



# **Benchlearning Initiative External Assessment**

Summary report – ESS Slovenia



*Written by ICON Institut Public Sector GmbH*

*2015*



## **EUROPEAN COMMISSION**

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

This publication has received financial support from the European Union programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult:  
<http://ec.europa.eu/social/easi>

## **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

# **Benchlearning Initiative External Assessment**

Summary report - ESS Slovenia

## **Benchlearning Initiative External Assessment**

### **PES of Slovenia - ESS**

#### **Summary Report**

#### **Index**

	<b>Page no.</b>
<b>1. Introduction</b>	<b>2</b>
<b>2. Strengths</b>	<b>3</b>
<b>3. Contextual Influences</b>	<b>4</b>
<b>4. Current and potential Good Practices identified</b>	<b>5</b>
<b>5. Areas where improvements may enhance PES operations and outcomes</b>	<b>6</b>
<b>6. Recommendations</b>	<b>8</b>

## **Benchlearning Initiative External Assessment**

### **Public Employment Service of Slovenia (ESS)**

#### **Summary Report**

## **1. Introduction**

This report outlines the results of the Benchlearning (BL) external assessment of the Employment Service of Slovenia (ESS), conducted on the 7-9 September 2015. The team of five external assessors comprised two peer PES staff (Estonian and Croatian PES), a PES expert from the European Commission and two experts from ICON-Institute (the supporting contractor). The programme of the 2.5 day visit included meetings in ESS Head Office with senior management/Directorates and a visit to the Regional and co-located local PES offices in Ljubljana. The time and resources invested in the preparation for the Benchlearning visit by the ESS and in particular their internal self-assessment, were regarded by the team as a key support to the success of the BL external assessment process.

The Slovenian PES is an independent public body and reports directly to the Ministry of Labour. It has developed a substantial strategic and operational approach to performance improvement that includes many good elements and aspects. This performance management approach exists within a three-level institutional structure. The Central Office is responsible for ensuring support and professional development for the execution of activities and procedures. It is managed and steered by the Administrative Board (ESS Administrative Council) and the Director General (DG) who is directly appointed by the Government (there have been frequent changes of DG in the last few years). The ESS Administrative Council consists of 13 members, representing employers and trade unions (3 members each), the government (6 members) and the ESS workers' council. The DG is supported by an Expert Advisory Council, i.e. a consultative body that consists of human resource management specialist from companies as well as external and internal experts (including a previous DG).

The ESS presents itself as a well-developed modern institution that provides all the services that a PES has to offer. These include a number of channels for unemployed jobseekers services such as face-to-face interviews, call centre support, a web portal, a range of ALMPs such as training, employer subsidies for the recruitment of unemployed jobseekers and direct job creation (in the context of public works). The demand side of the labour market is well served by special units and a new web portal specifically for employers. Matching systems are designed to meet employers (and unemployed jobseekers) needs, psychometric pre-screening is offered to employers recruiting for particular vacancies and speed dating events are organised for employers and unemployed jobseekers.

The PES is also responsible for administering unemployment benefits, but not secondary social support allowances. Individual action planning for unemployed jobseekers ranges from career guidance, advice on how to apply for a job, to in-depth counselling for those who are drifting into long-term unemployment. The action plan is subject to conditionality and failure

to comply with the mutually agreed and countersigned action plan (agreed during the development of the individual action plan in collaboration with the PES adviser) can result in the jobseeker being excluded from the register for six months. There is a high degree of investment in career guidance and counselling and the PES provides 11 Career Centres for life-long guidance (LLG) nationally. These centres are available to students and adults and are also used as an additional resource to the PES, in that employers can use the facilities to conduct recruitment campaigns and jobseeker pre-selection and screening. The LLG centre in Ljubljana is also used as the main resource through which services for youth (up to 29yrs) are delivered, also in the context of the Youth Guarantee for the latter target age group. Further evidence of the life-long guidance orientation of the PES is their involvement in the preparation for the eventual contracting by the Ministry of additional guidance and job-club/workshop type services to be delivered by partner organisations and the administration/monitoring of such contracts by the PES.

The PES is a legally independent body but has in effect limited scope for independent decision making on the overall amounts of budgets and personnel. It relies on the Ministry for approvals in these areas. It consists of the Central Office, 12 regional offices, 59 local offices and as stated, 11 life-long guidance resource centres. The Public ES Office we visited was well appointed and equipped and presented as a modern pleasant environment for clients to enter and receive services. Partnerships have been developed but some of these partnerships operate on a mutual understanding and verbal basis, only a few are established on the basis of memoranda of understanding/written partnership agreements.

## **2. Strengths**

The ESS has a long history of continuous modernisation and improvement and has also benefited from technical assistance in the past. That has given the ESS a firm foundation to be able to operate a modern and inclusive PES. This has served well the supply and demand sides of the labour market in Slovenia. A vision document (Strategy 2020) forms a solid grounding for current and future activities. The high level of career guidance and counselling investment in the past, including the LLG Centres, reinforces the holistic approach to customers. This solid PES construction is also supported by a database that is linked to other State data resources, thus providing an extremely comprehensive basis for extensive analyses and evaluations of the effectiveness and efficiency of PES operations and ALMP's. Individual action planning (IAP) for unemployed jobseekers is well developed and is supported by an extensive guidance counselling referral and support system. A good range of ALMPs (as referenced above) is available to support the IAP process.

Staff are a key strength of the PES and have maintained a professional approach to their work, while at the same time being disadvantaged by suffering reductions in numbers, and to a certain extent by proposed reductions in pay levels.

Management, core and support processes are very well defined in a highly structured manner and provide an inner backbone and strength to the organisation. ICT systems support the processes and continue to be developed. A new portal for unemployed jobseekers and employers is in place, also an app has been developed for YG clients, a functional back office

system is in place which requires some modernisation through the addition of new features identified as lacking by the staff. The development of the portal is to be lauded and despite some initial glitches has the potential to transform the services delivery and shift customers over to self-service via the web. Another particular strength is the emphasis on operating and developing further the multi-channelling approach.

A well-developed quality system based on ISO 9001 has been in place for a number of years and despite a gap in 2013, continues to function well. While implementation could be reinforced with increased risk management, in general staff are well apprised of its requirements and operate it well despite continuing staff shortages. Plans are in train to adopt the EFQM excellence model.

A well thought out employer strategy is also in place with clearly defined goals and operational processes. All the important stakeholders were involved in developing the strategy and a good deal of work has been done to communicate it. Adapted working arrangements have been put in place and staff trained in order to support the implementation of the strategy. Designated offices for employers have been created in the regional locations to further underline and market a clear employer customer service approach. The ESS has also developed good matching services including tailor-made programmes incorporating employers' needs, including psychometrics to enhance the matching process, and facilitation of speed dating of employers and prospective employees, etc.

While there is little scope for HR initiatives independently of the Ministry, staff training structures in the ESS are well developed. There is also an individualised coaching follow-up service for staff who have taken part in training initiatives. The ESS sees itself as a strongly family-friendly organisation that provides flexible working hours, tele-working options and despite a lack of financial resources has managed to maintain its staff development and support orientations.

### 3. Contextual influences

The **institutional context** in which the Slovenian PES delivers its services is quite rigid. The ESS is established as an autonomous body but its activities are largely governed by the Ministry of Labour and the imperatives of an annual ALMP plan, defined primarily by the Government and part-funded by the EU. Operational ALMP delivery and service design are clearly within the control of the ESS, in the context of a legal framework that allows some latitude in that operational regard. An annual contract with the Ministry of Labour is signed that defines more detailed annual PES tasks, the structure of the PES Budget, number of staff, etc. The Management of ESS is responsible for developing the operational strategy, annual planning and realisation of such plans, according to its legal mandate as defined by Government/Ministry of Labour.

The **economic context** in which the ESS operated up to 2013 has been problematic with high unemployment and low growth. However in 2014, the Slovenian economy rebounded strongly. After a cumulative decline of more than 9% between 2008 and 2013, real GDP is

estimated to have grown by 2.6% in 2014<sup>1</sup>. Growth has been predominantly export-driven but domestic demand has also begun to recover. Real GDP is expected to grow by 2.1% on average in 2015-16. The unemployment rate remains below the EU average, falling to 9.7% in 2014 and is currently at 9.09%<sup>2</sup>. The Youth Unemployment rate is 17.9% and compares favourably with many other EU States. However the LTU represent more than 50% of the overall unemployed cohort, indicating a challenging structural issue. ALMP budgets were reduced at the start of 2015 but are now being increased as ESF money comes on stream.

#### **4. Current and potential Good Practices identified during the assessment**

ESS strengths outlined above are supported by potentially transferable good practices. These include the following:

- The ESS has invested a great deal of effort in supporting its staff despite the lack of financial resources for staff development and motivation. It has for example developed a range of internal training programmes that can be of interest to peer PES and that are evaluated post-training. This feedback is taken into account when adjusting the courses and one to one coaching is provided as a follow up to training courses. Initiatives for advancing a “Family-friendly Company” approach and occupational health supports have been implemented. This family-friendly orientation of the ESS includes flexible working hours and tele-working options.
- The use of pilot projects to assess the effect of new services is worthy of note, and was used very effectively in the development of the recent ICT-based multi-channelling developments.
- The ESS has developed a transparent and clearly defined strategy for cooperation with employers (The Employment Service of Slovenia 2020 Development Strategy). There are several good practice approaches developed to provide effective and efficient matching services (tailor-made programmes to meet employers’ needs, such as the application of psychometrics in the matching process, organising speed dating events between employers and prospective employees, etc.). The dedicated employer units in regional offices offer a clear customer orientated approach to employers.
- Life-Long Guidance (LLG) Centres provide a range of good practice guidance and counselling supports for both adults and young people and this long-standing investment is worthy of study by other PES as an example of good practice in the delivery of LLG services.

---

<sup>1</sup> Commission staff working document Country Report Slovenia 2015

<sup>2</sup> The seasonally adjusted unemployment rate as of July 2015



- The development of the electronic document management system has relieved the PES burden of paper document processing and while there are some improvements/adjustments to be made to the new system, it has the potential to deliver efficiencies in the use of staff time and resources. The development of such a system is an ambition of many PES but not all have achieved that goal. The planning and putting into production of the electronic document management system is worthy of study by peer PES.

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

At the ESS governance level the three interdependent areas of Operational Objectives, Budgets and Human Resources should ideally be in balance and mutually supportive. If this were the case and budgets and HR were sufficient then this would allow the PES to further redevelop its strengths. This would allow the ESS to successfully address the challenge of the labour market and thus be the primary reference public agency of choice for Slovenian labour market issues and solutions. It seems clear however that the ESS is understaffed and the ESS should make the case that increasing staff numbers will increase performance with a payback of unemployment benefits saved.

The difficulty in recruiting staff (due to Government fiscal policy) and retaining posts when an office holder retires needs to be addressed. This can either be achieved by a radical change in Government policy on staff recruitment and/or the re-allocation of staff in a more flexible manner coupled with a more open Ministerial approach to distribution/allocation of budgets within the PES in order to shift more resources to improve staffing levels. Coupled with that approach there is also a case to be made for the redefinition of grades and job specifications so that more of the existing staff resources are made available for delivery of client services.

In that regard, the classical multi-level PES profiling and in-depth counselling system/model (supported by psychologists) in operation in the ESS is unable to meet the jobseeker demand that currently exists. There is scope for considering a flattening of placement/guidance/counselling staff structures so that there is one category of adviser/counsellor. This can be supported by providing certified on and off the job training in guidance and counselling (in collaboration with a local university) to existing placement officers in order to certify their professional level and identity and thus also improving staff morale and professional self-image. This initiative would be designed to bring all placement staff up to a high level of competence in professional counselling.

This development<sup>3</sup> would also allow for the release of in-depth counsellors into the main placement officer/adviser functions<sup>4</sup>, in order to maximise staff resources and reduce caseloads. So in effect all guidance and counselling staff would then be operating in the mainstream front-line IAP delivery roles and all adviser staff would have equally high-level certified skill-sets.

There is merit in establishing a stronger link between labour market results and ESS operational activities. This can be done in a number of ways and for example calculating the annual saving to the State of ESS activities would demonstrate the ESS dividend and pay-off to the State. This in turn would greatly help the business case for more resources to achieve even greater savings for the State. The ESS has defined targets in the annual business plan for 2015 and the 2020 Strategy document. These can be enhanced further by the extension of the current set of targets by an efficiency goal (i.e. reduction in benefit payments by shortening the duration of unemployment of benefit recipients) and perhaps by the addition of a sustainability goal (e.g. the share of newly employed former unemployed jobseekers returning into registers within a few months).

The operational objectives and approach of any PES should ideally be derived from research on anticipated labour market developments and economic forecasts. This is the case in Slovenia and is reflected in the 2020 Strategy document. However in order to achieve such operational objectives, stability in budget allocation is a pre-requisite so that multi-annual planning can have a solid foundation. This requires that a strong business case be put to the Ministry for the allocation of budget not just for each year but also on a multi-annual basis. This business case can be reinforced if the ESS is seen as the key strategic national agency for labour market solutions. The latter requires a major campaign and effort. The ESS needs to be more active in making their business case by using the scope of action that they already have within the existing boundaries set by the Ministry. In that regard it is crucial that the Director General position has a stable mandate for at least five years and that the recent frequent changes of DGs should not re-occur.

There is scope for reinforcing the bottom-up element of managing change by implementing a “good ideas” competition (incl. e.g. an award for the best idea) and a good practices database; ensure that the information on good ideas and good practices which is collected during the annual interviews with employees is systematically analysed and used

---

<sup>3</sup> The first level (part-time 12 days over 6 months) could be delivered to all the relevant staff and could consist of an introduction to professional vocational guidance in the PES. A second level could initially be delivered to a selected number of graduates from the first level, as the duration of the second level could be *2 years on a very part-time distance-education basis* while of course *continuing to work full-time* in their Job. Ultimately the ambition would be to have most front line staff trained at the second level, for those who wish to take part. The second level would typically extend over two academic years on a part-time basis and would be delivered in an open learning format, incorporating e-learning materials, and workshops.

<sup>4</sup> This is already happening to an extent in that some in-depth counsellors have been allocated an additional caseload of 150 of ‘normal mainstream clients’, due to staff shortages.

## 6. Recommendations

1. Establish a system to ensure that targets are ambitious by combining the existing good elements into a benchmarking model and add efficiency indicators, i.e. amount of money saved by reducing the average duration of unemployment. Allow individual staff and management to compare what the current achievement is and what it should be. Take seasonal influences and local labour market characteristics into account for target setting. Improve the commitment of the regional level by establishing a balanced bottom-up/top-down approach to target setting.
2. Intensify non-monetary staff incentives to further stimulate ambition, maintain motivation, and compensate for the lack of financial incentives. Such non-financial incentives to foster performance-orientation of employees at the local level could include the establishment of an annual award such as “Best of ESS”. This award would be made to teams rather than individuals and be based on objective, pre-announced criteria for the best unit.
3. Link the distribution of resources for the regional and local levels to performance target values; those offices who offer better performance (or from which higher performance is demanded) should receive a higher budget (for personnel as well as ALMP).
4. Establish a benchmarking system of local offices (i.e. take into account local context); avoid clustering (the number of LO is too small), consider the use regression analysis (ex-post control for context); start with a small set of performance indicators and involve all local offices into the decision of how to weight these indicators, i.e. what’s important from their perspective.
5. Enhance the quality management system by extending risk management (for example, the organisational risk of losing staff due to expiring fixed-term staff contracts from project financing) and ensure that a systematic combination of quality management tools (such as regular supervision of interviews, checking of IAP content at random etc.) is applied in local offices.
6. Strengthen the evidence base by more sophisticated empirical analyses; e.g. decide whether it makes sense to offer post-placement services for groups of customers which have a high probability of losing a new job within three months (econometrically estimate the determinants influencing jobseeker stability in a new job using detailed jobseeker data from the ESS system and thus identify risk groups that return quickly into the ESS unemployment register)
7. In relation to evaluations, foster the implementation of counterfactual impact approaches (e.g. control groups) to assess the effectiveness of ALMP-measures. A

lesser option is to use stratified comparisons with non-participants instead of simple gross transition rates. Try to establish strategic partnerships with universities to tap their research resources where university researchers may have an interest in evaluating labour market interventions. Invest more in staff training in this area of ALMPs evaluation.

8. Piloting has been used by the ESS and most recently in the development of the ICT multi-channelling approach. There is scope to improve the way pilots are implemented through for example the implementation of randomised controlled trials (RCTs) and the use of non-participating offices as a control group in order to compare the outcomes of future pilots.
9. There is scope for improving ICT systems supporting the IAP process to provide more functionality. As an example, jobseeker data could be pre-filled automatically in the ESS jobseeker registration screens, by linking with the other national databases, thus saving staff time in the IAP process.
10. Continue the development of the multi-channel strategy, in particular to further develop the e-channels that would offer comprehensive and accessible services to jobseekers and employers.
11. The vacancy matching criteria in the ICT system could be further refined, e.g. by adding competencies related to specific occupations.
12. The Employer Strategy defines employers as crucial cooperation partners. Employers but they are no longer legally obliged to post all their vacancies to the ESS. Coupled with this, it appears that the current actual demand-side market share of the ESS is not known. It would therefore be useful to include an indicator in the performance management system reflecting the ESS vacancy market share and that could be drilled down to all levels (regional offices/teams/individual employers' counsellors).
13. Employers' satisfaction level of job applicants referred to them is currently monitored by questionnaires in paper format. This can be resource intensive for employers' counsellors as well as for employers, which in turn leads to a low response rate (and possibly biased results). Conducting this monitoring on-line could be more efficient. In that regard it may be worthwhile considering using the linked national administrative databases<sup>5</sup> to establish if ESS registered unemployed jobseekers have been placed in jobs to which they were referred by the ESS.
14. Finally the most important of the current partnerships that are established by verbal agreements should ideally be formalised through signed memoranda of understanding agreements.

---

<sup>5</sup> For example health insurance data, tax data or some other database which contains information both for the ID of the employees as well as for the ID of the employer)