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General Feedback Report TLD on  
"Quality Management"  
hosted by AMS, Austria



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## 1. Introduction

The ninth Thematic Learning Dialogue (TLD) was dedicated to "Quality Management" and was held on 5-6 November in Vienna. It was hosted by the Labour Market Service (Arbeitsmarktservice – AMS), the Austrian Public Employment Service (PES), with Participating PES coming from the Brussels-capital region, Croatia, Germany and Poland, each represented by two experts. In addition, the peer PES from Estonia and Slovenia both sent an expert to act as supporting peers for the Participating PES. The lead expert from the ICON consortium was in charge of moderating the TLD. Finally, two representatives from DG EMPL in the European Commission also attended the TLD. Before the TLD, dossiers on the Participating PES and the Host PES were drawn up, checked and sent to all participants. A preparatory virtual kick-off meeting was held on 31 October 2019. This helped to clarify the roles of all the participants, and it discussed the final agenda and the participants' expectations from the TLD.

## 2. Presentations by the Host PES

### *General introduction*

After the welcome from the Austrian Advisor for European PES Affairs (AFEPA) and a brief round table, the first presentation was an introduction from the AMS and its general quality management strategy.



**Figure 1: The strategy map – a visualisation of the AMS nine strategic fields**

In the general introduction, the AMS was characterised as a hierarchical organisation with a three-tier structure comprising a head office in Vienna, nine regional offices and 104 local offices. All AMS activities are grounded in a comprehensive organisational strategy which is described in a strategy paper of around 150 pages. In order to better communicate the contents of this strategy document to staff, customers and partners, the AMS produced a series of easy-to-understand tools. One example is a wall

chart visualising the nine strategic fields of action, another one is a two minute video (<https://www.youtube.com/watch?v=IqJr4xhpV-Q&feature=youtu.be>).

Being the leading customer-oriented service agency in the Austrian labour market is part of the AMS's strategic ambition and it is keen to be rated an excellent organisation by all its stakeholders. To achieve this, its quality management follows three directions:

- Quality management is part of the AMS management system and is strongly linked to all other management approaches (such as controlling and performance management, risk management, process management etc.). An important characteristic of the AMS quality management system is having a clear and elaborate structure (including specific roles, functions, teams etc.).
- There are clearly defined processes for a Continuous Improvement Process (CIP) or for (self-)assessment, and "loop thinking" (RADAR logic - Results, Approaches, Deploy, Assess and Refine) is well anchored in the management system.
- Quality management is seen as a cross-organisational issue and it is a big challenge to carry quality awareness in all areas of the organisation.

As a consequence, a handbook has been developed describing the interface between these three organisational elements. In addition, quality management refers to the entire organisational set up from the definition of the organisational mission and vision through to the

target-setting process, the definition of process standards, the implementation of processes, and the monitoring and assessment of performance results.

One important element of quality management is the satisfaction of staff, customers (jobseekers and employers), stakeholders and Austrian society in general. But satisfaction with the way services are provided has always to be contextualised with the achievement of set performance targets. This means that satisfaction as such is not an objective on its own but always has to be seen in relation to the organisations' results.

In order to function well and to be relevant and meaningful, the AMS integrated quality management system forces staff at all organisational levels to find answers to the following questions:

1. *Context of the organisation.* What is the environment where the PES operates? Who are the relevant stakeholders? What are the most important challenges that the PES has to face?
2. *Purpose/mission of the organisation.* What is the mission and where does the mission come from?
3. *Vision.* Where do we want to go and what does the picture of the future look like?
4. *Quality management policy, values and statements commitment.* Do you know the "quality" policy of the PES?
5. *Strategies.* What are the three to five most important strategies of the PES?
6. *Operation and prioritisation of strategic goals.* How are the different goals prioritised?
7. *Processes.* How are the goals achieved?
8. *Results.* How successful are you?
9. *Learning effects and lessons learnt.* What did we learn and what does it mean for the future?

In the presentation, it was clarified that performance management and quality management do not contradict each other, instead they highlight core elements of an organisation from different perspectives. While *performance management* for example focuses on the achievement of objectives and results which are measured by key indicators, *quality management*, as a holistic management approach, in contrast describes a process in which the interests of different groups – customers, staff, society etc. – are balanced. The integration of *quality management* in the management system therefore leads to an understanding of managing quality as a procedural tool and a cross-organisational and cross-sectional task. In order to be successful, quality management needs its own:

- policy
- planning
- steering
- continuous improvement (evolution
- controlling.



**Figure 2: Quality management and performance management**

In addition, it is important to make clear to everybody within the PES what quality management means. A quality management framework, including a coherent communication strategy, is therefore mandatory.

It was also pointed out that the systematic integration of quality management into the organisation should always refer to the individuals in an organisation, their teams and the management as a whole. This "individual approach" is necessary for supporting individual creativity which usually is the first step to improvement and change. In its turn, the "team approach" ensures continuous improvement by analysing, discussing and the reshaping of ideas coming from individual creativity. Finally, the "management approach", including internal and external assessment, is needed for ensuring that continuous improvement has a relevant impact at the organisational level.

After the general input, the following aspects were discussed in a feedback session:

- Participants asked how the different elements of quality management – e.g. the customer satisfaction of jobseekers vs. a fast integration of jobseekers into employment – can be prioritised. The AMS representatives pointed out that there is no general answer to this question. Prioritisation depends on the overall strategic objectives of the PES.
- One question referred to the observation of a participant that a PES, simply as part of the public administration, tends to be not very open to change. The introduction of a systematic quality management system therefore has to face considerable resistance among management and staff. One example mentioned in this context referred to the experience that public management thinking among staff in public administration is often considered sufficient for achieving high quality in services. As another example the potential contradiction between leadership and standardisation was mentioned. The AMS representatives explained that in their views these conflicts do not exist when quality management is effectively integrated in all management processes. As quality management is cross-sectional and cross-organisational, it never contradicts different organisational goals, in fact it always balances them.
- The AMS representatives were also asked about the internal assessors who were mentioned during the presentation. The AMS representatives explained that in order to be effective, systematic quality management needs an appropriate structure. Quality managers were therefore appointed in the AMS head office and in the AMS regional offices. At the local office level, a new role called "quality assistants" has been created, which means that some local office staff perform quality management tasks on top of their usual work. Only a small number of local offices have full-time quality managers.

### ***In-depth presentations***

After the general input, two short *in-depth presentations* on quality management were given to participants. The *first in-depth presentation* focused on how to achieve business excellence by process-oriented quality management. The following components were highlighted:

- *Integrating quality management in the strategy development process:* quality management has to be part of the strategy development process. In practical terms, this means that a high-quality strategy is grounded in a comprehensive in-depth analysis of the current status of the organisation, the context in which it operates and the framework conditions. On this basis, appropriate strategic goals have to be developed. To communicate them within the organisation, corresponding images and a clear communication strategy have to be developed and implemented. Quality management also includes critically reviewing risks and opportunities before implementing a strategy. Furthermore, the progress of implementation should be monitored against operationalised goals according to suitable indicators and on the basis of clearly pre-defined processes including appropriate standards. The elaboration

and final definition of all these elements requires time, since communication with staff will lead to questions related to operational details which must be answered accordingly.

- *Customer orientation:* customer orientation was highlighted as crucial for implementing high-quality services. When defining processes and setting standards for service delivery, the customer's perspective should actively be taken into consideration. In addition, customer satisfaction can indicate whether process standards have been met. The AMS representatives pointed out that customer surveys for measuring customer satisfaction should be carried out at regular intervals and they should preferably be longitudinal, with minimal changes in the questionnaire.

A second in depth-presentation looked at the AMS future quality management programme covering the period between 2019 and 2023. Its objectives are:

- Further developing customer and service orientation;
- Making the organisation and the processes fit for the future;
- Developing and communicating strategies effectively;
- Expanding the integrated management system;
- Keeping staff satisfaction and capacity on a high level;
- Managing staff fluctuation and securing the organisational knowledge;
- Keeping information and communication clear and simple;
- Expanding networks with other organisations and improving the image of the AMS in Austrian society.

Different projects have been designed to achieve each one of these objectives. They are described in annual plans which focus on different priorities from year to year. After these in-depth presentations, a series of questions was discussed in a plenary feedback session:

1. In one question, participants asked whether the regional offices can shift activities foreseen in the annual plan from one year to another. The AMS representatives explained that regional offices have their own annual plans which take into consideration local needs and the local context. Therefore, activities foreseen in the regional offices' annual plans may be different from the activities foreseen in the national level.
2. Participants were interested in knowing whether future challenges for the AMS have been identified for the quality management system. The AMS representatives pointed out that different sources were taken into account for identifying the major challenges which have to be addressed by the organisation and its quality management system. The most important challenges faced by the AMS in the future were named during the strategy workshops at the top management level with representatives from the head office and the regional offices. In order to become a more agile organisation, an improved analysis of customer needs, a more targeted and effective approach for early intervention for preventing unemployment and a coherent digitalisation strategy are necessary.
3. An important part of the plenary discussion was dedicated to the question of how to effectively link the different change projects to each other. The representative from the AMS admitted that project management is considered the weakest part of the AMS management. At the moment, efforts are being made to improve the situation through more professionalisation and standardisation. They pointed out that apart from projects running at the national level, there are a variety of regional

projects. In order to ensure that positive experiences are shared between the regions, a coherent project documentation is being set up. In addition, the next annual plan foresees carrying out three "good practice days" on different topics, so that representatives from the regions get to know about interesting projects from other regions. Moreover, during the annual good practice award ceremony, successful innovations are presented and promoted within the AMS.

- In one question participants asked about the most important things to consider when revising the existing quality management system in a PES. The AMS representatives highlighted six core elements:
  1. There should be a decision from the top-management to revise and modernise the existing system. Quality management should always stay close to the top level of the organisation.
  2. There should be a high awareness in the management team that the improvement of the existing quality management system is necessary.
  3. There should be a clear framework to which quality management refers, e.g. the EFQM (European Framework for Quality Management), the ISO (International Standard Organisation) or the CAF (Common Assessment Framework), in order to achieve a "common language" about quality management within the organisation.
  4. There should be a coherent communication strategy, e.g. for communicating successful projects to staff, to inform staff about the general principles of quality management etc.
  5. There should be a combined top-down and bottom-up approach for quality management: quality management cannot be simply "imposed" by the top level of an organisation, instead it has to make sure that the experiences and expectations of staff at all organisational levels are taken into consideration.
  6. There should be a clear organisational structure for quality management. Quality management does not simply happen. It needs appropriate resources and structures, such as, for example, a quality management team.

Participants finally also asked if the AMS quality management system would also fit in any other European PES. In this context, the AMS representatives highlighted that a simple "copy and paste" would certainly not work. It is always important to be aware of the historical context from which an organisation comes, its traditions and culture. The AMS experience in the implementation of a Total Quality Management (TQM) system is based on the EFQM approach. However, the above-mentioned core elements of an integrated quality management system are needed to implement any integrated quality management system effectively.

### 3. Working groups and their results

There were two two-hour group work sessions, the first one on Day One of the TLD and the second one on Day Two. At the end of each working session, working group results were presented and discussed in the plenary session. For the working sessions, the following pairs were made between Participating PES on the one side and the Host PES (or supporting peer PES) on the other side: representatives of the Austrian Host PES were the supporting peers for the Polish PES and for the PES of the Brussels-capital region in Belgium (ACTIRIS), a representative from the Estonian PES supported the German PES, while the Croatian PES representatives were assisted by a representative from the Slovenian PES.



### 3.1 First working session: stocktaking

The *first working session* aimed at identifying those elements of the Austrian PES which offer interesting ideas for the improvement of quality management of the Participating PES in their own situation at home. Since the context, the mandate and the current challenges faced by the Participating PES are themselves different, different aspects of the Austrian PES were highlighted.

#### ***CES (Croatian Employment Service) – Croatia***

An integrated quality management system covering all PES activities and processes does not exist in the Croatian PES. However, specific elements of the service delivery are subject to quality standards, such as, for example, the unemployment benefit scheme or the ALMPs (Active Labour Market Policies) which lead to employment (there are quality standards in vocational guidance and in the selection services). For other processes and ALMPs, standard operating procedures (SOPs), guidelines and instructions, as well as specific staff training, aim to achieve minimum standards of service provision. In detail, the situation is as follows:

- The ISO 9001 standard has been implemented for the business process related to the unemployment benefits.
- Career guidance, as well as the selection of jobseekers for vacancies, follows a standardised procedure.
- A risk management system is in place and risk managers have been trained.
- An internal audit for PES business processes has been implemented and internal auditors have been trained.
- IT procedures are standardised.
- All business processes are regulated and standardised by internal instructions.

So far, these important elements of quality management have not been integrated into a coherent quality management system.

Against this background, the following aspects of the AMS management system have been characterised as being needed for the further development of an integrated quality management system in Croatia:

- The existence of a real quality management strategy with its own goals, a strong link to the PES overall strategy and mission and the integration of risk management, process management and performance management systems, quantified targets etc. into a single strategic approach.
- The importance that the AMS gives to an in-depth assessment of the status quo in order to define realistic objectives and appropriate implementation structures. As a result of the status quo assessment, the creation of dedicated quality managers, the training of these quality managers and of the middle managements as well as the setting up of teams for further developing quality management standards was regarded as very instructive and important for the Croatian situation.
- The AMS has a strong sense of awareness of the potential resistance to quality management from the middle management, from other staff in the head office, and from staff in the regional and local offices. This awareness led to appropriate communication activities and to the active involvement of middle management and other staff in the further development of the quality management strategy.

***PSZ (Public Employment Service), Poland***

The responsibility for providing unemployment services in Poland is shared between the government, the regions (the Voivodeships), and the local level organisations (the Poviats). Regional labour offices are run by the Voivodeships, and local labour offices are run by the Poviats. As these labour offices are only accountable to their Voivodeships or their Poviats, the regional and county/local offices are *not* subordinate to the head office. The Ministry of Family, Labour and Social Policy (MFLSP) is responsible for the legal framework through implementing laws and other legally binding regulations for employment services. It also prepares the National Action Plan for Employment, it distributes resources, and it oversees activities at the regional and local levels. At the regional level, the regional labour offices (Wojewódzki Urząd Pracy – WUP), which are only accountable to the self-governing regions (the Voivodeships), determine and coordinate regional labour market policy. The county labour offices (Powiatowy Urząd Pracy – PUP), which are accountable only to the self-government counties (Poviats), offer a wide range of ALMPs and services to jobseekers and employers.

The national legal framework is the basis for quality management in the Polish PES system and the local offices have to comply with it when providing services for jobseekers and employers. Compliance with legal requirements and with internal procedures is generally checked within the management control system and in a more specific way within the risk management process as part of the management control system. Internal and external monitoring, together with information security policies, also are considered part of quality management. In addition, codes of ethics have been developed and implemented at a regional and county level to ensure that a high quality of services is provided to customers. Supervision and verification of the defined processes are ensured through ongoing monitoring by administrative and managerial staff, internal audits, quality audits, the annual updating of the risk register, and internal and external inspections by supervising institutions. The compliance with legal requirements is also checked by the Voivodes, i.e. the government's representatives in the regions (the Voivodeships). Finally, customer surveys have been implemented to find out how customers rate the services and what their expectations are of the service.

The decentralisation of the Polish PES system and the lack of a general PES vision and strategy explains the spread of different elements of quality management over regions and the lack of an overall PES quality management system. However, a binding framework is guaranteed by legal provisions which ensure a uniform level of service provision in the country.

The Polish PES is seeking to enhance the quality and the effectiveness of the support provided to customers by the labour offices as they hope this will achieve a common vision and understanding of quality, and implement a coherent quality management system. Achieving a common understanding, improving cooperation and exchange between the PES levels, reducing bureaucracy and making PES activities more coherent are all considered important elements in achieving a comparable service quality in practice.

Against this background, the integrated approach of the Austrian PES towards quality management, its strong link to other complex management areas as well as the logical implementation of steps for achieving a fully functioning quality management system were characterised by the Polish representatives as "interesting, though very challenging", given the specific situation in Poland.

***ACTIRIS – the PES of the Brussels-capital region, Belgium***

Increasing the quality of services is one of the major reform areas of ACTIRIS. Instead of implementing a quality management system in the traditional understanding of the word, "customer-centricity", i.e. putting customers at the centre of everything the PES does, has

become the major driver for achieving high quality services there. In this way, quality services are characterised by providing a positive experience for customers while established standards are respected. In order to this specific interpretation of "quality", a continuous improvement system (ICIS) has been launched. The basic assumption is that learning how customers feel more systematically and continuously while they are using employment services provided by ACTIRIS will help to improve their quality.

Currently, around ten quality counsellors are in charge of improving the quality of services offered by ACTIRIS. Their major focus is to collect customer feedback and to share the results with the appropriate management departments. Customer feedback is analysed in many ways, including surveys, their complaints, customer "touchpoints" and customer journeys.

So far, ACTIRIS does not ground its quality management approach in an official quality management standard or system, such as the European Framework for Quality Management (EFQM). This means the projects which have been started to improve the quality of services offered to customers have lacked consistency.

Implementing an Austrian style quality management process was considered helpful for the further development of quality management at ACTIRIS. It is hoped firstly that it would create a more common understanding among all ACTIRIS staff of the customer-centric approach as a core element in the organisation's culture, and secondly that it would effectively link the different change projects to increase the quality of services that have been started at ACTIRIS. Quality management in the Austrian PES has a strong procedural element. One example for this is the so called "RADAR" logic, which sets out a clear process for quality assessment. RADAR has the following phases (see figure 3):



**Figure 3: The RADAR-logic for quality management in the Austrian PES**

- Definition of **R**esults;
- Definition of the **A**pproach and of suitable activities;
- **D**eployment of activities;
- **A**ssessment and **R**efinement.

#### **BA (Bundesagentur für Arbeit), Germany**

Several legal instruments have been implemented at the BA to ensure a high quality of service provision. The BA approach to leadership, *inter alia*, means that the head of the team is responsible for the results and the quality of the work done by the individual team members. As a consequence, quality in terms performance is subject to yearly performance dialogues between the team leader and team members. Quality is also ensured by the supervising activities of internal and external bodies, such as the Internal Audit Department, the Fraud Management Department, or the external Federal Court of Auditors. Furthermore, customer feedback is collected twice a year through satisfaction surveys. Finally, an active supplier management of quality assurance and the evaluation of all services from external providers was introduced a couple of years ago.

Within its overall "BA 2025" strategy, the BA has further developed its business model which is based on a balance of impact, efficiency and quality. A coherent and comprehensive quality management system which integrates the different activities of quality management mentioned above has been identified as one of the eight core fields where substantial progress has to be achieved in the coming years. One practical consequence of this is that in July 2019 the BA developed and published a framework for an integrated operational risk management and quality assurance system. This has regulations for a

clear definition of quality management priorities and methods for the continuous assessment of quality standards.

The publication and implementation of the framework concept is the first step and an important milestone in the step-by-step implementation of a systematic, holistic and integrated quality management system in the BA. It is expected that the binding introduction of the quality assurance and operational risk management methodology – as described in the BA's framework – helps to achieve a uniform understanding of quality within the BA. It also leads to a cultural change among the regional and local staff, who are traditionally very focused on efficiency and impact rather than on quality.

The following elements of the Austrian PES have been highlighted by the representatives of the German PES as important elements that could significantly help the BA in its endeavour to implement an integrated quality management system:

- the continuous striving and the openness towards cultural change within the AMS;
- the coherent and comprehensive quality management framework;
- the enhancement of customer satisfaction and customer orientation as a core element in the management process.

### **3.2 Second working session: adaptation**

The objective of the second working session was to build on the first session, this time with concrete ideas for activities supporting the effective implementation of a coherent quality management system and/or of necessary elements needed for an integrated quality management. Assisted by supporting peers and experts from the Host PES, all Participating PES managed to elaborate an outline of change with milestones in line with their identified needs, and they pointed out potential activities and sub-tasks, potential deadlines, responsibilities and relevant stakeholders that need to be included in further steps. The results of this second working session are presented separately in Chapter 5 of the Individual Feedback Reports.

## **4. General conclusions from the TLD**

Despite the relatively heterogeneous context in which Participating PES operate, and the diverging framework for implementing quality management systems, some important elements of the quality management system in the Austrian PES were thought to be crucial for all the Participating PES. These elements include:

- a) a strong linkage between quality management, process management and risk management;
- b) the improvement of quality should be understood as part of the cultural identity of the PES;
- c) strong support of quality management from the PES top management;
- d) adequate resources for quality management;
- e) the implementation of quality managers at all organisational levels;
- f) specific quality management objectives, quantified targets and the integration of appropriate indicators in the 'balanced score card' (a strategy performance management tool);
- g) a clear process for continuous quality improvement;
- h) a clear communication strategy between the head office, the regional directorates and the local offices.

In general, participants were very satisfied with the presentations made by the Austrian PES. They said the presentations were high quality: eight out of ten assessed the general introduction to quality management at the AMS as well as the in-depth presentation on how quality management has been implemented as "very good" or "good". Working in teams was also highly appreciated by the participants. In the post-event survey teamwork was rated "very good" by eight of the ten participants (80%) and "good" by one of the ten participants (10%). The only area for improvement was increasing the time for working in groups and the following feedback sessions. In this context, limiting the number of PES participating in a TLD to three was suggested.