



Benchlearning Initiative External Assessment

Summary report 2nd cycle – Slovak Republic



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PES of Slovak Republic

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1. Introduction

This report outlines the results of the second Benchlearning (BL) external assessment of the PES of the Slovak Republic (Central Office of Labour, Social Affairs and Family – COLSAF), conducted between February 27th and March 1st, 2017. The team of six external assessors comprised two peer PES staff (Austrian and Estonian 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 in COLSAF's head office with senior management/directorates, and a visit to two local offices (in Trnava and Piestany). The time and resources invested in the preparation for the Benchlearning visit by COLSAF and in particular the internal self-assessment were crucial to its success. The team gratefully acknowledges those efforts.

COLSAF delivers a wide range of social and employment services. All recipients of unemployment benefits are obliged to register with the PES. The Social Insurance Agency is responsible for the actual payment of unemployment benefits, whereas COLSAF is responsible for all state social benefits, from child birth benefit payments to funeral allowance payments. It also has a role in the social and legal protection of children. Furthermore, the tasks of COLSAF include the registration of unemployed jobseekers, sourcing job vacancies, mediation of suitable job opportunities, providing professional counselling services, referral to education and training for the labour market, implementation of active labour market measures, enhanced care for the placement of disadvantaged jobseekers and the implementation of co-financed European Social Fund projects.

The COLSAF Director General (DG) reports directly to the Minister for Labour and is a member of the management board of the Ministry. COLSAF has one central office and 46 local offices. Each local office is managed by a director who is appointed by the DG of COLSAF. The central office serves as the implementing agency for the Ministry, coordinating and managing the work of the local offices. It controls budgeting and payment processes, provides methodological guidance with respect to service implementation and monitors the collection of administrative data. The local offices are tasked with the delivery of services to clients.

2. SHORT SUMMARY OF THE CHANGE AGENDA

Directly prior to the first visit in 2015, COLSAF initiated a fundamental change process with the aim of becoming a modernised, citizen-friendly and efficient public employment service. The first steps included the centralisation of administrative tasks in order to allow local offices to focus more on the key tasks of providing services to jobseekers. In that context, a one-stop-shop approach was put in place, staffed by individual contact persons (so-called personal agents). Furthermore, extra staff was deployed and up-skilled through the provision of additional staff training, in order to start this change process.

The main goal of it is to create a client-oriented institution that addresses the social situation of the clients, not only on an individual basis, but by providing holistic services for families as a whole. Thus, the ultimate aim is to establish COLSAF as a citizen service for Slovakia that offers "better services for a better life". Around two years after the first visit, COLSAF has achieved considerable progress in implementing the one-stop-shop approach. Most significantly, the process of establishing a department of Services to Citizens (combining employment and social services) with dedicated personal agents was finalised in mid-2015. In the second half of 2015, COLSAF introduced an electronic queue

management system in the local offices that reduces waiting time and facilitates workload management. To supplement this, a reception zone responsible for all administrative tasks was established in the third quarter of 2015.

Furthermore, several new IT tools were introduced. These included the electronic ID-reader system which allows the quick identification of the client with an automated upload of the client's file to staff's computers. A "social calculator" allows personal agents to simulate the whole family situation of the client and to get an overview of all current social benefits as well as possible claims. Documents can now be signed by clients electronically using signing tablets and jobseekers can be equipped with a "video business card" for applications. These achievements have all contributed to COLSAF becoming a more client-oriented organisation.

Finally, the benchmarking system for the local offices was re-established and a system of internal education of staff following the "train-the-trainers" principle was introduced. At each local labour office, a team of internal trainers (consisting of experienced employees) is now available.

Most importantly, during the visit the assessor team got the strong impression that COLSAF has managed to solidly anchor the fundamental principles of the reform within the organisation with the support of employees. This is an excellent basis for the further development and fine-tuning of the approach. In doing so, COLSAF currently concentrates on the following issues of primary importance:

- the improvement of the measurement of service quality and client satisfaction;
- the introduction of systematic tools for staff evaluation; and
- the standardisation of work places and staff training.

Considering the remarkable achievements of COLSAF in rolling out the new model and the dedication of all staff, the assessor team is convinced that COLSAF is on the right track and confident that further refinements will be implemented successfully.

3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA

As described above, the ultimate aim of COLSAF's reform agenda is to establish a citizen service for Slovakia that provides services to all its clients in a holistic manner. Against this background, any further developments need to explicitly take into account the clients and the results to be achieved for them as a starting point. In this context, it is important to note that the clients of COLSAF comprise two sub-groups. On the one hand, there are individuals/families in contact with the PES for whom the desired ultimate result can be described as a decent life without benefits. The second sub-group comprises companies for which the desired ultimate result of all service provision can be characterised as economic success on the market. This implies that for both groups COLSAF needs to explicitly operationalise the desired ultimate results, transfer them into measurable indicators, formulate quantitative targets for all local offices and use them to lead the organisation (challenge 1).

Both sub-groups of clients have specific needs. Individuals/families can be in need of material support (benefit payments), job search advice, orientation, formal qualification, skills enhancement, child support, support for persons who care for family members, help with socio-psychological problems, debt

counselling, substance abuse counselling, etc. Companies might be in need of new employees, support for up-skilling their existing workforce or advice regarding their human resources planning. It is important to note that these needs can be interrelated and that some clients might have multiple needs because they face complex barriers on their way to the desired ultimate result. It is the declared intention of COLSAF to offer a set of high-quality services and products to all clients in a holistic manner in order to avoid that they are “cut into problem-slices” which are worked off by different actors without coordination. In this context, the current highly specialised organisation of service provision with counselling, training and ALMP referral being under different responsibilities and the personal agent acting as a conductor implies many interfaces. These bear the risk that valuable information gets lost and that clients fall into service gaps.

The intention of delivering high-quality services implies that COLSAF needs to develop a more systematic approach to quality management. This comprises a clear definition of the ultimate quality objective, a transfer of the latter into measurable indicators and the translation of those into personal missions to be accomplished by all staff in their everyday work (challenge 2). Furthermore, it requires tools to assure quality in their everyday work and the creation of a system of mutual support for staff delivering services (challenge 3).

The aim of offering a product and services portfolio that is designed according to the needs of the clients implies that COLSAF needs to augment and/or (re-) design it together with partners by actively involving clients (challenge 4). In order to sustain the high commitment of employees and to create ownership for all future refinements among the staff who are supposed to deliver these services in a high-quality manner, COLSAF needs to utilise their expertise (to cope with challenge 4) as well as train, support and evaluate them regularly (challenge 5). Finally, it is necessary to identify to which extent the design and concrete delivery of services has an impact on the desired ultimate results. This implies that COLSAF needs to generate evidence on “what works and for whom” (challenge 6) and use it systematically to re-address challenge 1.

While some of these challenges are already on the agenda of COLSAF (see last section), others still deserve more attention from the perspective of the assessor team. In section 5 below, we recommend some approaches and tools as well as some peer PES which can serve as exchange partners for coping with these challenges.

4. ASSESSMENT OF CHANGE MANAGEMENT

The management of the change activities conducted by COLSAF so far are characterised by a pronounced top-down approach regarding the determination of concrete change projects and the communication of relevant reform steps. The initialisation and design of all change projects are largely under the responsibility of COLSAF’s head office. Some local offices contributed to them via the participation of their heads in working groups established at the central level.

The adopted change agenda was communicated in a systematic and elaborated manner to all relevant actors within the organisation. For this, ambassadors of change were established in each local office and an intranet discussion forum was implemented. Furthermore, the DG of COLSAF visited all local offices personally to explain the changes and to campaign for them. A direct email line to the central office for questions and remarks was established. Staff in the visited local offices highlighted that the head office listens to them, which is perceived as major progress compared to the situation some years ago when the local level was not allowed to directly communicate with the central level. In order to

implement the changes, so-called methodological days were established during which the implications for all practical work are discussed and which serve as a training tool for employees in the local offices. These were unanimously appreciated by the employees, who expressed their desire for an extension.

The elaborated communication concept contributed to an atmosphere of trust and is the major strength of COLSAF's management of change. Hence, it is definitely worth being preserved. For this, the transfer of experiences into explicitly defined and standardised change and lessons learnt processes can help to further enhance the implementation of future change projects. For all future organisational development projects, it is suggested to strengthen the bottom-up flow of information and to increase the participation of the local level already in the initialisation and design phase. For this, the regular and systematic conduction of self-assessments (using the CAF- or EFQM-approach) is an option to be considered by COLSAF. These self-assessments support the identification of areas for further refinements and the collection of suggestions of all staff regarding the latter. Finally, this will also contribute to anchoring all changes in the organisational culture of COLSAF and, thus, to reinforce them.

In addition, there is a need to develop a compelling vision or mission statement for all further reform steps, i.e. a picture or image of the future that is easy to communicate and to identify with by staff. This vision/mission statement should provide direction for the refinements of the established reforms and serve as the foundation to develop specific steps for arriving at a future end state.

Finally, it is important to note that the cornerstone of any PES change agenda is the measurement of the efficiency of employment services in order to provide a robust basis for the thorough assessment of change options according to their expected cost-benefit relationship. This refers to the major area for improvement regarding the management of change in COLSAF. It is essential to generate more evidence on "what works and for whom", i.e. on the efficiency of services and products for different client groups in order to establish a systematic process of identifying the need for changes within COLSAF. In addition, this will certainly also help COLSAF to gain a more active position in the future discussions on further reform steps, because it will be possible to put "price tags" on the external impulses for change. For COLSAF to become a driver of change, the generation of hard evidence on the costs and gains of their services seems to be a central prerequisite.

5. SUGGESTIONS AND RECOMMENDATIONS

In the following, we refer to the challenges mentioned in section 3 and recommend possible approaches/tools as well as potential peer PES exchange partners. We are convinced that the solutions found by them can deliver valuable insights and ideas which can be adapted to the specific circumstances and needs of COLSAF.

Regarding the first challenge (definition of and reflection on the desired ultimate results):

A first approach worth considering is the definition of "royal indicators". This means that the organisation agrees on a small set of indicators which reflect the ultimate aim of all doing of the organisation and which should, therefore, be the centre of staff attention. These indicators can then be used to formulate quantified targets for all relevant levels of the organisation. From the discussions in the local offices, it became apparent that COLSAF staff considers satisfying

clients and helping them find a “good job” as the ultimate aim of all their efforts. Hence, the number of transitions from the register into sustainable¹ employment in the primary labour market together with the share of highly satisfied² jobseekers and employers might serve as a first set of “royal indicators”.

The precise definition of such indicators can also be developed in a more participative process, using the self-assessment framework of the CAF/EFQM-model. Furthermore, in a stepwise future process they can be extended to cover a more elaborated set of organisational goals to be reflected in a Balanced Score Card. In this context, the experiences of the Austrian, Estonian and Flanders PES might be helpful.

Furthermore, it is necessary to systematically and regularly reflect upon the “pathways to good results”, not only on the management level but throughout the organisation as a whole. COLSAF has established the basis for a high level of transparency through an encompassing IT system and the development of a benchmarking model. These achievements should now be used to establish a strategic performance management system as an instrument for effectively leading the organisation. In order to anchor performance management in the organisation's language and to embed it into staff's everyday work, we recommend establishing continuous, fixed and easily understood formats, i.e. an effective system of “performance dialogues”. For an exchange on this issue, the German PES offers its support. Similar approaches worth studying in this context can be found in the PES of Austria, Estonia, the Flanders region of Belgium, the Netherlands, Sweden and the UK.

Regarding the second challenge (definition of quality objective, etc.):

To cope with this challenge, a stronger orientation on process management standards (e.g. ISO 15504 as a process management framework) will be helpful. These are based on the principle “action follows strategy” which means that all processes need to be linked to strategies and visions. The communication of these relationships will help staff get a clear picture of the organisational aims. Furthermore, the definition of a process map and the visualisation of process steps will be helpful for a better understanding as well as for process reviews and continuous improvement activities. For an exchange on this issue, the Austrian PES offers its support. The same holds true for the use of (semi-standardised) customer expectation surveys and focus groups with customers, which are useful tools in gaining a deeper understanding of clients' expectations and their specific needs. This can be supplemented by the systematic analysis of customer reactions (complaints, etc.). All these tools can serve as a valuable basis for the definition of quality objectives and their translation into missions and practical actions for front-desk staff. In this context, the approaches of the Estonian PES and VDAB are also worth considering.

Regarding the third challenge (tools to assure quality and mutual support systems):

The toolbox of tried and tested methods for quality assurance in PES is quite extensive and comprises different approaches like sample checking of files, supervised interviews or case conferences. The implementation of these

¹ Employment which lasts for six months or more.

² The Practitioner's Toolkit “Developing customer satisfaction measurement systems” is available online in the PES Knowledge Centre (<http://ec.europa.eu/social/main.jsp?catId=1163&langId=en>) could be used to design and launch regular client satisfaction surveys.

approaches requires that the ultimate quality objectives are precisely defined and well-known to all staff. Only in this way can it be ensured that quality assurance tools are used in purposeful manner. Furthermore, for quality management to be accepted and useful to all staff in everyday work, it is important to establish a clear border between quality management and controlling. Thus, it is recommended to establish quality management as a discrete process on all hierarchical levels. Furthermore, the definition of QM roles, especially of local quality agents in each office, is advisable. These persons need to be equipped with the necessary know-how. For this, the experiences in Austria might serve as a reference point. In addition, the regular use of self-assessments (EFQM/CAF), starting in selected pilot offices, can help refine the use of quality assurance tools and further develop the quality management system as a whole. Such self-assessments are regularly used in the PES of Estonia and the Flanders region of Belgium.

An appropriate combination of strategic performance management and a holistic quality management system are essential to create an atmosphere of healthy competition within the organisation by providing both the basis for comparability and a drive for common strategic goals. All employees should strive to achieve the goals of their work. However, the targets of their team, office and the whole organisation also need to be at the centre of their attention. To support this, channels and tools for mutual support and learning are necessary.

One example of such a channel for mutual support and learning is the possibility for the regional offices to visit other regional offices, as e.g. practiced in the Estonian PES. There, an office to visit can be chosen according to a known good practice in some field. During the first part of the visit, the front-line counsellors can job-shadow (i.e. observe the work of) their colleagues from the other region, while in the second part of the visit observations are discussed and mutual learning takes place.

Another example from the Estonian PES is their approach of "job-shadowing and active learning groups" as tools to improve the profiling competences and counselling skills of the front-desk staff. Previous in-house training experiences had shown that classroom learning alone did not necessarily ensure high-quality counselling later on. Active learning groups involve job-shadowing by the internal trainer, a peer counsellor or a chief counsellor, who give feedback to the counsellors about their counselling skills in real life situations. The learning process consists of five steps involving (i) agreeing on methods to be used, goals to be achieved and frequency of meetings, (ii) observing the counselling process (i.e. job-shadowing), (iii) discussing the observations and defining areas for improvement, (iv) agreeing on actions to be taken over a specific time frame and (v) reviewing the progress. These steps are repeated over a longer period. As a result, counsellors are more aware of how to use different elements of counselling and are able to observe their own progress in developing their counselling skills. This approach is certainly worth studying in more detail and is a form of staff qualification independent of the availability of formal training premises/courses and exhibits a direct reference to everyday work.

Finally, the German PES has collected promising experiences with the definition of so-called action strategies for employment counsellors. These include recommendations and describe promising implementation alternatives for counsellors when searching for an optimal pathway for their clients to the labour market. This approach is also worth studying for COLSAF.

Regarding the fourth challenge ((re-)designing of the product and services portfolio together with partners using clients):

For this, the already mentioned customer expectation and satisfaction surveys have proven to be very useful tools in many PES. In addition, the Austrian PES regularly and systematically uses so-called semi-structured and accompanied customer journeys in local offices to review the design of processes and services. This is a low-cost tool providing valuable insights into the clients' needs and expectations that can be implemented by the (above mentioned) local quality agents as soon as they have been established. The Austrian PES is willing to offer examples and practical advice in this context.

Partnerships can play an important role for achieving the objectives of the holistic approach to clients. In order to design partnerships for the coordinated service delivery, it is again useful to think in terms of a customer journey. The journey from unemployment into sustainable employment can be long and complex, including alternating phases of training, job placements, short-term paid employment, and periods of unemployment and inactivity. This approach can help to ensure that clients' needs are at the centre of cooperative service delivery (rather than the fragmented interests of service providers) by mapping the partners' roles and service offers, and a systematic analysis of the "sequencing" of interventions.

Regarding the fifth challenge (commitment and ownership of staff, etc.):

Here again the already mentioned (EFQM/CAF) self-assessments are useful tools to utilise the expertise of all staff and to provide them with ownership regarding further refinements of the existing model. During the visits to the local COLSAF offices the assessor team noticed that all employees had suggestions on how to improve or facilitate the existing procedures and service offers. These can be collected systematically via such self-assessments. In addition, the establishment of an ideas management (or employee suggestions) system to collect staff suggestions can support this. Here again, the Austrian and Estonian PES can serve as partners for such an exchange. Furthermore, COLSAF might think about augmenting their intranet discussion forum into an internal social network ("COLSAF Facebook") to increase the participation of local employees and to establish another bottom-up communication channel. This can be complemented by regular employee satisfaction surveys (like in Austria, Estonia, Germany, Norway and the UK) and the already mentioned structured performance dialogues.

Finally, the Estonian PES has collected promising experiences with staff competence tests. These are conducted immediately after the probation period and at least once per year. Their main purpose is to identify needs for further individual training and they are, thus, accepted by employees as a support and not perceived as a control tool.

Regarding the sixth challenge (generation of evidence on impact):

As mentioned above, a central prerequisite for the management of change in PES is the measurement of the efficiency of employment services. Ideally, efficiency does not only refer to the cost of a service, but also the benefits/revenues of it. This implies that it is necessary to evaluate the impact/effectiveness of the services using a counterfactual approach. The latter means that it is not enough to know how many people achieved the desired result after a service has been provided, but how many achieved this result *because* of this specific service. Thus, counterfactual methods are used to compare the results (e.g. transition into employment) of participants in a measure with that of comparable non-participants (a so-called control group). Based on such evaluations it is possible to assess the benefits of a service for participants, the PES, the public sector

and/or the society as a whole and to compare these benefits with the expenditures associated with it.

Counterfactual evaluations can be conducted by PES staff, outsourced/procured to external experts or conducted in cooperation with universities/academia. Thus, it is not always a necessity for the PES to have staff members who are trained to conduct counterfactual impact evaluations, but it is necessary that the PES incorporates the concept of evidence-based design and implementation of services and builds appropriate partnerships to achieve that. Examples for the regular and systematic implementation of counterfactual impact studies (also in cooperation with external partners) can be found in the PES of Denmark, Estonia, Germany and the Netherlands.

One approach to directly generate evidence on which interventions/measures, service concepts and processes work better, is to conduct piloting more methodically. Pilots should be implemented involving a limited number of clients and/or offices (ideally as randomised controlled trials, RCTs) in order to be able to compare the results of the piloted service/process with an alternative situation (e.g. no service provided). Partners from universities and applied research centres could be involved in designing and evaluating pilots. The PES of Denmark has collected comprehensive experiences with the implementation of RCTs and transferred them into a kind of "cookbook". Other examples for the effective use of pilot projects can be found in the PES of Estonia, Latvia and the UK.

Nevertheless, a large number of impact evaluations and cost-benefit analyses conducted in other countries already exist, studying similar labour market measures like those available in the Slovak Republic. Hence, as a step towards the goal of providing efficient employment services it is worth analysing the existing evaluation results (which measures tend to work in which occasions, for which target groups, etc.) and taking this information into account in the design and structure of service provision.

As a preliminary step towards conducting impact evaluations, it is important for COLSAF to systematically analyse the share of jobseekers who enter (non-subsidised) employment in the primary labour market within a specific time period by different target groups and participation in different services. In doing so, it is essential to analyse what determines the differences in the results between different services and groups. The findings of this step should be made available in a user-friendly management information system. Currently, an enormous amount of comprehensive data is available in the powerful IT system of COLSAF. From this the most relevant information needs to be distilled and processed in a manner which supports the steering of the organisation on all levels. That way, this information can be purposively linked with strategic performance management as well as budgeting.

In general, COLSAF should strengthen the awareness of the need for evidence-based service design within the organisation. As a medium-term objective, the creation of a comprehensive "evidence/knowledge strategy" seems advisable. Such a strategy contains the information needed for the evidence-based (re-) design of services together with a plan for the generation of evidence and its dissemination within the organisation as well as to stakeholders outside the organisation. A recent example for the creation of such a strategy and its implementation can be found in the PES of Norway.

