



Benchlearning Initiative External Assessment

Summary report 2nd cycle – Greece



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Directorate-General for Employment, Social Affairs and Inclusion
Directorate B — Employment
Unit B.1 — Employment Strategy
Contact: Gudrun Nachtschatt
E-mail: EMPL-PES-SECRETARIAT@ec.europa.eu
European Commission
B-1049 Brussels

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1. Introduction

This report summarises the results of the 2nd external Benchlearning assessment of the Greek Public Employment Service (PES) OAED conducted between 24th-26th September 2018. The team of six external assessors comprised three PES peer staff (Croatian, Lithuanian and Norwegian PES), one from the European Commission, and two experts from ICON-Institut (the supporting contractor). The programme included meetings at the OAED Head Office with senior management/directorates and visits to local offices (KPAs) in Agia Paraskevis and Athinon. The Team wish to express their thanks to the OAED for the time and resource they invested in preparing the visit.

OAED (Manpower Employment Organisation) is a legal entity under Greek public law supervised by the Ministry of Labour, Social Insurance, and Social Solidarity. It is directed by its Governor and Management Board.

The OAED Governor is the President of the Management Board which is the chief managerial and executive body responsible for implementing all relevant laws, regulations, and decisions. The Governor may transfer some of his/her responsibilities to the two Vice-Presidents of the Managing Board.

OAED's administrative structure comprises a Head Office, 7 Regional Directorates, and a network of 118 local PES or Employment Promotion Centres (KPA2). It also includes a number of Apprenticeship Vocational Schools (EPAS), Vocational Training Institutes (IEKs), Vocational Training Centres (KEKs), and specialist training facilities for people with disabilities.

As well as providing Active Labour Market Policies (ALMPs) the PES is responsible for the administration of passive labour market policies. It manages the Unemployment Insurance fund including disbursement of unemployment benefits and allowances.

ALMPs include Job Matching and counselling services, Employment promotion and preservation, support for self-employment and entrepreneurship and training.

The organisation has further responsibilities for the management of a number of Day Nurseries, provision of social tourism programmes, and competencies to deliver housing policies for the administration of rent and interest rate subsidy schemes, and construction and disposal of social housing units.

2. SHORT SUMMARY OF THE CHANGE AGENDA

Since 2012 OAED has been implementing a Programme "Re-engineering of the OAED Business Model". This is an obligation set in the Memorandum of Understanding (MoMU) that was signed by Greece as a precondition for the fulfilment of two ex-ante conditionalities of the European Social Fund for the continuation of the country's financing.

Through this Programme OAED seeks to meet the challenges facing the Greek Labour Market and to become a more effective and efficient public organisation exercising government policy and providing services to citizens.

The PES has a mission to introduce a new Job Matching model, ensure the effective reduction of unemployment, support Guaranteed Social Income scheme beneficiaries through providing them with support from ALMPs, and easing the entry of the young unemployed into Vocational Education and Training.

OAED's objectives are now combined with those of the Re-engineering Programme, as such the organisation seeks to:

- Design and implement more effective policies to deal with unemployment.
- Expand the quantity and range of services provided towards the country's workforce (employed and unemployed) and significantly improve their quality.
- Create stable and effective relations with the business world for the benefit of the unemployed.
- Increase its internal performance, through a better utilization of its human resources and new technologies, as well as through the implementation of new managerial methods.
- Strengthen its role in the fields of implementing Active Labour Market Policies (ALMPs) and regulating the labour market.

The Change Management Programme to realise these objectives is built upon three Implementation Axes

- Internal Re-Structuring and application of new simplified procedures.
- A New Business Delivery Model.
- Employee Training and Development.

These strands of activity are intended to deliver a measurable improvement of organisational and administrative efficiency, an upgrade of the quality of services with enhanced job seeker and employer satisfaction, and a significant and measurable improvement of employee skills and abilities.

An extensive range of key actions are now underway to improve OAEDs performance through delivery of the Change Agenda. The ability of the organisation to fully benefit from the programme is still restricted by the breadth of OAED's responsibilities. If it were able to focus on PES and ALMP activities this could enable a stronger focus on the Change Agenda and improving performance.

Procedure simplification aims to improve organisational responsiveness, process reliability, and better management of human resources.

Business processes for serving jobseekers are being re-organised, through more streamlined services in local offices, the introduction of a call centre to reduce pressure on face to face services, a new online Job Portal for improved matching, and development of a Profiling and Segmentation methodology.

An enhanced focus on relations with employers has been instituted through measures including the introduction of a Key Account Unit, and dedicated Employer Counsellors with access to new tools including the On-Line portal.

The design, targeting, and implementation of ALMPs are under continuing review with a continuing evolution of training and employment programmes.

An extensive staff training programme continues to enhance the skills of staff to enable them to take advantage of the new organisational systems. This is being delivered through combining OAED's internal training resources with those of the National Centre for Public Administration and Local Government (EKDDA-INEP).

A Performance Management Model is being introduced to enable both qualitative and quantitative aspects of service delivery to be monitored and assessed with

the development of Key Performance Indicators as part of the inception of Management by Objectives.

A new Strategic Management Unit is planned. Its remit will encompass strategic planning, commissioning and analysing feedback on policy implementation evaluation, and communication, both laterally between administrative units, and between levels in the hierarchy.

3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA

Scope of Change agenda to address major challenges for PES

OAED has a very tangible reform Programme with considerable commitment from senior management. This is especially evident from the personal commitment of Governor and her Directors who have invested significantly in promoting the Re-engineering Programme.

There is now a body of evidence illustrating significant changes in the culture of OAED which is in transition from an administrative to a customer service organisation. A stronger labour market orientation is illustrated through a renewed focus on meeting employer need and an intention to introduce more intensive personalised support for jobseekers in return for their meeting specific obligations.

The new profiling and segmentation model has the potential to enable customers to be differentiated by need, with specific groups being prioritised and offered scheduled appointments. The Change Agenda indicates that many of the recommendations from the 2016 Benchlearning Visit have been considered and are now being acted upon. There has however in most areas been significantly more progress in planning changes than in implementation. There is therefore an insufficient focus on checking the results of changes and acting upon these reviews. The assessment team view this to be a consequence of the still pending legal agreement to the proposed new organisational chart.

Specifically the lack of progress on three particular recommendations from the first cycle visit and assessment is limiting the scope to implement some needed changes namely

- Conducting a full Resource Management Review.
- Full implementation of an (integrated) Performance Management system (including both top down and bottom up elements-providing staff and teams with measurable outputs and performance indicators).
- Introduction of a Quality Management system.

The assessors noted that some of the extra 300 staff discussed during the first Benchlearning visit have still to be appointed. It is understood that these processes can take longer in Greece than in other countries due to the institutional setting within which the PES operates and over which it has little, if any, control. However a faster response from the central public administration in regard to this and similar initiatives is essential to enable the PES to implement essential reforms.

Cohesion of Change Agenda and Strategic Fit

A number of desired changes have proceeded more slowly than had been hoped and envisaged in the change plans, and in certain instances more advantage could be taken of certain positive developments.

A number of the key Areas for Improvement (AFIs) identified in the assessment could be addressed through OAED adopting a Quality Management approach. This could greatly increase the coherence of the Change Agenda and enable more value to be secured through exploiting the synergies and positive interdependencies of individual reform strands. Currently individual initiatives are often developed in parallel sometimes with limited lateral “read across”.

A more “joined up” approach to change Management would particularly benefit several areas.

Evidence from customer feedback and other caseload analysis could be used to introduce a systematic channel strategy. This would assist in prioritising customer need and ensuring that more intensive support was offered where it was most needed rather than in the existing somewhat ad-hoc fashion. This would allow outputs from the Profiling and Segmentation system to be used to direct particular customer groups down specific re-integration pathways based upon an assessment of their need and available PES resource to meet different priorities.

The current Profiling model does not capture demand side information, incorporating this into the model could improve the quality of analysis of client needs as it would be possible to assess how suitable jobseekers’ skills , competencies , and intentions were in specific labour market situations. It could also enable more systematic engagement with employers so that an employer segmentation model could be introduced. . Better understanding of employers’ requirements and needs can allow for improved customer orientation towards ALMPs likely to improve employability. Consequently through offering better trained candidates the PES will also attract more vacancies as confidence in the organisation increases.

All of the aforementioned improvements would also be well served through the PES introducing an integrated HR Strategy. This would incorporate desired approaches and behaviours promoting change into staff job roles so that they would become advocates for organisational transformation. A culture of staff empowerment encouraging them to take decisions rather than await instructions would greatly improve the cohesion of the Change Agenda and the Strategic Fit of individual initiatives with wider organisational objectives.

4. ASSESSMENT OF CHANGE MANAGEMENT

Initialisation and Design

OAED has instigated a significant reform programme addressing many areas of its business. The activities en-train clearly address identified Areas for Improvement and, on their own terms, all have potential to improve performance. Staff awareness of the Change Agenda is impressive with key messages clearly understood at both central and local levels. The high level of commitment by the Governor and senior managers has been a particular driver for the effective communication of the Re-engineering Programme.

However the design of the Change Agenda, which is fundamentally embedded within an essentially unreformed bureaucratic administrative structure, may limit the potential for delivering longer term improvements. As OAED has yet to estab-

lish its own Strategic Mandate some of the strands of the reform programme remain in silos. This can both inhibit the achievement of revised organisational objectives, and produce a sub-optimal return on investment from individual reform actions.

Mobilisation and Implementation

The consequence of good ideas being implemented in an Administrative rather than Quality Management culture and setting is that progress in delivering a number of unquestionably good ideas has in certain cases been limited.

An example is the Profiling and Segmentation model. The technical specification is logical and well developed, however there is as yet no set of alternative integration routes for clients identified in certain categories following assessment. So the benefits of a good plan can fail to be realised in the absence of a system for implementing, checking and acting upon a change. As an example successful implementation of the Profiling and Segmentation model relies on more efficient co-operation with employers.

Similarly the Middle Manager role is a very positive development but as long as it remains informal its potential may fail to be reached, and it could be at risk of being removed.

Performance dialogues are now happening “unofficially” on an ad-hoc basis. Again this is a positive development, however until and unless this process is formalised the scope to benefit from these developments supporting continuous improvement, including comparisons between offices, remains limited.

Whilst local management is now much more visible and staff feedback is encouraged the formal job role of managers and staff remains unaltered. Therefore many of the positive ideas emerging from the customer interface could be lost because there is no mechanism to evaluate these and consider them for implementation across the organisation. Local, especially junior staffs’ scope to innovate or take decisions, and consequently gain credit and further develop skills from proposing changes themselves is still extremely limited.

A number of proposed and potentially positive changes were described as planned and/or awaiting approval, e.g. for the new organisational chart to be approved. It is not clear to the assessors the extent to which these delays will slow down changes or in certain cases prevent them from happening.

It is of course recognised that given its institutional setting OAED is not in charge of many key elements of its own agenda. Active communication of achievements could therefore be an opportunity to change institutional frameworks. However it is equally uncertain whether the PES does have more room for manoeuvre than it has exercised previously. In order to establish the realistic potential for the organisation to benefit from the Re-engineering programme it will need to at least ask questions about flexibility to develop HR policies and Resource Distribution models, and explore the scope to interpret sometimes inflexible legal mandates in a way more consistent with delivering strategic customer service objectives. Within this context some risk management, and particularly a culture of staff empowerment will be needed to mobilise energy for change.

5. SUGGESTIONS AND RECOMMENDATIONS

OAED still lacks its own PES Strategic Plan. Such a document, “owned” by the PES Board, could meet the need of a strategic steering and accountability document, particularly if combined with analysis of major risks. It could provide a vehicle to facilitate management planning and decision making based upon an analysis of business results, as well as assisting the PES to keep track of labour market trends. This would enable the effectiveness of the PES to be assessed for progress in delivering the new organisational objectives, rather than compliance with the legal frame and PES institutional setting.

Furthermore, this would enable the PES to optimise the return from investment in the Re-engineering programme OAED through “owning” the strategy for delivery of PES (ALMP) services.

On the conclusion of the Re-engineering Programme ongoing change and continuous improvement activities should be reviewed and placed within the framework of a strategic plan built around the four high level objectives to:

- Develop the new job matching model.
- Reduce Unemployment.
- Support Guaranteed Social Income Scheme beneficiaries.
- Ease the entry of young unemployed into vocational education and training.

This steering structure would enable the organisation to keep track of the Change Agenda through monitoring the progress of specific initiatives. The introduction of a Quality Management approach could provide for a holistic appraisal of the overall impact of individual reforms. This would facilitate a more systematic and standardised application of procedures. The aim would be to ensure that developments such as the instigation of a new Profiling and Segmentation model did not proceed in isolation but were fully grounded in operational delivery.

A Profiling and Segmentation system fully integrated in the PES service delivery model could support prioritisation focussing advisor input on specific client groups. Development of a Channel Strategy would further enable more effective use of limited resources and ensure that most resource intensive face to face support was reserved for those customers who would most benefit from this, with others making as much use as possible of digital contact methods.

A stronger alignment between management approaches and the content of the change programme accompanied by a realistic assessment of what can and should be delivered for a specific level of funding would create momentum for more radical organisational transformation.

A Capacity Model would be a crucial enabler for the PES. This could facilitate a transparent dialogue with other key government stakeholders and providing a platform to ensure that new competencies and functions could only be absorbed by OAED with a clear understanding of the implications for existing business delivery.

Capacity modelling could support a resource management review. The introduction of a capacity planning model would provide the PES with a transparent mechanism to present the opportunities and limitations on what level of output and which outcomes it can produce for a given set of inputs within a specific set

of circumstances. Better reviews and planning could be particularly important in enabling re-allocation of freed resources to tasks where they are mostly needed.

To complete the steering machinery a Quality Management System could “complete the circle”. The core processes of the PES could provide the basis of a Quality Plan. On-going review of this, assessing progress against Benchlearning Enablers, could drive a continuous quality improvement programme, with a specific emphasis on jobseeker and employer feedback.

Introducing a Capacity Model, Resource Management Review and Quality Management System, would present greater coherence in the Change Agenda, both driving a continuous improvement programme and allowing the various elements to complement each other in a more holistic service delivery model.

The sound basis which would be provided by the introduction of a performance management system could be further developed through the comparative analysis of local office performance. This follow up process could identify the optimum results that could be expected for a specific input within a certain set of external labour market factors providing better evidence than is currently available to identify how to improve performance.

The objective should be a paradigm shift away from (all be it welcome) attempts to improve the administration of bureaucracy towards becoming a customer service organisation. Genuine staff empowerment would be needed to drive this change of focus towards customer service. Optimum use of staff resource could be achieved not just through effective communication of the organisational objectives to them but also encouraging personnel at all levels to formulate new ideas.

A key enabler for this approach would be development of a specific a PES HR strategy (see section 3 above). This would require a significant increase in PES autonomy to make business decisions and would assist OAED in delivering business results focussed on labour market outcomes rather than the current focus stressing legal compliance.

Introducing risk management could also assist the PES in delivering on its mandate. Further developing Pilots encouraging controlled experiments at different locations with rigorous external evaluation of results can drive overall PES reform more quickly and successfully than awaiting legal changes to enable almost all procedural changes. This could support internal benchmarking and benchlearning exercises between offices to drive continuous improvement in a learning organisation.

Greater co-ordination of the Change agenda, with more cross-cutting evaluation of pilot initiatives considered as part of a broader strategic change and not in isolated silos could also assist in identifying changes most likely to add overall value.

If opportunities to maximise the room for manoeuvre, and where necessary challenge the legal frame are taken, a culture of innovation would allow for prioritising customer needs. This could provide the impetus for a much needed and continuing focus on the detailed recommendations included in the following External Assessment Commentary. Notable amongst these, are development of new integrated Key Performance Indicators (see section 3 above), and greatly enhancing engagement with employer customers through development of an Employer Engagement Strategy. The latter should seek to specifically encourage employers to place vacancies particularly well suited to match the skills and competencies of job seekers registered with the PES.

There has been a welcome increase in numbers of vacancies in recent years this needs to be a continuing priority, with increased market share of open (i.e. non subsidised) labour market vacancies being a key success criteria and performance metric. This can greatly enhance OAEDs reputation and public perceptions of its effectiveness.

The Assessor Team wish to record the significant improvements made since the first cycle visit, especially noting that OAED continues to operate in a very challenging external environment. Their overall conclusion is that scope to make substantial further progress in some areas will be restricted and limited by the current administrative framework. The extent to which OAED management is able to successfully challenge this will play a significant part in determining further progress. This may ultimately involve a broader dialogue concerning the range of functions OAED is responsible for delivering (see introduction), a sharper focus on a narrower range of PES related functions may enable development of a more effective service going forward.

The Assessors noted the significant support OAED has and continues to receive from the German and French PES (and previous support from Sweden and UK) in delivering its Re-engineering Programme. It suggests that OAED may specifically engage further with the French PES requesting support on developing an integrated strategy, linking objectives, resources, customer service, communications and HR (staff) capability development. It is also suggested that OAED explore

- the Austrian PES Quality Management steering model, which comprises all procedures and all levels of the organisation delivering valuable information on the quality of services and starting points for improvement,
- the Slovenian PES Employer Engagement Strategy, which is a powerful, pro-active strategy including a service model with different offers for employers, and
- the staff empowerment/ideas generation approach in the Belgian Flanders PES (VDAB) which facilitates the invention, development, and testing of new ideas or suggestions for improvement from staff (on all levels).

