



European Network of Public Employment Services

Benchlearning Initiative External Assessment

Ireland

2016

Summary report



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¹ DECISION No 573/2014/EU

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PES of Ireland – DSP

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Benchlearning Initiative External Assessment PES of Ireland – DSP

Summary Report

1. Introduction

This report outlines the results of the Benchlearning (BL) external assessment of the public employment service (PES) of Ireland (Department² of Social Protection - DSP) conducted on the 27-29 October 2015. The team of six external assessors comprised two peer PES staff (Belgian-Flemish and Estonian PES), two PES experts from the European Commission and two experts from ICON-Institute (the supporting contractor). The programme of the 2.5 day visit included meetings in DSP Head Office with senior management/directorates and a visit to a local PES office (Tallaght) in the south of Dublin.

The time and resources invested in the preparation for the Benchlearning visit by the DSP and in particular their internal self-assessment, were key to the success of the BL external assessment process. The team gratefully acknowledges those efforts.

In Ireland all recipients of unemployment benefits are obliged to register at the PES. The PES is also responsible for actual payment of unemployment benefits and a wide range of other social allowances. With regard to labour market policies, DSP is responsible for labour market services and active labour market measures. DSP tasks include the promotion of suitable job opportunities, the provision of activation and case management services from case officers, giving advice on employment, training and development opportunities for jobseekers, the implementation of active labour market measures and the offering of employer services including recruitment services. In addition to its PES role, DSP administers over 70 separate social benefit and assistance schemes such as child benefits payments and old-age pensions.

The current organisation of employment services is the result of the 2012 reform of public services in Ireland which led to the merger of the former three different services³ in charge of labour market affairs. Currently, the PES is a function of DSP, i.e. the PES is not an independent entity with a clear and separate organizational demarcation, as was the case in the past in Ireland. The PES operates as a division of the Department of Social Protection and the Head of PES reports directly to the Deputy Secretary of the Department. The Department has circa 6,600 staff. In addition to Headquarter offices located throughout the country, a new Regional structure is in place since 2012 consisting of three Regions and 13 Divisional areas. Throughout this regional structure the INTREO service has been, since 2012, providing services to customers which integrate the delivery of employment services and benefit payment services within the Department. This service is available across the countrywide INTREO Office network. The

² A Ministry in Ireland is known as a 'Department' (of Government).

³ These are (1) the services previously delivered by the DSP at its Local Offices, (2) the Community Welfare Service formerly administered on behalf of the DSP by the Health Service Executive and (3) the Public Employment Services managed and delivered by FAS, the former National Training and Employment Authority.

Community Employment (CE) Scheme, which aims to enhance the employability of disadvantaged and unemployed persons by providing work experience and training opportunities for them in their communities to support their progression into employment, is administered from one of the Headquarter's Offices.

The Head Office coordinates and supports the work of the subordinate offices. It offers technical, administrative and financial support to the regional offices and defines guidelines to frame the activity of local units. Furthermore, it is in charge of monitoring and follow-up activities as well as the distribution of information within the organisation. The divisional offices offer technical, administrative and financial support in the provision of service delivery in the local units. Regional offices and local units are in charge of service provision to customers.

Social partners are important actors for the DSP and they are represented in the Labour Market Council which is composed of representatives of trade unions, of employers' organisations, industry leaders and of labour market specialists. The main tasks of the Council are monitoring and advising the implementation of the Irish Labour Market Strategy and the *Pathways to Work* Strategy which was launched in 2012. Apart from that, social partners are not involved in the management, supervision or monitoring of the DSP's activities. They are however important players in the delivery of some labour market programmes.

2. Strengths

The main strength observed during the assessment visit is the very strong approach to reform the services, with three clearly defined strategic objectives:

1. "put the clients into the centre of policies and services,
2. drive cost, efficiency and effectiveness,
3. develop staff structures and processes."⁴

These strategic objectives are pursued by the development of high level strategies such as the delivering of services tailored to clients' needs. Each of the strategic objectives and high-level strategies has its own key outcomes such as the "strong awareness and understanding of client needs" or "reduction in welfare dependency". Consequently, key outcomes are translated into high-level indicators. However, the advanced and sophisticated approach for reforming employment services carries the risk that staff may not fully reflect those guiding principles in their daily routines.

In the context of the reorganisation of the employment service, a completely new configuration of services, called Intreo has been introduced. This approach is regarded by DSP as being more coherent and stringent in terms of the conditionality of benefit payments on jobseeker activation, than the former organisation of employment services and displays a clear and logical structure. Some of the key features of Intreo compared with the former organization of services are:⁵

⁴ Source of this and the following is Department of Social Protection: Statement of Strategy 2015 to 2017, brochure.

⁵ The following citations are from the presentation held at the introductory session of assessors' visit.

- integrated employment and support services – realisation of an “one-stop-shop” where jobseekers can have their unemployment benefit application processed and access PES services,
- “integrated welfare decisions”, i.e. into the employment services, to speed up the decision process,
- profiling of jobseekers on a regular basis to inform and prioritise the activation process,
- “group engagement” and implementation of a personal progression planning as part of the 1-to-1 case management process.

These form part of a stronger emphasis on active measures than had previously been applied, rebalancing client rights to receive state support with increased responsibility to seek employment under a more work focussed approach.

The roll-out of Intreo is also accompanied by the introduction of intensified employer engagement activities. The development of a coherent employer strategy and service is only recently being pursued by the DSP and is designed to reinforce their approach to the demand side of the labour market that has been quite weak in the first years of the establishment of the current configuration of PES within DSP. This promises to provide an improvement in performance in terms of acquiring vacancies, matching jobseekers with vacancies and increased job opportunities for disadvantaged jobseekers. The rolling out of the new approach is ongoing and is showing first promising results.

In order to achieve the objectives of the employment services, there is a clear and concise plan to build up organisational capacity and to reform customer services and which is accompanied by a strong governance and control framework. This includes clearly defined processes for the work with jobseekers, which are well documented and communicated. Nevertheless, at the current stage of the transformation process, practical implementation at operational levels does not completely adhere to the new requirements. In this context some deficits in translating the strategic objectives into operational targets are apparent such as in the field of employers’ services.

The introduction of the principle of a one-stop-shop for welfare and employment services was a very challenging reform. A clear concept of the new model was disseminated to staff and staff development initiatives were put in place in order to support them in their new tasks. The organisation of mutual learning events within the PES Network was helpful for staff and management. The reform of the PES furthermore led as stated above, to a strong link between conditionality of benefits payments and engagement of jobseekers with the employment services. However, the restructuring process is still work in progress.

A particular strength of the DSP is the willingness to adopt some new radical approaches to the delivery of jobseeker services. The main one is the contracting out of activation and case management services for LTU jobseekers to external for profit providers under the JobPath initiative. The JobPath contracts envisage the referral of 264,000 to 440,000 jobseekers over a four year referral period. The latter model includes a graduated scale of success fee payments (similar to the United Kingdom model) with increased payments for sustainable integration, and placing those further from the labour market. Clients are randomly assigned to one of two companies who have successfully bid for contracts to deliver services under two geographical contracts. Providers operate under limited service specification, the “grey box” approach. This initiative is designed to ensure that all clients get a baseline level of service. Other LTU clients continue to be referred to

support provided by not for profit (NGO) community organisations through the Local Employment Services (LES). LES have tended to have a strong orientation towards social inclusion, though they have not always been as employment focussed as is envisaged through the JobPath initiative. Furthermore it was reported during the visit that a statistical profiling model has been implemented to support the counsellors' profiling of jobseekers.⁶ The main objective of developing this model has been to use statistical profiling to estimate the likelihood of a client remaining on the live register. The model is a statistically-based tool. Its purpose is very specific i.e. to calculate, at the commencement of the unemployment spell, the probability of each jobseeker finding full-time work within the next 12 months. According to DSP's management, the model does to a very high level of accuracy, by international standards. It was also reported, that profiling facilitates segmentation of the jobseeker customer base into those who have a low, medium or high probability of finding work and the provision of different levels of engagement and support weighted in favour of those who are most distant from the labour market.

But the model does not consider the full range of indicators and characteristics defined in the model of excellence. Otherwise it should be considered, that increasing the number of characteristics in the profile model would be a significant administrative overhead with a possibly minimal effect in increasing its accuracy.

Profiling and the subsequent segmentation is a field of high complexity and heterogeneity. A final assessment of the real value of a tool like PEX desirably should be based on an detailed evaluation using valid, reliable and representative data gathered throughout an adequate observation period. These demanding tasks are beyond the options of the assessors' visit. Thus an independent ex-post evaluation of effects and impacts is (not yet) available, the performance of the tool could only rudimentarily observed during the visit.

Against this background the assessors finally decided to do the scoring without this model in order to avoid any bias. They are looking forward to observe the full range of the tool's potentials at the next visit. If the assessors have the possibility of a comprehensive assessment and to recognize the added value, there will be no obstacle to adapt the scoring.

PES' staff are clearly motivated, open minded and confident to make the further development of the DSP a success. During the visit, the assessors had the opportunity for several individual discussions, which indicated that staff appears to be open-minded to actively deal with the challenges ahead. In particular at the local level, the sense of responsibility for services provided and the team spirit are really strong assets. However, there also seems to be an underused potential for improvements which could be exploited in order to accelerate reforms. For example, during the assessor's visit several ideas for the establishment of new and more intensive employer contacts were presented by staff at the operational level. Furthermore, ad-hoc solutions to bridge

⁶ For further information on the model see O'Connell, P. et al.: The Transition from Short- to Long-Term Unemployment: A Statistical Profiling Model for Ireland. In: The Economic and Social Review, Vol. 43, No. 1 2012, p. 135-164 and Barnes, S.-A. et al: Identification of latest trends and current developments in methods to profile jobseekers in European Public Employment Services: Final Report, Brussels 2015 p. 34ff.

software gaps clearly demonstrate the innovative potential at the local level.⁷ Staff development and training are also a particular strength of DSP. This was demonstrated by the DSP's initiative to review and redesign learning and development programmes for staff in a number of key functions like Case Officer/Adviser. Thus, the DSP ensures that training strengthens key functions of the PES and provides staff with opportunities to develop professionally during their careers. In addition, staff are encouraged to pursue further training inter-alia in guidance and counselling through the provision of a distance education third level training course, developed and tailored for advisers in conjunction with the National University. This two-year course provides staff a professional qualification in guidance and counselling. This option has been available for many years and a significant number of advisers have undertaken the training.

3. Contextual influences

The strengths of the DSP in evidence during the assessment outlined above and current challenges have developed within the particular context in which the DSP operates. This context includes the fact that the PES is not a separate agency but is essentially a division of the Department (Ministry) of Social Protection.

The budget available for the DSP is mainly financed by the government. Following a year-on-year increase since 2012, the total budget for the Department in 2015 is approx. 19 billion Euros, of which approx. 1 billion Euros are allocated to employment programmes and approx. 600 million Euros to administrative costs, including costs of case workers. The majority of the budget stem from the government budget (98.9 %).

Being part of the public administration, the DSP has to comply with regulations pertaining to the employment of civil servants. Staff recruitment to the public service has been under an embargo during the economic crisis. This creates some limits on personnel resources. Furthermore, the nationwide centralized recruitment of new public service staff is beyond PES' sphere of influence. Further limitations are the current restricted possibilities for promotion of staff and the embargo on financial incentives.

The DSP has been operating in a difficult economic environment in the recent past due to the financial crisis. However, an economic recovery is now underway with a GDP-growth rate of 5.2% in 2014 and with an unemployment rate of 11.3% at the end of 2014 (i.e. a reduction of more than 1%-point compared to 2013). Currently in November 2015, the overall unemployment rate is at 8.9%. At the end of 2014, the youth unemployment rate was at 23.9% and the long-term unemployment rate at 6.7%. The national economic background presents significant challenges to the DSP in its endeavours to improve the functioning of the labour market and getting jobseekers back to work, particularly the young, but also the unskilled, and the long-term unemployed.

4. Current and potential Good Practices identified during the assessment

Vision, strategy and implementation

The management of the DSP has a clear vision of how the department wants to cope with its tasks in the future, considering the current and future economic situation. The

⁷ During the assessors' visit an example was presented where software solutions were developed in a local unit on the initiative of local staff. After recognition of the advantage and its value one of the solutions was distributed as a nationwide standard.

strategic approach is well developed and its implementation is carefully planned including logical sequences of individual steps. Reorganisation of work, empowerment and training of staff are important elements within the transformation strategy. Furthermore, the strategy is expressed in a clear, easy to understand and well-structured document. It is adequate and comprehensible not only for experts but also for the public including all types of clients. Compared with similar documents from other national PES, it has an exemplary status.

New service processes

Together with the new strategy, new service processes were developed and are currently rolled out. The Intreo-model is a comprehensive and clearly defined approach which integrates the former three different services. Rolling out of the new model is accompanied with the development of new instruments such as the personal progression plan (PPP) as a part of the case management process. The PPP (i.e. the Irish version of an individual action plan) is a very clear, easy to understand and highly individualised document which shows precisely the mutual obligations of clients and of the DSP. This form of an individual actual plan is worthy of examination by other PES.

Employer relations

Although employer relations have been relatively weak for the DSP and still need more attention, the ambitions are high and include network- and partnership building at local or regional level. The national contact centre for employers was already established by the former FAS and takes in job vacancies that after validation are then posted on the DSP 'JobsIreland'⁸ website. A national unit for employer relations has been created in Dublin with the aim to serve mainly big employers and with a specialisation based on occupations. Even though, there are still not any target indicators for employer relations at the national level, network and partnership building is being developed also at the local level. The visited divisional unit, for instance, has developed an Employer Engagement Share Point facility in order to capture the work of the counsellors. The facility allows the compilation of the advisors engagement with employers, B2B-events, and the ancillary recruitment support which already exhibited a remarkable number of companies' contacts.

Evidence-based design and implementation of PES services

An area, which holds several potential examples of good practice, is the evidence-based design and implementation of PES services. In particular, the integrated, well-coordinated and well-structured process for approval of project applications and the intensive use of pilot projects exhibit a mature level of strategical development. These elements are completed by a staff engagement and innovation programme, which uses the expertise of staff for permanent learning and organisational development.

Highly motivated staff

Restructuring and innovation cannot be implemented without an open-minded, highly motivated staff, in particular in times of pay-cut. Therefore, the team-spirit amongst members of staff at all levels was indeed exemplary. This is supported by a sensitive

⁸ <http://www.jobsireland.ie>

management at divisional level and by flexible answers to changing requirements. Hence, the lack of case officers has been acknowledged and the problem has been approached by contracting out activities to increase capacities.

Well-structured first contacts with clients

Finally, the early first contacts with clients accompanied by a comprehensive and integrative approach towards the jobseekers have the potential for good practice. However, the intensity of contacts declines substantially over the time until the jobseekers reaches the status of a LTU after one year. After this threshold the jobseeker is randomly referred to JobPath or LES and the frequency of meetings and contacts intensifies again. This aspect is discussed in the next section.

5. Areas where improvements may further enhance PES operations and outcomes

The Irish PES is in the middle of a fundamental transformation and restructuring process and a number of fundamental changes have already taken place. Nevertheless, it remains unclear to which extent these changes have impacted on the performance of the whole organisation. The assessors sometimes had the impression that the “final step” is (still) missing. The following might illustrate this problem:

Operational guidelines, procedural targets and supporting tools are still deficiencies

The strategic approach of new services, structuring and planning of the transformation and also the involvement of staff into the restructuring process are very clear, profound and advanced, but the actual implementation does not consequently follow the approach. For instance, there seems to be a lack of operational guidelines for staff, procedural targets (e.g. for employers’ services) and supporting tools (e.g. IT-solutions for local employers’ services).

Employment should be a more explicit target

Currently, the final target of service provision for jobseekers is “progress” (see also below). However, “progress” can only be considered as a sub-ordinate target. The final target needs to be employment. The Strategy and the Activation policy of the DSP clearly assist jobseekers return to work. However, during the visit the assessor team got the strong impression that the implementation strategy and also the approach of the stakeholders stop at the stage of “progress” and that the final step is often missing.

Furthermore, the final step, employment, does not seem to be sufficiently considered in the reform strategy, the relevant documents, and in the mind-set of senior management. The importance of this step has to be emphasised because it directly influences the quality of services at the decisive points and consequently the performance of the organisation. Therefore, it is decisive that a proper and complete implementation of the change process is ensured also at the operational level.

In addition, there are relicts of the previous “welfare” approach still visible and in force. Instructive examples are:

- ensuring the income for clients is often mentioned as the primary objective, while the way back to employment seems to be secondary. This appears to be due to

the fact that the DSP is a merger of three former institutions – at least one of which having a clear “welfare tradition” – and thus the polishing up of the profile of the DSP with a clear focus on bringing clients back into employment is yet not finalized.

- the general presentation of the public office visited by the team could be improved for jobseekers and for members of staff. For instance, the management of the flow of customers and the glass panes at the counters do not support a customer-oriented approach. However it is important to mention that the subsequent guidance and counselling jobseeker interviews are conducted on a one-to-one basis in single offices where the interactions are private.
- the use of website and E-mail addresses with welfare.ie. This seems to be quite unattractive to employers and (employed) jobseekers. The website “Intreo.ie” has a more appealing and dynamic ring to it.⁹

6. Recommendations

The main general recommendation must be for the DSP, like for many other PES, to proceed with the current path of change and innovation. Investment in a well-functioning and high-performing PES will exhibit pay-offs since matching jobseekers with jobs, engaging with employers and improving career perspectives for jobseekers contribute to a well-functioning labour market. It is therefore important that an adequate budget and staff for the DSP is provided. The recommendations in detail can be arranged into three groups.

Recommendations concerning strategies, objectives and targets:

1. There is a strong focus on effectiveness throughout the transformation process which is emphasized in all relevant documents. However, it is not entirely reflected in the implementation process. There is clear concept of ‘progression’ indicators in the case management system. This relates to the particular action-planning model of DSP which defines progression into a training course, for example, as a progression stage and is recorded as such in the client’s digital file. This may be particularly relevant for LTU clients where bringing them closer to the labour market through an ALMP intervention is regarded as a successful activation stage completion. The main aim has to be of course employment and this needs to receive more focus. Furthermore, the cost-effectiveness of services, especially that of ALMP-measures, needs to be addressed more comprehensively.¹⁰
2. The focus might also be shifted to the impact of the activities. This can be accompanied with specific process indicators which would support and lead the service delivery in line with the organization’s objectives.
3. When setting targets, consider if input and output should be separated. A set of performance indicators that directly reflect customer needs could be developed. This can help the organization at all levels to take rational decisions and to use the resources as efficiently as possible.
4. The employer services lack an operational strategy and (measurable) targets, especially on the local level.

⁹ As already mentioned above, the DSP has a very broad role. The new website for Intreo is a step forward to sharpen the relatively new functionality acting as a PES.

¹⁰ In recognising this point, the Department has embarked on an evaluation programme which commenced in late 2015 and will continue to be rolled out in 2016 with the engagement of external consultants.

5. A review of the service strategy for jobseekers seems to be appropriate since the early first interventions and meetings decline remarkably over the first year. Only when jobseekers reach the status of long-termed unemployment after twelve months, they will be randomly referred to JobPath or LES. And after the referral further PES-activities start (again). However, in between the first phase and month 12 the PES appears rather passive.

Recommendations regarding design and organization of services:

6. The current focus on conditionality of benefit payments could usefully be accompanied by a greater emphasis on the guidance and counselling of jobseekers. As available human resources are limited, the implementation of a back office support system could allow shifting more staff to counselling and career guidance. A support system can take over most of the administrative tasks such as data input, scanning of jobseekers' documents, organization and monitoring of appointments and interviews, transfer and receipt of documents and records, enquiry of information, etc. Furthermore, the allocation of more competencies to the frontline staff could improve service delivery (see also below).
7. As a performance-oriented payment for the providers of services for the 100,000 LTU is already in place (see above), the scope of performance measurement might be widened to all service providers and ALMP-measures. In this context, special emphasis should be put on the management of employers' services.
8. A higher level of discretion – within the boundaries of the legal framework – for frontline staff, could further improve the performance. In this context, it has to be mentioned that apparently many members of staff hesitate to take over budgetary responsibilities. Therefore, it may also be necessary to increase the awareness of staff for aspects of cost-effectiveness and to empower staff in the responsible handling of the new freedom of action.
9. There is some overlap between the remit of the JobPath contracts and LES operations. Based on a rigorous evaluation of the effectiveness and efficiency of both interventions exploiting the random referral mechanism. Further consideration could be given to establishing criteria for client allocation to these two different service offerings.
10. Since the reorganisation of the employment services under DSP, it seems to be that some elements of the institutional memory have been lost from the previous configurations of employment services. It may be useful at this stage to conduct an audit of services previously delivered by PES prior to 2009 and of strategic approaches (e.g. employer services) developed in that period. An evaluation of those aspects and features may be a useful additional input to policy development.

Recommendations concerning performance measurement and review:

11. The link between training courses and the requirements of labour markets could be further strengthened. Currently, DSP has only limited influence on the design of training courses which seem to be rather highly standardized and suboptimal for the individual needs of jobseekers. Therefore, the DSP could aim at a closer co-operation with the institutions responsible for the concrete design of training courses on an operational level in order to better take into account labour market requirements and customers' needs. It appears to be suboptimal to rely only on the decisions and recommendations of high level expert groups. Instead, the DSP could be more pro-active to ensure that the concrete requirements emanating

from the labour markets needs of its clients are incorporated in the concrete design of training measures.

12. The introduction of *representative* satisfaction surveys for all relevant groups of clients and also the complete staff on a regular basis is to be welcomed and can support the generation of evidence for the improvement of services. Under the Pathways to Work Evaluation Plan, the DSP is committed to evaluate the effectiveness of programmes/activation processes and to assess the impact of major process changes such as the introduction of INTREO. The DSP has already commenced some customer satisfaction surveys which should be completed in order to cover all clients and also the complete staff.