



Benchlearning Initiative External Assessment

Summary report 2nd cycle – Poland



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The Polish PES (PSZ)

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1. Introduction

This report outlines the results of the second Benchlearning (BL) external assessment of the Polish PES (PSZ), conducted between June 19th and 21st, 2018. The team of six external assessors had three peer PES staff (Belgian-Walloon, Croatian and Danish PES), one representative from the European Commission and two experts from ICON-Institut (the supporting contractor). The programme of the three-day visit included meetings with senior management from the Ministry of Family, Labour and Social Policy, a visit to a regional office (a Voivodeship Labour Office) in Warsaw, and to two local offices in Wołomin and Grójec (Poviat Labour Offices). The time and resources invested in the preparation for the Benchlearning visit by the Ministry, particularly its internal self-assessment, were crucial to the success of the visit.

The responsibility for providing unemployment services in Poland is shared between the government, the regions (the Voivodeships), and local level organisations (the Poviats). The Ministry of Family, Labour and Social Policy is responsible for the legal framework by issuing laws and other legally binding regulations for employment services. It also prepares the National Action Plan for Employment, distributes resources, and oversees activities at regional and local level.

The 16 Voivodeship Labour Offices (VLOs), under the supervision of the Marshall of the Voivodeship, carry out administrative and some limited operational activities at the regional level. 340 Poviat Labour Offices (PLOs), under the supervision of the local Poviat Staroste, deliver employment services at the local level. The PLOs provide the largest proportion of services for jobseekers, the unemployed and employers.

The Voivodeships and Poviats are self-governing autonomous bodies which are not subordinate to any central authority. The organisational structure of the employment service is therefore characterised by a high degree of decentralisation, so consequently its most noteworthy feature is its autonomy.

The main duty of the PES is activation of the unemployed, which is primarily the responsibility of the local level offices (the PLOs). In Poland, the PES is also responsible for the payment of unemployment benefits and other relevant benefits related to the activation measures aimed at the unemployed. All recipients of unemployment benefit are obliged to register with the PES, which also performs several additional tasks such as registration and transfer of health insurance contributions to the National Health Fund, and the registration of firms planning to employ third country foreign workers who do not require work permits.

The main source of ALMP funding is the Labour Fund, which is administrated by the Ministry of Family, Labour and Social Policy. Further sources are the state budget and the European Social Fund (ESF).

Social partners are involved in the Labour Market Councils. These councils exist at the national, regional, and local level. At the national level, the Labour Market Council expresses opinions and advises the Minister of Labour on all issues related to labour market policy.

2. SHORT SUMMARY OF THE CHANGE AGENDA

In the second quarter of 2016, the government started several analyses to review the functioning of current legislation. These activities led to the political decision that the Act, which is responsible for the promotion of employment and the institutions of the labour market and which also regulates the activities of the PES on all levels, should be amended. The new provisions should reflect the current so-

cial and economic situation and address new challenges in the labour market. This legal change forms the core of the "change agenda". The objectives of the reform are:

- Enhancing the forms of assistance for the unemployed, job seekers and employers, and enhancing accessibility to assistance.
- Strengthening the focus towards assisting those in the most difficult situation (typically the long-term unemployed) and getting them back to work.
- Extending the engagement of labour offices' partners in carrying out activities for the unemployed.
- Increasing the effectiveness of support for the lifelong education of workers.
- Enhancing the quality and the effectiveness of the support provided by the labour offices to their customers.
- Improving the activities dedicated to supporting youth from groups farthest from labour market inclusion, including those not in compulsory schooling or education, and people neither studying nor working.
- Reducing bureaucracy, simplifying and developing more detailed specifications for provisions, and making them more coherent.
- Specifying more detailed provisions on the employment of foreign workers, and combating malpractice by dishonest employers.

These planned legal changes comprise a lot of detailed activities and measures. The following topics are especially noteworthy:

- In general, in future there will be no profiling the help for unemployed. Based on results from a survey of the PLOs, the Polish PES concluded that the current system is inflexible so it will therefore be abandoned. The process for providing assistance is expected to be much faster in future with support offered sooner after registration.
- The obligatory practice for preparing the Individual Action Plans (IAPs) for the unemployed will be abandoned, with the exception of people registered as unemployed for a period of more than 120 days during the preceding 180 days or are long term unemployed.
- New activities to support employers will be set up, such as the introduction of a new instrument called an "offer voucher" for small enterprises who will receive a refund from the Labour Fund for part of their recruitment costs incurred by private agencies. The voucher will be granted in cases where the local employment office is not able to offer employers a suitable candidate within a specified deadline. The voucher should make it easier for small companies to search for candidates outside the local employment offices' register.
- The provisions, and the directing of assistance and financial resources related to developing human resources for those groups requiring the greatest support, will be simplified. This will be done, inter alia, by focusing on individual training specified by the tripartite training contracts.
- Assistance to those in the most difficult situations (mostly long-term unemployed) will be enhanced. The planned changes include, for example, the strengthening of cooperation with social welfare centres.

- The effectiveness of support for lifelong education for working people from the Labour Fund via National Training Fund will be increased. Examples of planned activities in this context are the strengthening of the role of the Social Partners, the opening of the National Training Fund to all entities (not only employers), and the enhancement of the quality of the education measures paid.
- Activities aimed at youth will be improved. The Voluntary Labour Corps will change its name to the State Centre of Youth Activation (SCYA) and, after the new Act, it will focus more on youth activation measures.

3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA

The overall goal of the planned legal changes is to adapt the existing legislation to the current situation on the labour market. However, the reform focuses on legal changes within the existing decentralised and primarily law-based governance structure. The main concern of the assessors is that these legal changes do not tackle some of the key challenges faced by the PES system, primarily the need for an operational delivery strategy. This can provide a bridge between the legal mandate and the decentralized delivery outlets thereby ensuring that autonomous responsibility for complying with the law can be framed within a set of shared strategic parameters. The aim is to ensure the optimum balance between a common legal framework and the flexible delivery structures provided for within the devolved governance model. This can enable delivery of an effective and efficient working PES providing future-proofed services.

The external assessors are convinced that the Polish PES would benefit from a clear overall strategy, jointly 'owned' by the organisations at different tiers, defining success and stating delivery objectives. This could serve as the foundation of a system where performance at the various organisational levels could be measured, governed and, as a result, improved. Currently success is primarily measured by auditing compliance with laws and other legal regulations, and this does not necessarily drive or encourage improved provision of PES activities. At present, there is no common shared view among the actors at the different levels as to service delivery objectives. Inter alia, this is one reason for the considerable variety in the nature of services provided, and the difficulty of establishing the comparative effectiveness of these services. The links between the different levels are relatively weak and do not provide for performance-oriented cooperation. For instance, limited use is made of the large databases for performance management and their potential is not exploited.¹

Furthermore, there is no communication strategy across the delivery chain. Communication between the different delivery levels seems to be casual, and it is not systematic. For example, the exchange of experiences and good practices between local offices primarily depends on the initiative of the local or the regional management. Currently, the aim of exchanges, the criteria for the issues and good practices chosen, the formats for providing mutual information and so on, are agreed on an ad hoc basis – if they are done at all. The same is true for the vertical communication between the Ministry, the VLOs and the PLOs. The assessors therefore believe that a coherent joint strategy for both horizontal and vertical communication is of especial importance.

¹ For further details see the tables in section 7.

The assessors also identify scope for improvement in both the current and the planned services for clients. Furthermore, they are concerned that the current system would not be fit to fight a sincere downturn in the economy. For example, provisions for the profiling of help for unemployed do not allow for a more effective targeting of services to meet identified integration needs. In a decentralised system, the use of a coherent approach is particularly important, as it will be the basis for a consistent implementation of the policy (law). A further example is the lack of a comprehensive and unique employer-related strategy which is needed to foster a standardised delivery of services.

However, the assessors also recognize strengths in certain aspects of the Polish PES system, although these strengths are currently not deployed systematically:

- **Local autonomy and good practice:** The large degree of local autonomy does foster creativity, flexibility and local expertise. This allows the local offices to consider the situation in their local labour market and sometimes to react very quickly and directly to changes. Moreover, there are some efforts to ensure and reinforce quality service delivery such as the introduction of elements of quality management in some local offices. In particular, local offices seem to be very creative when they are developing solutions in response to challenges identified in their everyday work. These solutions have the potential to be disseminated as good practice.

But this advantage is not utilised in either a comprehensive or a systematic manner. It mostly depends upon the local or regional management to decide to exploit and utilise the potential. The assessors formed the impression that there is a significant variation in quality of service delivery.

- **Social partnerships:** Social partners are involved in the Labour Market Councils which exist at all levels. For instance, the Social Partners are also involved in training for the unemployed. Long-term dialogue and cooperation are therefore ensured. In the context of partnerships, the close cooperation of local offices specifically with the welfare centres (translated for example into an electronic exchange of data between both institutions) should be mentioned as a possible good practice. It largely depends, however, on local management to decide how intensively partnerships are used.
- **Focussing on preventing unemployment:** There are only few Member States which support the up-skilling of working people. This preventive approach is a particular feature of the Polish PES. The assessors therefore appreciate that the planned legal changes aim to strengthen prevention.
- **Databases:** The different levels collect a considerable volume of data. However, as already mentioned above, more sufficient use could be made of these different databases.
- **Staff:** The assessors also formed the impression that the staff in general is well-educated and highly committed. This is an asset for the Polish PES. One reason for this asset is the various options available for training. The amount of money available for one of the local offices visited certainly seems to be sufficient to meet all of the organisations' training needs. The Ministry obviously provides a considerable amount of financial resources for the training of staff.

Finally, there are many reform activities being designed at the PLO and the VLO levels which were reported or at least broached during the assessors' visit. Furthermore, the Ministry's National PES Change Agenda submitted to the PES Network contains several dozens of different reform-oriented activities mostly at PLO and VLO level. A great variety of activities is being tested, though the different projects do not form part of a consistent and coherent whole.

4. ASSESSMENT OF CHANGE MANAGEMENT

The Ministry (Ministry of Family, Labour and Social Policy) has undertaken an extensive list of activities to prepare the change in the legal provisions, such as surveys conducted by the Ministry in the Poviats and Voivodeship labour offices, monitoring the performance of selected forms of professional activation, and evaluating the National Training Fund and certain regulations. Furthermore, impact assessment and public consultation are also included in the legislative procedure.

However, these activities take place within the confines of the regulatory system and the legislative cycle. They essentially reflect the traditional “legalistic” approach. During the visit, the assessors felt that - compared with the situation two years ago - that the Benchlearning approach was received with more genuine interest. Generally, the PES could benefit from a turn away from the traditional “legalistic” thinking towards to a more performance-oriented Benchlearning approach. A performance-oriented approach can potentially facilitate the development of a more customer-oriented and results/outcome-oriented service system. Limiting steering to the distribution of regulations and the issue of written procedures are not by themselves sufficient for creating improvements.

The lack of an overall strategy has already been commented upon in the earlier section. To establish a cross-level agreement on the overall strategy (and the subsequent strategies on communication and service delivery), a comprehensive implementation plan including milestones, road maps and a change management unit (ideally involving staff representatives from all levels) will be necessary. Without an overall strategy, the development of a detailed change management approach is unlikely to be successful. However as soon as an overall strategy can be agreed, a change management unit and process should be established to ensure the coherent and effective implementation of the reform programme.

5. SUGGESTIONS AND RECOMMENDATIONS

Firstly, the assessors wish to stress that performance of a PES does not depend on a centralised or decentralised organizational structure. It has been proven that effective service delivery is also possible in (highly) fragmented systems. This section contains recommendations at both the strategic and the operational level. Some examples from other countries are mentioned, and these may serve either as examples of transferable good practice, or as a source of inspiration.

Overall coherent PES strategy

The main challenge identified by the external assessors is the lack of an overall and commonly shared coherent strategy defining success and service objectives. A strategy, which clearly defines the roles of the actors and the principles of co-operation as well as success criteria, provides actors at all levels with orientation and guidance. The precise definition of the objectives for service delivery will facilitate a common view on objectives, and it will align the activities of actors at all levels. The service strategy - as a part of the overall strategy - should also concisely define the responsibilities of the actors at every level.² This would supplement the legal definition of responsibilities and duties defined in the Act of promotion of employment and labour market institutions with a specific narrative. This would define some key principle design specifications for delivery of services

² An amendment of the provisions of the Act of promotion of employment and labour market institutions may be necessary in order to allow and to facilitate such strategic co-operations.

ensuring some greater clarity as to how services should be delivered within the law. It would then be possible to enable greater coherence in the overall operation of the system without undermining the administrative autonomy of units at the various levels. Furthermore, this can provide all staff with an orientation for “what the PES stands for”. The elaboration of such a strategy demands the involvement of all relevant actors, i.e. the Voivodeships and Poviats respectively. The assessors believe that a more extensive and detailed discussion and consultation process is needed to secure agreement on the overall goals between all bodies.

There are some countries with well elaborated and well formulated strategies. The assessors think that Ireland and Slovenia are good examples, showing how a powerful strategy can be established. Furthermore, Germany has elaborated a strategy (its ‘2020’ strategy) where the German PES describes where the organisation has come from and where it is heading.

The common service model

Based on the principles of an overall strategy, a common service model, defining detailed goals for service delivery and specifying the roles of the actors at all levels, should be developed. The service model should also set out, inter alia, guidelines and requirements for delivery procedures. Ideally it should also contain common and comparable standards for service delivery.

One example is Germany, where the PES has implemented a consistent and sophisticated concept for individualised service provision for jobseekers with underlying ‘action strategies’ which provide orientation to counsellors. This model is complemented by a uniform and supportive consulting concept of jobseekers, which contributes to the equal provision of high-quality consulting services for clients. On the employers’ side, a well-developed and consistent employer strategy has already been rolled out.

An example of the development of a common service model is the current plan for reform in Italy with its autonomous provinces (regions). In Italy, the regions carry out their duties within the framework of regional labour market legislation. The national government is responsible for the coordination of labour market policy in Italy, and the definition of overarching common and comparable standards of employment services for the country as a whole. Although the plan is not yet implemented, its contents may be of interest to the Polish PES.

Structured communication

Closely connected to the overall strategy (and ideally as a part of it), horizontal and vertical communication systems should be set up as part of a communications strategy defining communications principles for, and the responsibilities of, the various actors. The strategy should also contain dialogue formats including established feedback loops. It is crucial that the strategy and its formats are agreed between all the relevant actors. Besides the quick and complete distribution of information and experiences, a coherent communications strategy also promotes the commitment and satisfaction of staff (both managers and operational staff) at all levels.

There are several Member States where national level bodies cooperate with autonomous organisations, such as Spain, Denmark, Italy and Germany. In Spain (which has implemented the Benchlearning approach in all its autonomous regions) a new inter- and intra-regional contact structure has been established. This forms the organisational foundation for their cooperation with the national organisation.

The Danish PES has gained a lot of experience in cross-level cooperation in their highly decentralised system. The whole system, including how they assign responsibilities, their determination of working contacts, their system for the exchange of information and experiences, their change processes and the types of support for independent authorities involved in their delivery model, could all be of interest to the Polish PES.

In Germany, there are a total of 104 municipalities which have complete responsibility for delivery of the basic security benefits system for job-seekers.³ The relationship between the Federal Ministry for Labour and Social Affairs and these municipalities⁴ is regulated in Book II of the Social Code (SGB II). Regulated issues include, inter alia, mutual information, the delivery of statistics, the control of expenditure and agreements on objectives. The law also defines the responsibilities, rights and duties of the authorities involved at different levels. As the local authorities are not subordinated to the Federal Ministry of Labour and Social Affairs, the German situation could be of interest to the Polish PES.

The exchange of staff

The horizontal exchange of staff between PLOs, and vertical exchanges between PLOs, VLOs and the Ministry, fosters mutual learning and the sharing of experiences. Furthermore, the motivation, self-confidence and the commitment of staff will be increased by staff exchanges. It is also an instrument to ensure quality and similar proceeding in service delivery. France, with its future orientated Strategic Workforce Planning and Training Initiative, could provide an exemplary framework for the exchange of staff. A further interesting example may be Austria because the Austrian PES recently re-established a staff exchange programme.

Quality management and structured training

The integration of a quality management system (QMS) into the general management steering arrangements effectively supports the delivery of high quality services and products. Notwithstanding this, the proper implementation and use of a QMS presents a considerable challenge and should not be underrated. An imperfect QMS 'system' is time-consuming, costly, and ultimately useless. Austria is a good example of the successful implementation of a comprehensive QMS.

The (further) training of staff should be carried out in a more structured way. Essential elements in structured training programmes include the definition of the objectives for the training, the elaboration of internal courses or the selection of external trainers, the implementation of training measures, and, finally, a review and an evaluation of its outcomes. The Croatian and the German PES could be used as examples for structuring staff training. Croatia has a well-designed and well-organised staff training system, including a framework for core competencies. The German PES has established a uniform and elaborated competences model. Within this model, the initial and further training of staff is well structured and organised.

Potential areas for further development of strengths

- Good practice: The evidence-based definition and systematic collection and dissemination of good practice, and also the methods of sharing good practice, can be studied in Norway, Spain, Denmark, and Estonia.

³ In German: Grundsicherung für Arbeitsuchende.

⁴ So-called approved municipal providers.

- Database: For an effective use of the data for evidence-based decisions, the experiences of Denmark and France are exemplary.
- Partnerships (including welfare offices in the local authorities): The approaches developed and implemented in Belgium (VDAB), Denmark and Ireland are all good examples of partnership mapping and guidance.

