

# Better Public Employment Services

**10 country cases to inform  
reforms in developing countries**

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# PES Review - BBL Agenda

## I. Introduction

- ▷ Public Employment Services
- ▷ Introduction to the PES Review
- ▷ Overview of the database

## II. PES models

- ▷ Range of functions and services
- ▷ Autonomy
- ▷ Service provision

## III. Insights and observations across the delivery chain

## IV. Conclusions

# I. Introduction

# Public Employment Services (PES)

Public employment services are specific government entities with various functions that support the **promotion of employment**, depending on national employment policies and its legislated remit.

They **plan and implement** many of the **active and sometimes passive labor market policies** used to help workers enter the labor market, facilitate labor market adjustments, and cushion the impact of economic changes.

They also typically provide **labor market information**, offer **job-search assistance and placement** services, administer **unemployment insurance benefits**, and manage various **labor market programs**.

They provide services to both **job seekers and enterprises**.

# PES review and goals

- Get a glance at the overall system and specific practices across ten countries
- Create an overview of the PES and the delivery chain among OECD nations.
- Understand how the different PESs operate and identify innovative practices
  - PES in **general**: autonomy, governance, management, etc.
  - The **delivery chain**: how are services delivered?
  - **Provision of services**: in-house, outsourced, or mixed?



Australia



Austria



Chile



Denmark



France



Germany



Ireland



Korea



Netherlands



United Kingdom

# Objectives and outputs



Not (primarily) a classification of PESs, but to **identify** good practices across the delivery chain



**Illustrate** good practices for easy and ready-made sharing with clients



## **Outputs:**

- 10 complete case studies using the Bank's delivery chain framework
- Excel database that summarizes practices for the 10 case studies across the delivery chain

# Overview of the database

		Austria	United Kingdom	Australia	Netherlands
General Information	Abbreviation	AMS	JCP	ISA	UWV and UWV-Werkbedrijf
	Name	Arbeitsmarktservice	Jobcentre Plus	Jobactive	Institute for the
	Organizational Structure	•Public agency	•The Department for	•Regulated under	•UWV is
	Duties	•Jobplacement	•Active labour market	•Ensure that	•Provision of
	Governance	•The Federal Ministry of	•JCP is part of DWP and	•As there is not a single	•Both municipalities
Management	HR Management	Duties:	N/A	N/A	Work coaches
	Management	•Principle of	•Principle of	•Jobactive provides	•Principle of
	Decentralization and Duties	Managerial	•Managerial	•All of the privatized	•Policy is largely
Developments	Reforms	The 2005-2008 National	In 2001 certain	The Australian	In 2002 the
	Responses to Crisis related	•PES supports	•PES supports	•Providers support	Responses to COVID-
Resources	Offices	108 in total.	637 (2018)	The network of about	Head office in
	Number of Unemployed per	1001 – 2000 (2014)	2,001 – 4,000 (2014)	4001 – 8000 (2014)	8001 – 12000 (2014)
	Staff	5578 (Full Time	11000 front-line full-	Not available	4561 Full Time
	Number of Unemployed per	1 – 100 (2014)	~ 100 per Work Coach	Not available	101 – 300 (2014)
	Budget	Expenditure (2018)	No recent information	Budget (2019-20)	Budget (2018)
Funding and Financing	The principal sources of	Funded by public	Funded by public sources	Wage-related social	
Outreach	Information Services and Outreach Strategies	•General information is available online, in the	•Contact centres: take customer calls and	•A call center is available for	•Call center and digital information
	Channels	•Personal, in offices •Telephone, service	•Personal, in local offices	•Personal, offices of providers	•Personal, regional and local offices offer
Intake Clients	Jobseekers	•Right to register	•Right to register: UK	•Mandatory	•Right to register: all
	Employers	No legal obligation to	No legal obligation to	•Employers can use a	No legal obligation to
	Others/ Migration Services	•Persons interested in	•Benefits for inactive	•Service for clients	•Non-registered users
Intake Registration	Registration	•Register as unemployed via e-AMS account, through the	•New benefit claims are made mostly online and in certain cases	•Jobactive services are available for those receiving income	•New benefit claims are made online through werk.nl or at
Assessment and Enrolment	Profiling of Jobseekers	Statistical profiling for	Soft profiling: a mixture	Statistical profiling	Statistical profiling
	Profiling of Employers	Employers are also	Employers are	No information found	Employers are
	Streaming and Benefits	•The statistical profiling	•Claimants are	•Benefit level is based	•The profiling tool
Unemployment Benefits	Unemployment Benefits	AMS is partly responsible for the administration of	JCP manages the unemployment benefits and Universal	Jobactive is not responsible for the management of	UWV (not UWV-Werkbedrijf), is responsible for the
Social Assistance	Links between PES and Social Assistance	In Austria, there are two forms of minimum	Universal Credit (UC) is a benefit for working-	Jobactive is not responsible for	Social assistance (WWB), is provided

# II. PES Models



# PES models variate on several aspects

- Autonomy
- Range of services
- Benefits, conditionalities and sanctions
- Mode of service provision
- Management and performance evaluation



IDB and WAPES (2015) have identified three ways to group them according to:

- I. Functions and range of services
- II. Legal structure
- III. Implementational structure

# 1. PESs according to functions and range of services (not intended to rank the quality or performance)



Germany, Austria, France, UK and Denmark

Comprehensive set of functions assigned as duties (5-6) and comprehensive range of services (over 80% in a given function)



Australia

Core set of functions (3-4) as duties and moderate to comprehensive range of services



Netherlands

Comprehensive set of functions as duties but moderate range of services (41-80%)



Chile

Core set of functions with limited (up to 40%) to moderate range of services

## 2. PESs according to autonomy

### I. Public agencies responding to the ministry

Austria, Denmark, Chile, France, Germany, the Netherlands

### II. A line department of the ministry

Ireland, Republic of Korea, United Kingdom

### III. No agency or organization but ministerial responsibility

Australia

# 3. PESs according to service provision



Public



20%

Most of the services are provided by the PES. Outsourcing for training and placement is done through pre-selection of providers and a voucher system.



Mixed



40%

The PES outsources 40% of its services while delivering 60% in-house. Outsourcing primarily in place for ALMPs.



Private



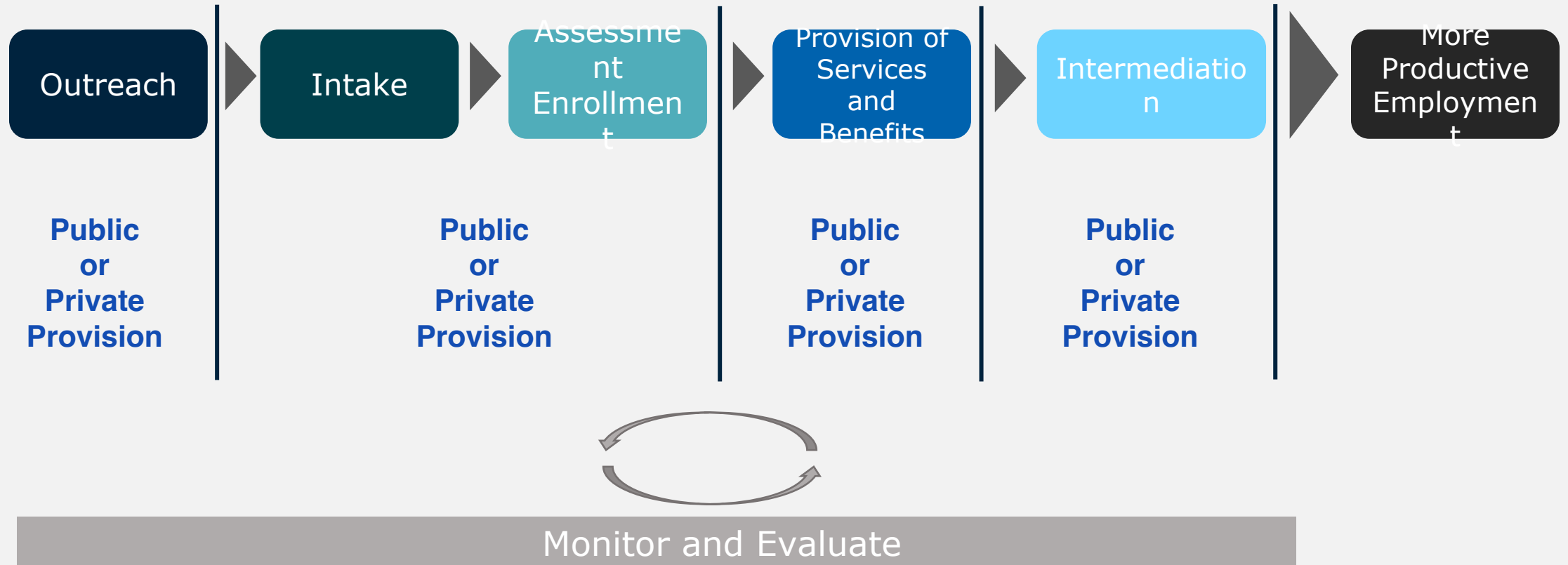
100%

The entire delivery of employment services is outsourced to private providers.

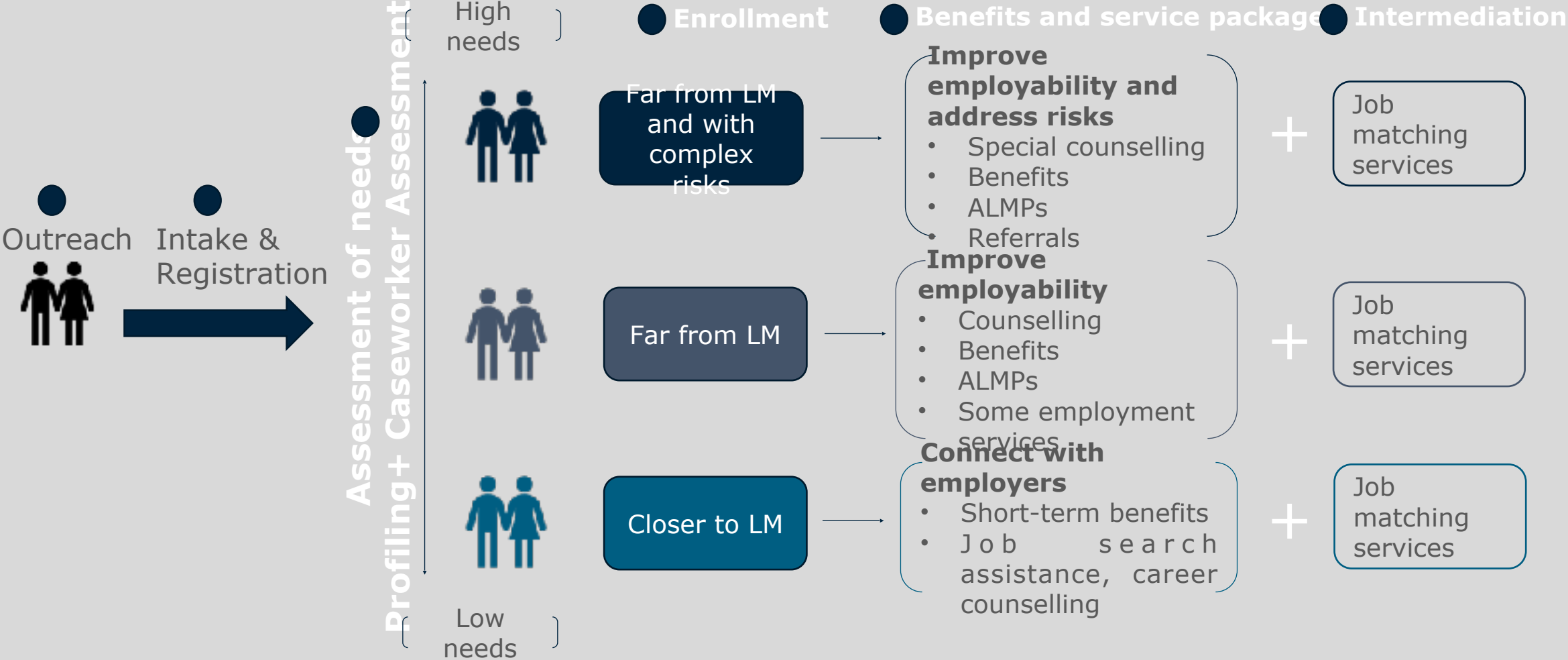
Outsourced

# III. PES Delivery Chain



















































# Despite great variations in the systems, all countries seem to share a similar delivery chain



# Delivery chain- Process for job seekers



# We can identify innovations, good practices and possible issues along the delivery chain

	Outreach & Information Services	Intake	Assessment and Enrollment	Provision of Services and Benefits	Intermediation	Monitor and Evaluate
Innovations 	<ul style="list-style-type: none"> <li> Harvest Info</li> <li> Services</li> <li> Job World</li> <li> Work Net</li> </ul>	<ul style="list-style-type: none"> <li> </li> <li>Registration at UI fund and PES</li> </ul>	<ul style="list-style-type: none"> <li> </li> <li>Job seekers streams linked to conditionalities</li> <li> Profiling based on big data approach</li> </ul>	<ul style="list-style-type: none"> <li> Special centers for certain groups</li> <li>  Work Program</li> <li>  Work for the Dole</li> <li>"Internet first" approach</li> <li> eCollege, Tús</li> </ul>	<ul style="list-style-type: none"> <li> Speed-dating</li> <li>  E-job fairs</li> <li>  Workindenmark</li> <li> WorkNet</li> </ul>	<ul style="list-style-type: none"> <li> CV Quality Card</li> <li> Double monitoring of jobseekers (UI funds and PES)</li> </ul>
Good practices 	<ul style="list-style-type: none"> <li> Labor Market</li> <li> France</li> <li>National Laboratory</li> <li>  Mobile</li> <li> Services</li> <li>Info Zone</li> </ul>	<ul style="list-style-type: none"> <li> Integrated intake for all benefit claimants</li> </ul>	<ul style="list-style-type: none"> <li> Service zones</li> <li> The Work Profiler and the Personal Work Folder</li> <li> The 4-Phase Model</li> <li> Statistical profiling</li> </ul>	<ul style="list-style-type: none"> <li> FiT - Women in crafts and technology</li> <li> Self-employment theme</li> <li> Pre-apprenticeship</li> <li> Training</li> <li>Emploi Store</li> </ul>	<ul style="list-style-type: none"> <li> Jobservice</li> <li> SÖBs</li> <li> Small Business Recruitment Service</li> </ul>	<ul style="list-style-type: none"> <li> AMS Scorecard</li> <li> Jobindsats.dk &amp; economic incentives for municipalities</li> </ul>
Possible issues 	<ul style="list-style-type: none"> <li> Low-scale outreach despite voluntary registration</li> </ul>		<ul style="list-style-type: none"> <li> Individual diagnosis not implemented in all offices</li> </ul>	<ul style="list-style-type: none"> <li> Black box subcontracting</li> </ul>		<ul style="list-style-type: none"> <li>  Target: off-flows from benefit</li> </ul>







# Delivery chain steps

# Outreach


- 1 Information services are valuable tools in the outreach process. Through such services, job seekers and employers can gather information about the PES offering.
- 2 Innovative outreach activities are put in place to meet target groups and match each labor market's specific circumstances.
- 3 The outreach process plays an essential role in ensuring that hard-to-reach groups and employers are informed about public employment services and incentivized to register with the PES.

# Highlighted practices

## Information services:

-  SENCE'S National Observatory: information on occupations, economic sectors, and on-demand jobs.
-  Labor Market Balance: easy access to information about the current and near-future state of 1,000 occupations.
-  Connection for Quality: information about employment services providers.
-  Career Information Centers

## Outreach to target groups:





-  **The Korea Job World: career exploration experience for youths.**
-  Actively reaching out to employers as a requirement for the job centers.

 **Limited outreach strategy, despite registration being voluntary for most PES target clients.**

# Intake

- 1 Registration is usually mandatory for benefit claimants, and it is conducted through different channels- although digitalization is becoming more and more common, especially post-covid.
- 2 Following the correct intake process is vital to guarantee that the PES fulfills its responsibilities but does not incur in an oversupply of services for not eligible job seekers.
- 3 It is important to coordinate the registration process when several public organizations are involved in the PES provision. This avoids double serving and gaps in the service delivery.

# Highlighted practices

-  Integrated intake for all benefit claimants with an online registration process. PES and municipalities work together to determine the appropriate benefit (UA or SA).
-   Unemployment benefit claimants must register both at the PES and the correspondent unemployment insurance fund. UI funds are independent organizations, and the PES is not responsible for the administration of any benefits.
-  Issues with standardization of intake process across regional offices:
  - Failure to require documentation from users
  - Not requiring users to register at the national job search platform

# Assessment and Enrollment

- 1 PESs can profile jobseekers through several techniques: statistical, caseworker-based, rules-based, and mixed. **However, for a profiling tool to work correctly, the necessary data and the cooperation of the caseworker must be provided. Otherwise, issues may arise as observed in Austria and Korea.**
- 2 Several countries also categorize employers according to the vacancies they post and their potential to hire job seekers.
- 3 The diagnosis of the customers is vital to guarantee that the services provided will match the needs of job seekers and employers. The profiles of customers play a key role in defining the service stream.

# Categorization of employers mostly by hiring potential



## ***Arbeitsmarktservice (AMS)***

- A clients: top 5% companies based on the number of listed vacancies in the region
- B clients: following 15% of enterprises based on the number of listed vacancies
- C clients: the next 20% of enterprises following the B clients



## ***Bundesagentur für Arbeit (BA)***

- Target clients: have the potential for creating jobs, and are companies able to shape the opinion of other employers
- Standard clients
- Others





## ***Uitvoeringsinstituut voor Werknemersverzekeringen (UWV)***


- Separated according to the size and sector. Promising business branches are identified, and 10 top companies are actively approached.

# Highlighted practices



## Profiling techniques

-  **Work Profiler:** statistical tool providing information on the client's probability of returning to work within 1 year, and a diagnosis of the strengths and weaknesses.
-  Statistical profiling with big data model. The use of the tool is voluntary, and all results are shared with the job seeker.

## Streaming

-  Matching system profiles the clients into three match-groups for service provision, the obligations of the jobseekers are linked to the match group they are placed in.

## Possible issues

-  Limited staff and data collection capacity lead to the individual diagnostic not being conducted or not being connected to the service streaming.
-  Issues when introducing new profiling strategies

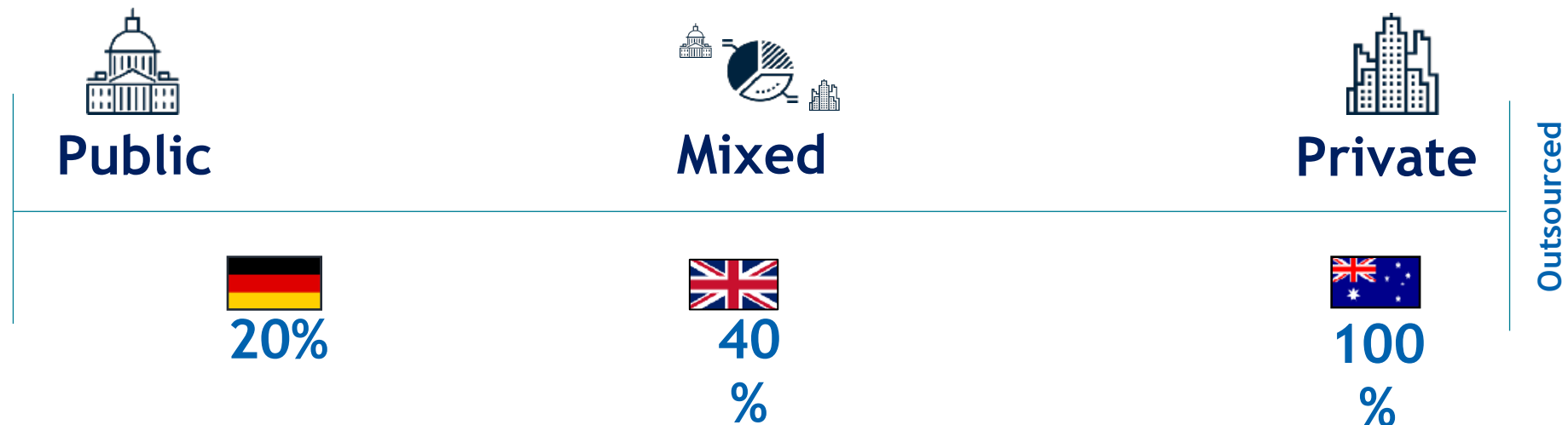


# Provision of Services and Benefits

- 1 The offering and generosity of benefits vary across countries.
- 2 Incentivizing jobseekers to stay active and search for jobs is critical to avoid benefit dependency → Most countries link benefits to participation in ALMPs, job search requirements, and frequent interviews at the PES.
- 3 Most of the innovative practices aim to provide services to specific groups or meet the needs of the general clients and job-ready jobseekers.
- 4 If services are outsourced, the PES must be careful and guarantee minimum standards for all job seekers. Moreover, it must communicate and monitor that the procedures conducted by the providers follow the set standards.




# Outsourcing

- PESs have been gradually transitioning to play the role of coordinators, as policymakers are becoming aware that they cannot do more and better with fewer resources.
- Most EU countries have restricted outsourcing to training and specialists services such as job placement, counseling, and re-integration services.
- Australia has the most innovative approach with a fully privatized employment service -**except for the initial assessment, referrals, and unemployment benefit administration, which rest with Services Australia, a public sector agency.**




# Highlighted practices

## Services

-  Flexibility Coaching for companies: support for internal management structures to gain flexibility and better match the needs of employees and companies.
-  Special employment centers for certain target groups such as women, low-income clients, veterans, etc.
-  The Work Program: special support for the long-term unemployed (12+ months) provided by an external provider.

## Subcontracting

-  Black box subcontracting: PES awards large providers long-term, outcome-based payment contracts → in return, providers have flexibility on how to provide services and further contract out services.
  - \* Issues on delivery have appeared due to significant variations in service standards across providers and miscommunications between the PES and providers.

# Intermediation

1 Job search counseling and training are the main services to improve jobseekers' skills in finding vacancies and applying for jobs.

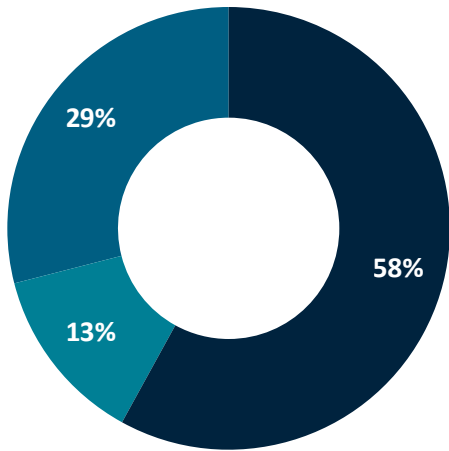
2 Strategies to connect employers with job seekers variate from short-term, like speed-dating events and job fairs, to long-term connections made through ALMPs and referrals for employment.

3 It is vital for the PES to offer satisfactory services to companies in order to ensure that they will continue advertising and cooperating with the PES. For this reason, most of the highlighted practices focus on meeting the employers' needs.

# PESs allocate staff differently in order to provide services to employers and jobseekers.

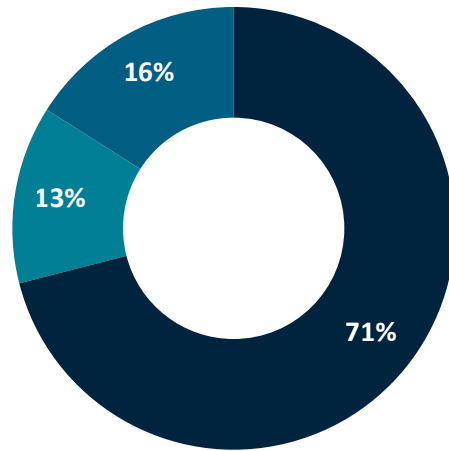
- % exclusively servicing jobseekers
- % exclusively servicing employers
- other

**Austria**



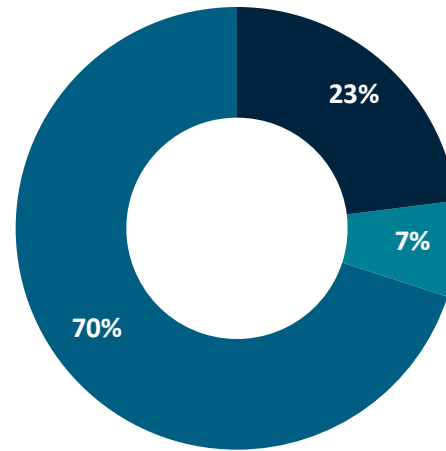
- % exclusively servicing jobseekers
- % exclusively servicing employers
- other

**Netherlands**



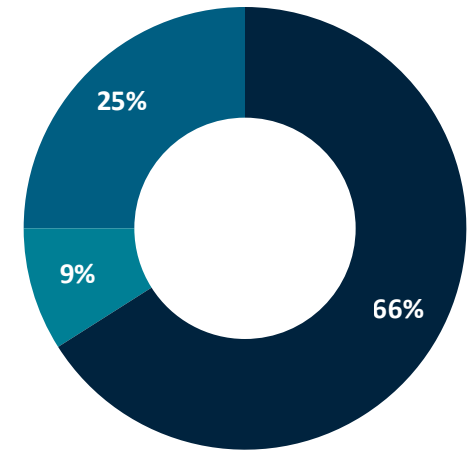
- % exclusively servicing jobseekers
- % exclusively servicing employers
- other

**Germany**



- % exclusively servicing jobseekers
- % exclusively servicing employers
- other

**France**



# Highlighted practices



Speed-dating events with temporary employment agencies



**Workindenmark:** matching services for highly qualified international candidates looking for a job in Denmark, and Danish companies search for qualified foreign candidates.



Services for employers: 400 teams of Employer Services working with around 5000 experts in placement services and key account management for companies with 500+ employees.





**Alternative Human Resources Bank:** help employers fill vacancies created when workers go on leave. The bank assesses the demand, recruits, and trains candidates.

# Monitoring and Evaluation



- The monitoring process is critical to guarantee a well-functioning system. PESs need to monitor job seekers and their obligations, the performance of external providers, and the functioning of the PES.
- The performance and monitoring of the providers allow for early recognition of issues and to avoid having to cancel programs and services once they have been introduced.
- The evaluation of the overall PES systems enables managers to observe which weaknesses and strengths are present and steer accordingly. However, in order to monitor the goal of getting people into employment, the PES must set the correct targets.
- Benchmarking across regional and local PES units can be useful to identify issues, incentivize innovative practices, and enable mutual learning.

# Highlighted practices



## Job seekers

-  Double monitoring of job seekers: at the PES and at the respective unemployment insurance fund.
-  CV Quality Card: contains information from anonymous data from CVs and vacancies and determines how well and extensive the CV of a person is and how easy an employer can find it.

## Providers

-  Star Rating System, Quality Assurance Framework, site visits, and independent complaints phone lines are some of the strategies to guarantee providers comply with the set service standards.
-  Annual assessment on a five-level scale and quantitative evaluations of providers. Organizations performing poorly can be removed from the service provision.

## The PES


-  AMS Balanced Scorecard: 25 indicators combined into one score used to compare the achievements of the units with the key objectives of the PES. It allows for benchmarking across units.
-  Jobsindstats: public website providing information on the results of implement ALMPs.



**The AMS Scorecard** is a tool that allows for a permanent overall assessment of the local, regional, and federal PES units. With this tool, the AMS can analyse every organizational unit's strengths and weaknesses and evaluate their overall performance in one figure.

- Composed of 25 indicators
- Six main dimensions: labor market policy targets, customer satisfaction, process results, services for jobseekers, process results, services for employers, staff satisfaction, and other performance indicators.
- The maximum score achievable for each indicator is defined following the EFQM framework.
- Each indicator and the final AMS Scorecard are valued in percentages.

<b>AMS Scorecard</b>	
1	- Labour market policy objectives for services to jobseekers
2	- Duration of business transaction
3	- Success of labour market support
4	- Satisfaction with funding
5	- Overall satisfaction with services for jobseekers
6	- Processing of applications
7	- Proportion of notifications rectified
8	- Proportion of eAMS accounts with eService usage
9	- Proportion of arrivals via online application
10	- Percentage of eAMS grant applications relating to individuals
11	- Labour market policy objectives for companies services
12	- Duty cycle open positions
13	- Duty cycle apprenticeships
14	- Duration of job vacancies
15	- Overall satisfaction with services for employers
16	- Proportion of orders reported via eAMS account/eJob Room
17	- Share of companies-related eAMS funding requests
18	- Job information centres, BIZ (version 2016)
19	- Staffing actual/target
20	- Trust Index
21	- Management feedback back
22	- Objective Women's promotion plan
23	- Evolution of selected costs
24	- Service level (SEL)
25	- Service level satisfaction (SEL)
Total score for job seeker services	
Total score for employer services	
Total score AMS scorecard	



## Cooperation across agencies involved in PES provision is key to guarantee a functioning system

- **A** Coordination among municipalities and with the central PES
  - role of the central PES (STAR) in Denmark
- **B** Cooperation between municipalities/district authorities and the PES in Germany, France and the Netherlands, to offer one-stop-shops for benefit claimants.
- **C** Cooperation to avoid double serving and provide integrated services
  - Korea has the classical job centers and several additional centers which target certain groups (e.g. New Centers for Women). Cooperation among these agencies is key to avoid double serving. This is done mostly through interconnected information systems.

# IV. Conclusions

# Overall insights

- ✓ Each PES is unique, even within the same country when working under a decentralized model. Therefore, instead of focusing on a PES paradigm when reviewing PES models, we highlight innovative and good practices across the delivery chain.
- ✓ All the steps of the delivery chain play a key role in the serving of PES clients. However, evaluating and monitoring the clients, providers, and PES is essential to keep a well-functioning system.
- ✓ Introducing new practices into the PES can be challenging, especially if the PES staff is not entirely on board. Thus, a special effort must be made to communicate with caseworkers and find an agreement on what should be introduced.
- ✓ Outsourcing can be a good option to release overburden PESs and caseworkers. Nonetheless, for such an alternative to work, the PES must set standards, put in place a clear communication system, and frequently monitor and assess the providers performance.

**Thank you!**

