



Performance evaluation of PES for Employer Services

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What is performance evaluation?

- Designing performance evaluation ‘SMART’ Specific, Measurable, Achievable, Relevant and Time-bound
- Performance measurement frameworks Incentives, cost, negative externalities, balance, joint measure, target
- The role of performance management
- The importance of context in designing performance management systems

Basic Orientation of PEI

- * PEI = Performance Evaluation Index
- Goal of MOEL (Ministry of Employment and Labor)
- Empowerment to local : Outcome oriented PEI so that local choose methods and process to achieve the goals
- Cooperation oriented PEI
- Acceptance : To increase the acceptance of PEI, exogenous PEI such as employment rate is partially measured with quality and effort of job centers
- Considering regional labor market condition allot different level of goal
- Evaluation period

MBO(Management of Objectives)

- MBO is a management system led by quantified targets; Not using regression model (eg., Swiss, Germany, Australia)
- Size of job centers is determined by unemployment rate,
- Divided job centers with 4 evaluation groups Regional Headquarter center group(6) + A, B, C(Large-Middle-Small)
- No. of insurance policy holders, number of LF(Labor Force), unemployment insurance benefit claimers which reflects LM(Labor Market) conditions
- When setting MBO based on 3 year performance negotiate by local labor market conditions

Rewards Design

- **Awards of Minister to centers**
- **Best vocational counselors of the year**
: **Awards of Minister with oversea study visit**
- **Reflect individual performance evaluation and annual salary of Managers(60%)**
- **Reflect performance bonus of vocational counselors (S to C ranks)**

Common KPI



* KPI = **Key Performance indices**

- Transition from unemployment to employment
- Speed of transitions from unemployment to employment
- Transition after training interventions
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- Providing access to vacancies
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- Vacancy filling
- Customer satisfaction for jobseekers and employers.

Good practices for Performance Evaluation (Mosley et al., 2001)



- Use of a limited number of clear and understandable targets.
- Providing employee participation to guarantee the commitment of regional and local PES staff to the performance management system.
- Reduction in the density and complexity of administrative information system for monitoring progress toward targets.
- Fair and transparent procedures for assessing and rewarding performance.
- Complementary quality management approaches.

Korea

Performance Evaluation Index	Score
Local Employment Rate	10
Job Placement	15
Job Placement Rate of Employment Insurance Beneficiary	12
Job Seeking Effort Verification UI Benefit	+3
Job Placement of Vocational Trainees	8
Job placement Job Success Package Participants	22
Job Openings	10
Job Creation Subsidy	8
Flexible Working hour Subsidy	10
Employment Insurance Coverage(<10 employee)	5
Founding Employment-Welfare Plus Center	+2
Job Success Package Cooperation	+3
Customer Satisfaction	10
Learning and Growth	3

France



- vacancies filled;
- vacancies filled by Positive Contact-Making;
- exits of long-term unemployed individuals, out of work for more than two years;
- exits of recipients of minimum income for social integration and special solidarity allowances;
- total exits before the 12th month;
- exits of job seekers age 50 and above;
- placement target for vocational platforms (number of hires);
- volumes of first exit, at six months.

Germany



- duration of unemployment of benefit recipients and non benefit recipients;
- ratio of integrations to customer potential ('degree of integration');
- ratio of job-to-job-integrations to customer potential job-to-job ('degree of integration "job-to-job"');
- integrations in vocational training;
- rate of application for vocational training without training position;
- rate of entries of customers of occupational rehabilitation;
- quality management index; and
- number of successfully implemented personnel development actions

USA



The six primary indicators of performance in WIOA
(**Work Innovation and Opportunity Act**)

- The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
- The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;

USA

- The percentage of program participants who obtain a recognized postsecondary credential (or secondary school diploma or equivalent) during participation or within one year after program exit;
- The percentage of program participants who are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
- The indicators of effectiveness in serving employers established by the Secretaries of Labor and Education.

Australia

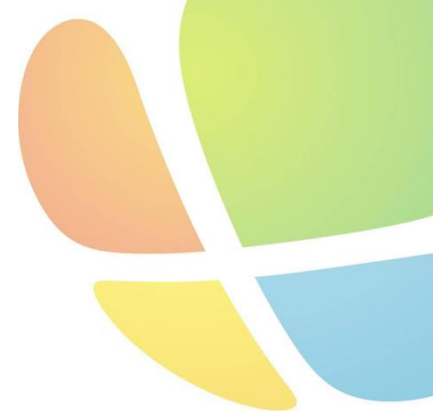
JSA=Job Service Australia

Performance Measure	Weightings in JSA Star Ratings Model			
	Stream 4 40%	Stream 3 30%	Stream 2 20%	Stream 1 10%
13 Week Full Outcomes	20%	20%	20%	10%
13 Week Pathway Outcomes	10%	10%	10%	5%
13 Week Bonus Outcomes	15%	15%	15%	10%
Speed to 13 week Full Outcomes		5%	5%	
13 Week Outcomes Total	45%	50%	50%	25%
26 Week Full Outcomes	20%	30%	30%	10%
26 Week Pathway Outcomes	10%	10%	10%	5%
26 Week Outcomes Total	30%	40%	40%	15%
Barriers Serviced	15%			
Social Outcomes Total	15%			
Paid Placements	10%	10%	10%	30%
Speed to Job Placements				10%
Job Placements Total	10%	10%	10%	40%
Off Benefit				15%
Speed to Going Off Benefit				5%
Off Benefit Total				20%

UK

- Moving people off benefit, into employment, as quickly as possible;
- Reducing the monetary value of fraud and error (MVFE).

PEI for Employers



Employers measurement on PEI is often neglected and do not listed Also employers are often neglected from PES

Why?

What are the KPI for Employer?

Lets list up together!!
Each country has their own set of PEI

Employment Services Quality Index



Sub-measurement for PEI

- Service Fulfillment : reflect the employers need, provision of service for need of employers, fulfillment of employers need
- Trust on services : precision of services, usefulness, matching right job seekers, quality of matching services
- Responsiveness : fast response for employer need, the most recent job matching information, actively engaging for employers,
- Facilities : convenient facilities, clean facilities, supporting equipment
- Measure employers(9,484 samples) as well as job seekers(9,480 samples) face to face as well as telephone survey



Gracias