



Benchlearning Initiative External Assessment

Summary report 2nd cycle –Malta



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PES of Malta – Jobsplus

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Index

	Page no.
1. INTRODUCTION	5
2. SHORT SUMMARY OF THE CHANGE AGENDA	5
3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA	8
4. ASSESSMENT OF CHANGE MANAGEMENT	9
5. SUGGESTIONS AND RECOMMENDATIONS.....	10

1. Introduction

This report outlines the results of the second Benchlearning (BL) external assessment of the Maltese PES (Jobsplus), conducted between January 30th and February 1st, 2018. The team of six external assessors had two peer PES staff (from the Lithuanian and Spanish PES), two representatives from the European Commission and two experts from ICON-Institute (the supporting contractor). The programme of the three-day visit included meetings with senior management from Jobsplus (the Maltese PES), and a visit to two local offices (in Msida and Valletta). The time and resources invested in the preparation for the Benchlearning visit by Jobsplus, particularly its internal self-assessment, were crucial to its success.

Jobsplus is a corporate body with a distinct legal status. It falls under the remit of the Ministry for Education and Employment. Its Board of Directors is made up of a Chair and Board Members appointed by the Minister for Education and Employment. The Employment and Training Services Act (Cap 343 of the laws of Malta) gives the following as Jobsplus' main functions:

- Assisting jobseekers in finding suitable employment
- Assisting employers in finding suitable employees
- Providing training courses and other employability schemes through arrangements with employers.

Jobsplus is not responsible for the payment of unemployment benefits as this (and other benefits payments) fall under the Department of Social Security. Nevertheless, all recipients of unemployment benefits are obliged to register with Jobsplus.

The main objectives of Jobsplus are:

- Enhancing employability
- Assisting and training jobseekers' (re-)entry into the labour market
- Promoting workforce development through skills and competency development, and assisting employers in their recruitment and training needs.

Jobsplus has a two-level structure with the Head Office made up of six divisions, and ten local centres across the country. The representations consist of five job centres, one main office on the island of Gozo, one training centre and one sheltered employment training centre for persons with disabilities.

2. SHORT SUMMARY OF THE CHANGE AGENDA

Based on the recommendations of the first external PES BL assessment in 2016, and on internal decisions by the Board of Directors and the Jobsplus Chairman, Jobsplus has centred a variety of activities around the following four major areas of reform:

- Its overall strategy
- Strategic performance management
- Sustainable activation and the management of transitions
- Relations with employers.

One of the most important activities on the corporation's *new strategy* was the rebranding of the former Employment and Training Corporation (ETC) into Jobsplus. Along with the new name and a renewed corporate design, responsibilities which were formerly of a more administrative nature were removed, while new responsibilities have been entrusted to the corporation. As a consequence, its range of activities was substantially widened. A good example of this is the 'Free Child-care' initiative to attract women workers (back) into the labour market, and keeping them there through introducing free childcare services. The initiative is a Public Private Partnership between Government and Jobsplus, allied with Registered Childcare Centres in Malta and Gozo, which together implemented the Free Child-care Scheme. A quality control unit has been created within Jobsplus which does regular and systematic monitoring through unannounced visits across all Childcare Centres to ensure that a high quality of childcare services is offered.

Another example is a more rigid enforcement of the 2% quota rule in the Persons with Disability Act. This stipulates that 2% of the employees in companies employing no less than twenty employees (full-time equivalents) should be for persons with disabilities. Jobsplus has launched various creative initiatives to motivate employers who wish to offer work suitable to the specific needs of persons with disabilities.

One of these is known as "job carving" where an additional job can be created by "carving" tasks from other jobs after an analysis of various tasks within jobs in a company. It is largely an accumulation of tasks from existing jobs. It should be beneficial for employers, increasing their efficiency through facilitating greater attention to other tasks carried out by current employees. A suitably matched candidate, in this case someone with a disability, can then be employed to fill the 'carved out' job. This both enables the creation of valid and person-centred vacancies within an organisation, and it also promotes inclusion.

Another action is "job-coaching". To increase employment opportunities for jobseekers with disabilities and other vulnerable groups, job coaching and mentoring services were created in addition to work exposure placements and financial incentives. The objective of the job coaching or mentoring service is to ensure that jobseekers with disabilities (and also people from other vulnerable groups) not only manage to get a job, but they also manage to keep that job. In reference to "job-coaching", representatives of Jobsplus reported that 90% of the 'coached' employees were successfully integrated into the labour market, and they also went on to keep their jobs.

A third activity aimed at the integration of persons with disabilities into the labour market is the creation of teams of employees with disabilities that perform specific tasks in a company. Employers reported that these teams were working well, the dynamics of these teams in particular helped create continuous productivity increases.

In addition, Jobsplus contributed to a series of amendments to the Employment and Training Services Act, to update legal provisions which take into account the new and enlarged role of Jobsplus. The law amendments aim to reform the jobseekers' register on the one hand, while on the other hand, they contribute to an

increase in efficiency by referring jobseekers to employers and to vacancies in the public sector on the basis of their skills, rather than on the basis of unemployment spells. The introduction of skills-based matching commenced two years ago in respect of vacancies notified to Jobsplus by private sector employers. In addition, amendments were proposed to the Employment and Training Services Act which allow jobseekers to gain practical experience by working a limited number of hours per week, without losing their entitlement to jobseekers' allowance. Last but not least, fees and penalties will be increased for employers and individuals who do not act in line with the labour market and social security regulations.

Finally, a new Labour Market Analysis Unit was set up at Jobsplus' Head Office to increase appropriate competences within the organisation, so that decision-making processes at the managerial level can be systematically based on evidence and a sound analysis of labour market trends.

A second major area of change is *strategic performance management*. On the basis of the recommendations of the first external PES Benchlearning assessment in 2016, the implementation of a new and exhaustive performance management system was started. Its objective is to inform management, at regular intervals, of the progress achieved on key performance indicators, which will substantially focus on outcomes rather than on inputs and outputs. The new performance management system will also help Jobsplus in its communication with supervising authorities, and it will contribute to a clearer vision of the cost-benefit relationship of different Active Labour Market Policies (ALMPs) and strategies. It will also help to provide individual employees and/or teams with measurable outcomes and efficiency indicators to assess performance at disaggregate level. External assessors expect the new performance management system to be fully operational after the 2nd PES Benchlearning assessment.

With regard to the *sustainable activation and management of transitions*, a third major reform initiative aims at reducing the time between the registration and the profiling of jobseekers. The objective is to carry out the profiling of jobseekers within the first two weeks of initial registration, thereby substantially diminishing the previous timespan of a month. New jobseekers are assigned to their respective Employment Advisor immediately after registration, and they then get an appointment within two to four weeks. In the first meeting, Employment Advisors, together with their clients, draw up a Personal Action Plan with specific activities that the clients need to carry out and report back on at the next meeting two weeks later.¹ This process repeats itself fortnightly, so continuous communication between Jobsplus and jobseekers is guaranteed. Additional activities in this reform area include the following:

- The regularisation of the temporary employment of third country migrants. Jobsplus established a Job Brokerage Office at the Marsa Open Centre for migrants. This Office maintains a register of temping jobs and matches these with the migrants residing at the Marsa Open Centre and at other centres.
- The upskilling of employees to improve their employability and adaptability. Jobsplus has launched two new programmes to achieve the necessary upskilling of employed workforce.

One programme is the *Training Pays Scheme*. It is available to the unemployed inactive people, the self-employed and specific groups of employees

¹ In addition, there is no longer a requirement to renew the registration on a weekly basis.

between 25 to 64 years of age. It covers 75% of the training costs (with a limit of €1,000) of accredited training programmes delivered through licensed training providers, which correspond to a certain qualification standard.

In addition, the *Investing in Skills Programme* is targeted at employed people. Its objective is to upgrade the skills of the workforce, and to increase their productivity and adaptability.

The fourth reform area is the *improvement of employer relations*. To this end, an Employer Relations Unit was set up at Jobsplus' Head Office to outreach to all employers including those without previous knowledge of Jobsplus' services. The Employer Relations Unit promotes Jobsplus' services, including a demonstration of the new online auto-match system, thereby establishing close links between Jobsplus and employers. Through improved contacts, and by creating stronger employer relations, Jobsplus aims at identifying employers' needs earlier and offering appropriate support.

A well-functioning matching system between vacancies and jobseekers is of particular importance for improved employer services. Jobsplus has therefore launched a new online job matching system that gives due merit to the skills and competences that a jobseeker possesses in the job vacancy matching process. This matching engine matches the vacancy specifications with the jobseekers' profiles on the basis of qualifications, skills, competences and work experience, and it informs users of the percentage match. In this way, Jobsplus can act better as a broker between jobseekers and employers, as it provides the tools for them for a virtual online meeting which speeds up the matching process.

3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA

As a relatively small PES, the reforms Jobsplus has started are impressive. They are focused enough not to get lost in an avalanche of reform initiatives, and they are at the same time concentrated on relevant fields for improvement. Driving factors for the reform process were new political priorities, changes in legislation and a clear motivation within Jobsplus for offering better services to its customers, and for increasing the efficiency of service provision.

As a consequence, so far it has been difficult to develop a reform agenda as a coherent strategy on how to systematically manage change and where Jobsplus is the sole owner. Nevertheless, Jobsplus has successfully managed to bring together external requests and internal plans and to prioritise different reform activities. The process itself of starting and implementing these reform steps appears to be successful. In this context, a very important supporting factor was the introduction of a competence based profiling and matching tool which helps to considerably increase the quality of matching and of placements.

External assessors also acknowledge the big efforts that have been made to improve employers' services. Outreach activities for informing employers about the services offered by Jobsplus, the establishment of direct contacts with employers, improved job brokerage support, automated matching facilities, the introduction of e-services for employers, and direct face-to-face contacts with employers, will help to increase Jobsplus' reputation as a reliable labour market partner for Malta's employers. At the same time, external assessors have the impression that a variety of activities remain scattered as an overarching strategy has not yet been formulated.

Jobsplus' standing among employers also naturally depends on its success offering them the right profiles of candidates for the vacancies they have posted. To achieve this, in addition to its competence-based profiling and matching tool, Jobsplus has opened its services to job changers, thereby widening the pool of potentially interesting candidates that may be suitable for open positions in their organisations.

In relation to the integration of jobseekers with disabilities, Malta has many successful approaches, suited to the type of disability on the one hand, and the opportunities which can be offered by the employers on the other. It has to be clearly stated that these initiatives may serve as a reference for other PES in Europe. While "job coaching" helps disabled workers and employers quickly identify issues in the workplace, and then implement appropriate solutions, job carving helps to create suitable jobs out of job activities "carved" from different roles, which fit the potential of persons with disabilities. It also helps them to retain jobs.

Important progress in the reform process has also been achieved by establishing a Labour Analysis Unit. This offers good possibilities for improving structures which help to foster evidence-based management. A more science-based approach to those current tasks that are centred on monitoring would help achieve this.

Another very important factor which will continue to significantly contribute to the successful implementation of reforms within Jobsplus is quick, efficient and trust-based cooperation and partnerships with relevant labour market stakeholders, and high staff motivation within the organisation.

4. ASSESSMENT OF CHANGE MANAGEMENT

As pointed out in the previous chapter, external factors – such as decisions at the political levels accompanied by legislative changes – have had considerable influence on the reform activities that Jobsplus launched in 2016. The management of Jobsplus faced the challenge of combining external requirements with internal objectives such as an increased efficiency of services and processes. Assessors could also see that Jobsplus' management has a clear ambition to respond better to increasing labour market needs. External assessors in this context acknowledge that progress has been achieved in all reform fields. The pragmatic way whereby the different demands coming from different levels were dealt with, certainly contributed to successfully starting several reform activities at the same time.

At the same time, it seems that despite being embedded in the 2016-2018 Strategic Plan, the different reform activities appear to lack an overarching strategy, based on sound evidence and the most pressing needs of the labour market. In the view of the external assessment team, the labour market's needs substantially refer to increasing labour demand and workforce shortage, both at a quantitative and a qualitative level. This issue is partially addressed by Jobsplus, but it does not form the centre of the reform process. It remains one among many other issues that Jobsplus deals with. The fragmentation of reform activities is also mirrored by a rather diversified organisational structure with different units dedicated to specific tasks. Specialised structures are of course important for implementing targeted services at a high qualitative level, but the more specialised units that exist, the more complicated and difficult it gets to manage the increasing number of interfaces in an efficient way, especially for a relatively small organisation.

Fragmentation may therefore be an explanation for the limited resources that, so far, have been invested in a systematic process of regularly involving staff at different levels in identifying areas in need of change. Another question mark raised by the team of external assessors refers to the relatively low relevance that scientific evaluation has had so far in the change process. Its importance for the

management of change can be therefore assessed as limited. As a result, ex-ante analysis plays a relatively small role in assessing the implications of different change alternatives before deciding which alternative to take. In addition, counterfactual analysis has also not yet been introduced systematically for assessing what the net effects of interventions are after a fixed period following their implementation.

So far, Jobsplus has undertaken significant (and successful) work when it comes to designing, implementing and monitoring individual reform projects, but these could be seen as different “silos” which basically work in parallel. It does not seem clear to all levels of the organisation, and especially to the front-line staff, how the different projects interact, and how they contribute to achieving the overall objectives of the change process. It therefore seems necessary to communicate throughout the entire organisation that change management is an integral part of Jobsplus' management philosophy. This also means there is a need to actively involve all staff in developing ideas that can lead to the initialisation of changes. To successfully implement strategic changes, assessors also believe that anticipating the consequences of these changes for different staff groups is important. Assessors think Jobsplus should take appropriate action to mitigate the risks of not communicating clearly with staff, for example by proactively offering targeted training to employees, or by systematically collecting feedback from the employees working front-line. Despite being a small organisation where many issues are discussed on an ad-hoc basis, formalised channels are regarded as suitable instruments for implementing transparent and reliable feedback loops between management and other staff members.

5. SUGGESTIONS AND RECOMMENDATIONS

For the external assessors one of the biggest challenges for the growing Maltese economy is the significant lack of labour supply. Having said this, external assessors think Jobsplus should address the increasing labour demand with a clear mission statement. In a similar context, the Slovenian PES and the PES of the Brussels Capital Region (ACTIRIS) have developed relevant mission statements that can be a source of inspiration for Jobsplus.

After Jobsplus has activated significant parts of the current labour force ‘reserves’² – especially formerly inactive women and persons with disabilities - incoming migration becomes more and more important to cope with the current high (and potentially increasing) employment demand. As a conclusion, the assessors' team encourages Jobsplus to intensify its support for employers in the early identification of the competences and skills needed and to adequately react to these needs. In this context, external assessors recommend combining two strategies: the first one should aim at maximising the existing labour market potentials within the country, while the second should encourage Jobsplus to act as a future driver for a general recruitment strategy for foreigners in the Maltese labour force.

As far as the existing labour market “reserves” are concerned, external assessors firstly suggest further intensifying policies and instruments which support employers in the upskilling of their staff. Once unskilled employees have been successfully trained, they can climb up the ladder within the organisation, thereby making space for an easier-to-hire unskilled workforce. The German and the Danish PES have interesting experiences in this context, which could be useful for further action by Jobsplus. Apart from the upskilling of employees in Denmark coordinated by Jobservice Denmark, the “WeGebAU”-programme run by the German PES can be

² As evidenced through the second lowest unemployment rate in the EU.

considered an interesting practice in this context. In order to strengthen the training of persons in employment, this programme has been in place since 2006. It is able to fund training for older persons in employment, employees of SME's and low skilled workers. Its aims are to secure and increase employability and avoid unemployment. The plan is for it to continue to assist in covering the requirement for skilled workers and to act as an incentive for companies to use continuing vocational training as a means of improving competitiveness.

Another group that may help to fill the workforce gap are young people – graduates and drop outs – leaving the educational system. In addition to the support offered by Jobsplus' Youth Guarantee Scheme team, specific practical training offers and targeted work exposure schemes may prevent these young people – especially those without a diploma – from drifting away from the labour market as potential NEETs. The Icelandic PES has some good experiences of appropriate schemes for young people. One of these is the "Youth in Action"-initiative, which aims at activating all individuals aged 16 to 29 years within three months of registered unemployment by a systematic cooperation of secondary schools, adult and continuous education centres, public and private employers, NGOs and public administration.

A third group that Jobsplus can focus on is older employees. Retaining them in jobs as long as possible, including after retirement age, can especially help employers reduce their demand for skilled workforce, at least on a temporary basis. This creates necessary time for finding appropriate new staff. Cooperating on this with Jobsplus, the employers would be expected to increase their capacities in managing the know-how transfer from older to younger staff, and they would also be expected to create work conditions suitable to the needs of older workers. Active support from Jobsplus would help employers adapt more easily and quickly to these changes. In order to make better use of the potential of older workers, Jobsplus could also launch informative campaigns highlighting the advantages staying in employment after the official retirement age (e.g. higher pensions).

The Italian and the German PES have developed good projects in this field and may therefore serve as reference for Jobsplus. For Italy, the reallocation scheme has to be mentioned. It basically consists of a voucher, paid out to public or private employment services once a jobseeker has successfully been placed on the labour market for a minimum of six months. The larger the distance from the labour market, the higher the amount of the voucher. Experiences from Italy show, that the age is a determining factor for the distance from the labour market, so that the average value of the voucher is generally higher for older jobseekers. Referring to the German PES, the "Perspective 50 plus"-scheme has to be mentioned in addition to the already described "WeGebAU"-programme. Essential in the "Perspective 50 plus"-Project was the mobilisation of local responsibilities and the establishment of regional networks through "employment pacts". On the one hand the project allowed the local jobcentres to support the long-term unemployed and older workers individually. On the other hand, it also supported jobcentres in engaging as partners in regional networks in collaboration with other social partners. Jobcentres in this way functioned as a 'mediator' between older workers, social partners and potential employers. Services within the scheme were offered to employers and to jobseekers.

The external assessors would also like to encourage Jobsplus to further support the transition of inactive women into the labour market. In addition to the further increase in professional childcare services, the counselling, training, coaching and mentoring of women could help to activate the potential in the field. Reference can be made to the PES in the Nordic countries which are traditionally strong in supporting women's employment.

The recruitment of a foreign labour force is seen as crucial by external assessors in substantially reducing and avoiding workforce related bottlenecks in the Maltese economy. While Jobsplus' direct recruitment initiatives – some have started in co-operation with some Balkan PES – will remain limited, Jobsplus should work on a general strategy for supporting Maltese employers in finding suitable foreign workers (e.g. via EURES), thus actively supporting the already existing influx of foreign workforce in a more coherent and systematic way. Jobsplus could offer employers advice on integrating people from different countries into their companies. Generally speaking, a foreign workforce needs sufficient language skills and a minimal knowledge of the legal regulations and work standards in Malta. In addition, inter-cultural competences among employers, especially at a management level, should be developed to ensure an effective work organisation with 'mixed' teams. Jobsplus could play an active role in these endeavours by offering a clear and systematic assistance to the employers. Targeted language courses, training and integration courses on work regulations and conditions in Malta for foreign workers, and inter-cultural training for employers should be part of this frame. Interesting experiences in this context have been made by the German PES within the MobiPro-EU programme.

Jobsplus has started to revise its system of key performance indicators. Taking into consideration the results from the 1st Benchlearning visit, and aiming at a better cost-benefit relationship of the services offered, Jobsplus is encouraged to introduce a key performance management system composed of a limited number of relevant and result-oriented indicators. As the most important source of evidence for assessing the organisation's performance, the new key performance management system should be communicated through all levels of Jobsplus. As relevant examples from other PES, the external assessors would recommend experiences made in Germany and France – both PES implemented a well-functioning system of performance dialogues between central, regional and local levels – and Austria with its balanced scorecard and management assessment (MASS).

To increase the efficiency of service provision, external assessors finally recommend a more structured use of customer orientation. Apart from customers' surveys, this includes blended services for jobseekers and targeted support for employers. In this context, the Swedish PES has achieved good results in the preparation of its staff to perform such targeted support by implementing a specific training programme on "Employer Relations". Good examples of channelled services offer the Austrian PES (e.g. the eAMS-account for jobseekers and employers) and the Dutch PES with the "personal workfolder" for jobseekers.

