

Performance Indicators for Public Employment Services

Efficiency of organizational architecture

*A good practice in »Providing sufficient resources
for service activities« Indicator 11*

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The selection of good practice examples among Member-PES is the ultimate purpose of the benchmarking exercise with respect to the performance of public employment services.

The following presentation of a good practice is related to the goal reflected by Indicator 11 (»Providing sufficient resources for service activities«).

The presentation of the Good Practice has been prepared by Regina Konle-Seidl, a Member of the Working Group.

The Group Member takes the responsibility for this paper.

For the Consultant's team

Prof. Michael Wagner-Pinter

Vienna, August 2004

Good Practice Profile »Efficiency of organizational architecture«

Name of the Public Employment Service	D- Bundeagentur für Arbeit (BA)
Address of the Public Employment Service:	Regensburger Str. 104 D- 90478 Nürnberg
Working title for the good practice described:	Efficiency of organisational architecture
Give a short description of the good practice. A more detailed description might be put in an appendix.	A clear focus of the current BA-restructuring process is put on spending more time on customer related "core services" via implementation of "customer centres" (Kundenzentrum) in the local agencies.
Benchmarking result responsible for the selection of the PES:	The aim is to improve the time resources for placement activities on 50-60%. First results (June 2004) in 10 piloting agencies show improvements of 13%.
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Is the performance indicator 11 part of the set of explicitly stated performance goals of PES?	It is not part of the operational objectives (Geschäftspolitische Ziele) but the increase of productive time resources is one out of three core goals of the restructuring of the "local employment agencies" planned to be realised end of 2005.

Is a numerical target value attached to the goal?

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- a) Increase of time resources for placement activities: 50-60%
 - b) Efficiency gains in benefit entitlement: 15%

Do regional offices (or functional departments) get recognition for achieving this goal?

No direct recognition. But indirectly via the regional benchmarking (budget share) of the local units.

What is the basic idea of the good practice?

The overall implementation of the "Customer Centre" (Kundenzentrum) is a core element of the BA-reform process whose operational lever is a accelerated and tailor-made matching process. To increase the productive placement time of the staff and the concentration on the core business ("Qualitätszeit") is one out of three objectives to achieve the overall goal.

Who are the main agents of this good practice?

Local agencies, especially the placement officers matching jobseekers and vacancies and assisting recruitment activities.

How many organizational units (in regional or functional terms) are involved?

All 180 local units by end of 2005. Till June 2004, 10 piloting agencies. 21 local pilots starting in autumn 2004.

Do the units involved operate

As part of the PES.

- as part of the PES?
- on a contractual basis with the PES?
- independently of the PES?

Which resources are made available to carry out the practice as designed?

66.000 Euros/local unit are calculated for the implementation of the Customer Centre. For internal training measures: 475 person years (Customer Centre) plus 131 person years (Service Centre).

Which share of the total financial resources of PES is allocated to the good practice?

Is the good practice targeted at specific groups of unemployed people?

The "customers" of the Customer Centre are divided into 4 groups according their needs and difficulties.

How are the participants (or addressees) of the good practice selected?

Data on time resources is documented in the annual capacity planning document. Data on the improvement of the time resource allocation is based on statistical analyses in the piloting agencies.

How large is the group of participants as percentage of all potential addressees?

All jobseekers and employers who are notifying vacancies with the PES are included.

How does the good practice affect the numerical value of the performance indicator

Given the recent implementation (Jan –June 2004) in 10 piloting agencies no overall results are available. However, the first piloting results show improvements (13%) in effective time resources for placement activities.

Has the good practice an explicit gender mainstreaming dimension?

No.

Does gender mainstreaming show up in the good practice?

Are the results of the good practice regularly monitored?

Yes. In the piloting agencies there has been a general evaluation after 6 months.

Has the good practice been evaluated by independent experts?

The two-stage evaluation (ex-ante and ex-post) of the piloting agencies has been realized by experts (consultants).

Is there room for improvement in the implementation of the good practice?

There is room for adjustments as it is still in the stage of implementation. IT-harmonisation and a concerted steering and controlling logic have been identified as long-term improvement potentials.
There is a great challenge in integrating a new client group (about 1 million employable social assistance recipients) from January 2005 onwards ("Hartz IV").

Have there been major revisions in the implementation of the good practice?

Not yet.

How does the good practice fit into the general strategy of the PES?

Very well.

Has the introduction of the good practice caused a shift of PES-resources away from other programmes?

The single costs (see above) for the implementation of the Customer Centre face savings through the optimization of process of benefit entitlement of 1.900 posts to be shifted to placement activities.

Does the good practice cause »costs« (other than monetary and personnel resources) for the PES?

Persuasive force regarding the staff.

How have the employees of the PES perceived the introduction of the good practice in terms of their own performance and career with the PES?

Staff satisfaction has decreased (-8%) in the piloting agencies probably due to the high requirements of the restructuring process.

Has the (potential) impact of the introduction on established routines of providing services been explicitly addressed by a »change management process«?

Yes. The whole reform process is accompanied by a "change management" process.

Has the introduction of the good practice changed the perception of the quality of PES-services by customers/political decision makers/ the general public?

There is a great public interest in the implementation of the Customer Centre. The German Chancellor visited recently a piloting agency. Satisfaction scores increased: Among employers from 67% to 73% and among jobseekers from 66,7% to 70% in the piloting agencies.

Are there features of the good practice which are likely to be transferable to other PES working under different conditions?

Certainly.
a)The segmentation of clients according their needs and characteristics.
b)The development of different activation programmes for each client group.
c) The shift of time resources into the core business of matching jobseekers and vacancies.

Has there been scepticism among (external or internal) experts vis-à-vis the good practice?

Till now the positive reactions by the public opinion, the politicians, the managers of the local units, the employers and jobseekers prevail.
Current protest marches of unemployed people in (East)Germany's cities are not explicitly related to the implementation of the "Customer Centre" but to the (apparently) cuts to unemployment benefits.
