for measuring the impact of EURES on geographical mobility?	Customer satisfaction surveys among participants in job fairs.	Interviews.

5 Geographical labour mobility

5.1 Design

Specific to geographical mobility		Source
Is the performance of geographical mobility activities other than EURES assessed?	While all ADEM services are in principle cross-border, the lack of a PES PMS prevent performance monitoring.	Interviews.
Do indicators related to geographical mobility activity exist within the PES performance measurement system?	N.a.	
Are targets in place?		
Does the PES collect any (other) data on geographical mobility activity (i.e. which is not included in the performance measurement system)?	ADEM database includes data on unemployed cross-border workers who had a previous job in Lux, but who took their unemployment benefit outside Lux. From 2014 onwards, the ADEM database will also include jobseekers from across the Greater Region as they are allowed to register themselves for 3 months at the ADEM as unemployed (now they need to register at their own PES and take their UI rights with them).	
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?	The EURES "Cahiers transfrontaliers" include data on geographical mobility. CEPS/ Instead did a survey on wage differences between Luxembourgish workers and cross-border workers from surround areas. Here social security data was used.	
Where in the PES is data collected and processed?	Cf. CEPS/INSTEAD.	
How is quality of service/client satisfaction related to geographical labour mobility activities measured?	Not measured.	
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?	Current research by CEPS includes collating data on cross-border workers for the construction of longitudinal time-series. From 2007 until today it is possible to track workers on the basis of their social-security data. But as soon as these workers leave Luxembourg, they are lost.	

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 Ministry of Labour requests studies.	Interviews.
Is monitoring information or data used to inform future activity/resource allocation?	Yes / with studies and reports made by CEPS.	
Are good practices identified and shared? By whom?	Yes of course.	
Where and when is information on geographical mobility and associated activity used? Is it shared with cross-border/trans-national partners?	Sharing of information with partners (e.g. LeForem, Pole Emploi and the BA) is common practice in the Greater Region.	

Annex

Used sources

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Annual report 2009: Ministère du Travail et de l'Emploi, *Les Activités de l'Administration de l'Emploi en 2009*, http://www.adem.public.lu/publications/rapports/rapport_annuel_2009.pdf.

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Grubb, D. (2007), « Audit du service public de l'emploi au Luxembourg », *OECD Social, Employment and Migration Working Papers*, No. 59, Éditions OCDE. http://www.oecd.org/dataoecd/20/1/39424034.pdf.

List of indicators

The 'Tableau d' board' includes does not include performance indicators but:

- Level of employment;
- Level of unemployment;
- Jobseekers residing in Lux;
- Participants in labour market programmes.

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