



## **Benchlearning Initiative External Assessment**

Summary report - Sweden



*Written by ICON Institut Public Sector GmbH*

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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

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**PES of Sweden**

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## 1. Introduction

This report outlines the results of the Benchlearning (BL) external assessment of Arbetsförmedlingen (Af) in Sweden, conducted between 25 and 27 April 2016. The team of six external assessors comprised two peer PES staff (Slovenia and the UK), two PES experts from the European Commission, and two experts from ICON-Institute (the supporting contractor). The programme of the 2.5 day visit included meetings at the Af Head Office with senior management/directorates and a visit to a local PES office in Enköping, a smaller city 75 km northwest from the capital Stockholm.

The time and resources invested in the preparation for the Benchlearning visit by Af and in particular their internal self-assessment, were key to the success of the BL external assessment process.

Af is organised as a government agency under the remit of the Ministry of Employment. The Ministry is responsible for setting labour market policy and the approval of the budget. Every year, the government (i.e. Ministry of Employment together with Ministry of Finance) formulates targets for all institutions in the field of Swedish labour market policy,<sup>1</sup> the so-called "Appropriation Directions". Together with the legal basis, these directions form the main goals of the PES which can be summarised in three points. Swedish PES should:

1. effectively bring together jobseekers and employers searching for employees,
2. prioritise jobseekers that are far from the labour market, and
3. contribute to a steady, long-term increase of employment.

The main tools of the government for the management by objectives of Af are the annual budget guidelines and ordinances. Within this framework, Af is free to decide on the design and implementation of services including the definition of key performance indicators.

Af is led by a Director General, who is appointed by the government. Af has a Board which is responsible for strategic decision-making. The members of the Board are appointed in a personal capacity by the Government, and the Director General is also a member of the Board.

The Management Group consists of the Director General (DG), the Deputy Director General (DDG), the head of DG's office, and directors of departments and regions who report directly to the DG or DDG. Af's operational activities are carried out by 280 local employment offices, which are divided into 10 geographical areas and a specific National Service market area. The latter includes the Af Customer Services, and the AfService Culture Media, the Settlement Unit and the Unit for Benefit Decisions. The market areas are divided into three regions (North, Middle, and South). The 11 market areas report to one of the three Regional Directors.

Af is responsible for administering the funding from the central government budget for activity grants and unemployment benefits respectively, although these benefits are paid by other agencies. The unemployment insurance funds, which are private organisations, are responsible for deciding on entitlement to unemployment benefits as well as for paying these benefits. Af is responsible for monitoring that jobseekers fulfil the general entitlement conditions for benefits,

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<sup>1</sup> These are Af, Swedish ESF Council, Institute for Evaluation of Labour Market and Education Policy (IFAU), the Swedish Unemployment Insurance Board (IAF) and Stiftelsen Utbildningen Nordkalotten.

while registered recipients of unemployment benefits are obliged to register with Af.

Social partners are not directly involved in the management, supervision, or monitoring of Af.

## 2. STRENGTHS

One of the key strengths of Af is its ability to be constructively self-critical while having already reached a comparatively high standard and consistent model of service delivery. During the current period of institutional renewal and reflection, the newly appointed General Director in conjunction with an internal review team, set out some key issues for Af in the 'Arbetsförmedlingen 2021' memorandum. These issues include observations that the Af working method is not efficient, nor does it create sufficient client benefit. It also elaborated that Af methods and way of delivering services are dated, and need to be reviewed. It goes on to point out that, "Clients experience an imbalance between service and supervision, between requirements and opportunities. At the same time, many employment agents feel that there is no time to carry out the work tasks that Af has been mandated to do."

The reforms outlined in 'Arbetsförmedlingen 2021' are founded on an existing level of PES organisational maturity that many other PES have yet to reach. A reinforcing element in the reform process is the general understanding that if something is good, it could be better. "We can do better" can be heard in the PES at any time, and this saying may serve as a sort of a guiding motto for the reform.

The choices and principles for the 'Journey of Renewal' are:

- the Journey is not a limited project (it becomes part of the regular operations);
- trust and faith in employees and managers;
- long-term thinking and holistic approach for the delivery of services in the short term; and
- the Journey did not start by changing the organisational chart (which mostly causes a lot of discussions and a lot of heterogeneity).

The Journey follows a clear vision: "We enrich Sweden by making people and companies grow" and it is supported by a dedicated management philosophy, consisting of the following elements:

- sum of people's behaviours, attitudes and competence results in the output of the organisation;
- development must include both the organisation/activities and the individual; and
- you can influence the organisation and its ability to produce good results by influencing values and culture.

Hence the basic principle is to create change through staff and management self-empowerment. It is based on the conclusion that human resources are the key to performance and their behaviour and work are crucial for the quality of services.

Af identified leadership and ownership as the core leverage elements for the substantial improvement of the PES performance and consequently launched a reform process that is based on long-term cultural change. Af also decided that this

cultural change could only happen by shifting the focus from detailed output-focused results orientation to one of individual and organisational self-renewal. Currently, a moderate complementary shift of focus back to results is also taking place. In this general context it is worth noting that incorporation of innovation as a permanent element within organisations is a challenge to achieve, and is a key approach taken by the most advanced European PES.

The watchwords of the new managerial philosophy are:

Professional - Inspiring - Reassuring (Trustworthy).

During the visit, the assessors observed that the new philosophy appears to be manifest in PES employees at all levels. All elements of the reform programme set out at central level appear to be understood at the local units. PES staff are clearly motivated, open-minded and confident about making the further Af development a success. During the visit, the assessors had the opportunity for several discussions, which indicated that the staff are prepared to accept and actively deal with the challenges ahead. In particular at the local level, the sense of responsibility for services provided and team spirit are really strong assets. However, the reform process at local level seems still to be at an early stage of development.

Management is aware that the journey is accompanied with some uncertainties, and that huge investments in empowering and supporting individual staff are required in order to ensure the success of the journey. In this context, it is important to note that the greater degree of freedom individual employees have, the more important it is to define a set of quality standards that are binding for the whole organisation. Management is also convinced that results will be improved in the longer term. The assessors had the opportunity to observe some initial effects of the reform at the local office visited, where an increase of vacancies was noted after the allocation of specialised staff to the dedicated delivery of services for employers.

### **3. CONTEXTUAL INFLUENCES**

A good working and trustful relationship exists between the Ministry of Employment and Af, which is itself also actively involved in the design and development of legislative changes, PES services, and active labour market measures.

The contextual framework in which Af operates includes the following elements:

- Af funding increased considerably between 2011 and 2015, from EUR 6,155 million to EUR 8,079 million, the vast majority of which stemmed from the government budget (99.9%).
- In general, the number of employees has increased between 2011 and 2015, from 10,945 to 14,046, albeit with some fluctuations between the years. In the same period, the share of staff directly servicing clients increased slightly from 78% to 81%.
- Sweden passed through the global financial and economic crisis with limited damage, thanks to strong macroeconomic, fiscal, and financial fundamentals and a competitive and diversified business sector. The economy is proving resilient in the current environment of sluggish global growth and high uncertainty. Indeed, Sweden is among the few countries where output is now well above its level before the 2008 global financial and economic crisis. As a result, the amount of new jobs generated in the post-crisis period is significantly higher than during the period leading up to 2008. The growing de-

mand for labour is reflected in a relative low unemployment rate despite the relative high activity rate on the labour market. It is also accompanied by a growing number of unfilled job openings due to the mismatch between supply and demand in the labour market. On the other hand, the youth unemployment rate and the share of young NEET remain a pressing problem in Sweden.

Against this contextual framework background, Af already has difficulties in matching demands from employers with an adequate supply of workers to fill vacancies. Many of the registered unemployed are predominantly low skilled or unskilled. This makes it increasingly difficult for Af to respond adequately to those demands of enterprises for a skilled workforce. Furthermore, the recent and rapid growth of immigrants as a result of the wave of refugees from the Arabian, African, and Asian crisis regions has become a serious challenge for Swedish labour market policy and institutions. Part of the challenge in that regard relates to the mismatch of skills of refugees with the demands of local labour markets. A key challenge is to bring the skills levels (including language skills) of refugees/ asylum seekers up to the standard required by the demand side of the labour market.

#### **4. CURRENT AND POTENTIAL GOOD PRACTICES IDENTIFIED DURING THE ASSESSMENT**

The Af strengths outlined above, are supported by some potentially transferable good practices<sup>2</sup>. These include the following:

- The innovative and comprehensive reform approach set out in the 'Journey of Renewal' is certainly worthy of further exploration by other peer PES. The Journey is defined by a clear statement of vision and objectives focusing on self-empowerment and renewal. The long-term perspective taken and long-term implementation period envisaged for the new management philosophy is also noteworthy.
- The self-leadership philosophy, which empowers staff and within set frameworks gives a maximum degree of freedom to those working directly with clients.
- The current renewal of the Af performance management model is challenging and does not fully align with the current BL definition of excellence in relation to the translation of targets into (key) performance indicators and measurement. This Journey of Renewal is accompanied by a new approach to performance dialogue that is designed to create individual staff commitment and personal ownership of operational achievement. This potential good practice related to performance management has yet to be tested within the overall BL initiative process.
- The good relations between government and PES, based on management by objectives, is worthy of study by peer PES.
- The use of well-designed customer journey research, based on open questions and then the active following up of the outcomes and results from those investigations.

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<sup>2</sup> See also the detailed potential good practices further on in section 8.

- Extensive use of risk management as a tool for estimating future developments and their (budgetary) impact on Af.
- Extensive use of innovative pilots to develop new ways of channelling services to clients, on both the demand and supply sides of the labour market such as the "Job Hunters" project.
- The "Green House" technique to test and to develop changes or innovations in service delivery using a bottom-up approach, which includes also customers in the testing procedure.
- The existing high degree of individualisation in service delivery for both employers and jobseekers. A new tool for operational planning and budgeting of ALMPs. The tool is a support for local managers in formulating requests for ALMP financial allocation.
- The training programme "Employer Relations" which provides staff with a foundation for creating good relationships with employers and the implementation of the new employer strategy.
- The project to improve the automated matching system with competence-based matching started in 2014 and will be completed in 2016.
- The internal help-line service for staff.

## **5. AREAS WHERE IMPROVEMENTS MAY FURTHER ENHANCE PES OPERATIONS AND OUTCOMES**

In this context, it should be mentioned that Af presents a methodological challenge for the overall PES Network Benchlearning project, as in some aspects they deviate with regard to the BL definitions of excellence. This is because of the decision to voluntarily not use the analytical potential and the controlling tools they already have for a certain period of the reform process, in order to shift staff focus away from counting outcomes to instead emphasise individual self-renewal/reliance and organisational cultural change. However, all controlling systems are still in place and data is collected. Having acknowledged the high level of maturity already in place at Af, the following tentative suggestions for improvements are offered:

- A crucial phase of the current reform will be the relaunch of measuring results on the basis that 'you always get what you measure'. The process might be organised bottom-up in order to base the results on a common understanding and acceptance. In addition, the results will illustrate to third parties the added value of the organisation.
- The Af risk management approach is very good, but while most of the elements of a quality management system are in place, it may not be entirely embedded into the decision-making cycle to improve operational results. Work is on-going to improve this area in order to ensure an effective control approach. It is clear that the PES is focused on this area, is well aware of how a classical QMS is designed and operates, and has a robust risk management approach. A good QMS reinforces organisational development and learning, and has the potential to be an effective support to the Journey of Renewal.
- Relationships to different groups of stakeholders are not optimally developed. For instance, expertise and support of social partners could be used more intensively in the planning, implementation, and review of activities

and measures at all organisational levels. In addition, the relationship to service providers shows some inflexibility and could be more supportive for the development and the implementation of tailor-made programmes and activities.

- Freedom of action of individual staff members needs comprehensive support to enable the individuals to make good decisions based on their own responsibility. Their decisions and all of their activities should follow minimum standards of quality. Currently, the variation in the way services are delivered is quite high.

## 6. RECOMMENDATIONS<sup>3</sup>

The assessors are convinced that the 'Journey of Renewal' will lead to an improved PES performance. The general recommendation is therefore to continue the current reform process. The following recommendations are ideas for further performance improvement. It is acknowledged that Af is a very mature PES and has already reached a high level of performance and the following recommendations do not therefore imply that deficits are predominant.

The detailed recommendations are as follows:

- **Review the external communication strategy:** Do this with a view to further support the change process and its acceptance by stakeholders and the broader public by reporting on the Journey of Renewal and about the added value of PES in a transparent way.
- **Develop a Quality Management System:** As outlined by Af, all organisational units conduct risk analysis and identify risks that could lead to lower operational quality. Risk analysis shapes a plan for monitoring, detailing control activities aiming at maintaining quality levels. A new control policy has also been adopted. In that regard, a common understanding of the term "quality" should be ensured. During the visit, the assessors observed that units or teams at local level have already discussed this topic. Their experience might be used as starting points for an organisation-wide discussion and the subsequent agreement on a common interpretation of "quality".<sup>4</sup> Secondly, a comprehensive inventory of the current situation could be conducted in parallel leading to a plan (which has to fit in the existing strategic map) for the implementation of the new, more intensive "quality-orientation". In particular, the links between the existing core elements of a QMS should be defined and established. Missing elements (if any) could be easily constructed and added. The elements can be brought together into a cycle which follows the principle of permanent increase of quality. Feedback from the front-line interaction with clients on both the demand and supply sides of the labour market would be brought back into the QMS cycle.
- **Ensure the quality of front-line services:** As already mentioned, measures should be taken to ensure that minimum standards in service delivery are observed. A well-balanced set of a few qualitative and quantitative

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<sup>3</sup> See also the detailed analysis and recommendations below in chapter 8.

<sup>4</sup> For this case, it should be considered that the concrete interpretation of "quality" may differ over the organisational levels. For instance, the head management might have a relative abstract understanding which displays a very managerial perspective. Otherwise, the officers directly serving clients should have a distinctive customer-oriented understanding. But it is necessary that all interpretations of "quality" fit into the same overall frame.

indicators<sup>5</sup> could be developed bottom-up using experience and expertise of employment officers. After discussion over the different levels and approval by the head management, the set of minimum indicators could be applied nationwide. In this context, it is acknowledged that better ICT supports for counsellors are being developed and are planned for implementation within the frame of the 'Journey of Renewal' and will support quality of services delivered.

- **Consider the scope for earlier intervention:** In the Swedish system, Af becomes responsible at the point when a worker loses his/her job. Earlier co-operation with job security organisations could be intensified in order to ensure that employees at risk of losing their job have access to all Af services as early as possible, before employees are made redundant.
- **Improve the focus on employers:** While it is acknowledged that different approaches to excellence in servicing employers are evidenced in the PES Network, Af might consider organising separate units responsible for pooling all contacts with employers in all market areas or local offices with the intention of being more focused on employers.
- **Improve demand-side indicators:** Af monitors various demand-side indicators, but does not have an indicator that shows if notified job vacancies were filled with referred candidates. If such an indicator were available, it could help Af to improve its employer services and also demonstrate its labour market added value to internal and external stakeholders.
- **Adapt procurement procedures:** A more local budgetary scope for procurement of local active measures would be beneficial. For example, while Af has centrally organised agreements with service providers of training and educational programmes (ALMP) for job seekers, they lack flexibility when employers need staff with specialised knowledge. A more flexible system would enable "tailor-made" programmes to meet emerging employer needs.
- **Improve communication of evaluation results:** The results of evaluations should be presented in a way that employment officers can read and understand easily. This would facilitate the transfer of evaluation results into day-to-day work.
- **Intensify co-operation with stakeholders:** Relationships, networking, and collaboration with social partners and relevant public authorities (e.g. municipalities) at all levels can be intensified. For example, consider establishing advisory boards at each level to involve social partners and local/municipal government comprehensively in the planning, production, and extension of services. Overall, a more pro-active approach to external collaboration and partnerships is recommended.
- **Continue support of and for staff:** The already significant efforts in preparing and empowering staff for the new management philosophy and the self-leadership approach are acknowledged and are assumed to continue. The current work of reviewing the large number of existing (quality) guidelines and support available on the staff intranet is also encouraged.

In the context of staff development support, it may be worthwhile to consider the provision of more longer-term staff career development opportunities

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<sup>5</sup> Examples may be the share of jobseekers having the first interview within five days after registration, or the number of contacts with employers who have had no contact with the PES within the last three years.

that could be perhaps supported/jointly provided by a third-level university or institution. Such an opportunity for long-term career development could be delivered both on and off the job. One such idea is the possibility of supporting staff to pursue an MBA that would in turn help to reinforce the increased focus on services for employers and increasing market share. Another might be the development of a post-graduate programme to provide holistic vocational guidance education, leading to a professional vocational guidance qualification for current employment officers, thus 'professionalising' the adviser/employment officer function.

- **Review staff incentives:** It might be worth considering the reinforcement of non-monetary incentives in order to support cultural change.

## 7. SUMMARY OF EXTERNAL SCORING

| <b>External Enabler Scores</b>  |                          |   |                          |
|---|--------------------------|---|--------------------------|
| <b>Section A: Strategic performance management</b>                              | Levels of Evidence       | <b>Section B: Design of operational processes</b> | Levels of Evidence       |
| Performance management by target-setting  | P=5<br>D=5<br>C=5<br>A=5 | Process definition and standardisation            | P=5<br>D=4<br>C=4<br>A=3 |
| Targets into (key) performance indicators                                       | P=5<br>D=4<br>C=4<br>A=5 | Implementation of support structure               | P=4<br>D=4<br>C=3<br>A=3 |
| Following up performance measurement  | P=5<br>D=5<br>C=4<br>A=4 | Quality management                                | P=3<br>D=3<br>C=3<br>A=3 |
| Use of the results of performance management                                    | P=3<br>D=3<br>C=3<br>A=3 | Channel management and blended services           | P=5<br>D=3<br>C=4<br>A=3 |
|   |                          |   |                          |
| <b>Section C: Sustainable activation and management of transitions</b>          | Levels of Evidence       | <b>Section D: Relations with Employers</b>        | Levels of Evidence       |
| Holistic Profiling  | P=5<br>D=3<br>C=3<br>A=3 | Employer strategy and management                  | P=5<br>D=4<br>C=4<br>A=3 |
| Segmentation  | P=5<br>D=4<br>C=4<br>A=4 | Specialised unit for employer services            | P=5<br>D=4<br>C=4<br>A=4 |
| Individual action plan and ALMP-measures  | P=5<br>D=4<br>C=4<br>A=4 | Matching vacancies and jobseekers                 | P=5<br>D=5<br>C=4<br>A=4 |
| Early intervention to avoid unemployment, and implementation of Youth Guarantee | P=4<br>D=4<br>C=4<br>A=4 |   |                          |
| Early intervention to reduce the duration of unemployment                       | P=4<br>D=4<br>C=4<br>A=3 |   |                          |
| Implementation of service and activation strategy                               | P=4<br>D=4<br>C=4<br>A=4 |   |                          |

| <b>External Enabler Scores</b>   |                          |  |                          |
|--|--------------------------|--|--------------------------|
| <b>Section E: Evidence-based design and implementation of PES services</b> | Levels of Evidence       | <b>Section F: Management of partnerships and stakeholders</b>                | Levels of Evidence       |
| Ex-ante and ex-post evaluation   | P=4<br>D=4<br>C=3<br>A=3 | Identification and structuring of relevant stakeholders                      | P=4<br>D=4<br>C=3<br>A=3 |
| Pilot projects   | P=5<br>D=4<br>C=4<br>A=4 | Partnership building   | P=5<br>D=4<br>C=4<br>A=3 |
| Communication of evaluation results  | P=4<br>D=4<br>C=3<br>A=3 | Management of partnerships with supervising authorities                      | P=5<br>D=5<br>C=5<br>A=5 |
| Management of change and innovation  | P=6<br>D=5<br>C=4<br>A=4 | Management of partnerships with social partners                              | P=3<br>D=3<br>C=4<br>A=3 |
|  |                          | Management of partnerships with service providers                            | P=4<br>D=4<br>C=3<br>A=3 |
|  |                          | Management of partnerships with institutions involved in the Youth Guarantee | P=4<br>D=4<br>C=4<br>A=4 |
| <b>Section G: Allocation of PES Resources</b>                              |                          |  |                          |
|  | Levels of Evidence       |  |                          |
| Human Resources  | P=5<br>D=4<br>C=4<br>A=4 |  |                          |
| Budget   | P=5<br>D=5<br>C=5<br>A=5 |  |                          |

**8. DETAILED EXTERNAL ASSESSMENT COMMENTARY AND SCORING**

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)  | Suggestions/ recommendations   | Aspects of good practice   |
|-----------|-------|-----------------------|---|--|--|
| <b>A1</b> | P     | 5                     | Objectives are set in close co-operation with the ministry with high continuity and a small number (4). Objectives are qualitative in nature.   | Consider establishing counselling boards at each level of the organisation, comprising social partners and local government in order to create commitment and make good use of local labour market experience.     | The relation between government and PES based on management by objectives deserves mentioning. |
|           | D     | 5                     | Major change of governance, the ministry no longer prescribes how to do things and organise processes, but what has to be achieved through the PES. This is clearly a management by objectives strategy.  |  |  |
|           | C     | 5                     | Managing board including social partners established at government level only. In the new internal steering model, every part of the organisation has to define what their contribution to the overall results are. This leads to stronger commitment and ownership of intentions and ambitions.  |  |  |
|           | A     | 5                     |   |  |  |
| <b>A2</b> | P     | 5                     | All the details of targets and indicators are still available in the system but are not in use. Actually, on the strategic level there are 4 objectives which are translated into 15 indicators. At the local level there are 35 indicators activated, which means they are observed and in the end should aggregate to the 15 and finally to the 4 strategic objectives. | Reflect on the option to develop new performance indicators reflecting the added value of PES in parallel to the implementation of cultural change based on a broad public discussion with stakeholders and staff. | Review of the performance management model.  |
|           | D     | 4                     | At local level the targets are defined (more, increase...) and figures are still available to show the change. High sophisticated controlling, statistic, data assessment model is temporarily not in use due to a strategic decision to change the business model based on a new performance culture.  |  |  |
|           | C     | 5                     | The local unit identified the main challenges for 2016. The scoring is increased because there is a complete set  |  |  |

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|           |   |   |  |   |  |
|-----------|---|---|--|---|--|
|           | A | 5 | of indicators and figures which the PES decided to review completely. The reason for that is a check of the overall performance evaluation going beyond the existing targets, based on the assumption that the past system was not delivering what it should and thus is producing perverse incentives for the staff. As a consequence, it is temporarily abandoned and will be revised. This means the act is also very strong.   |   |  |
| <b>A3</b> | P | 5 | Performance dialogue established, based on the current achievement in the 15 indicators at all levels. Measures to improve are suggested by lower level and also implemented by the lower level. The idea is to make them take ownership of their work and results. The market (10 in Sweden) discusses results once a quarter in a performance dialogue with the local offices.   |   | Performance dialogue to create commitment and ownership for operational achievement. |
|           | D | 5 |  |   |  |
|           | C | 4 |  |   |  |
|           | A | 4 |  |   |  |
| <b>A4</b> | P | 3 | Monetary incentives are in place. Benchmarking data, methodology, and competence is there, system paused until cultural change allows to perceive benchmarking as support and opportunity to learn. What drives performance: PES wants everybody to try to do a little better every day and to give staff pride for what they are doing. The communication strategy is to make people see and feel the change, not talk about it, is an interesting approach. But, it could support the change procedure and the acceptance of stakeholders and the broader public by reporting in a transparent way about the added value of PES. | It is worth considering reinforcing the non-monetary incentives to support cultural change. Benchmarking could be developed in parallel to the implementation of cultural change. The communication strategy could be seen as an instrument to support the change procedure and the acceptance of stakeholders and the broader public by reporting in a transparent way about the added value of PES. |  |
|           | D | 3 |  |   |  |
|           | C | 3 |  |   |  |
|           | A | 3 |  |   |  |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)  | Suggestions/ recommendations | Aspects of good practice  |
|-----------|-------|-----------------------|---|------------------------------|---|
| <b>B1</b> | P     | 5                     | Well-designed operational processes based on the service strategies. The customer journey process maps are in place and are linked to detailed operational guidelines. These include both management and core operational guidelines and are available on the intranet. There is work in progress to streamline the current 170 guidelines and 100 internal instructions. But it is clear that the guidelines are used by staff who access them via the intranet, as evidenced during our visit to the local PES office.<br><br>There is regional flexibility in relation to process modalities, particularly in the context of the new management philosophy. There is recognition that staff need support to improve the understanding of the process mapping. A process overview has been finalised and the resultant adjustments are already in use in the context of development projects. |                              | The use of well-designed customer journey research, based on open questions and then acting upon the outcomes and results from the investigations (in this case 5 customer journeys were explored). |
|           | D     | 5                     |   |                              |   |
|           | C     | 4                     |   |                              |   |
|           | A     | 3                     |   |                              |   |
| <b>B2</b> | P     | 4                     | There is a robust CRM in place and is built on best practice gained over the years within the Swedish PES. It is recognised that the CRM could be more flexible when it comes to its adjustment. Modernisation is in train, including the supporting ICT systems. While the latter have been well developed over the past 15 years, the current view is that ICT development has stagnated somewhat and ICT needs to be further modernised and unified. Work is planned and procurement is in process for a new more flexible ICT framework. It is important to note that the Swedish PES has been advanced in the past in the area of ICT systems, from the perspective of the EU PES Network. It is clear that their ambition is to take the lead in this area again.   |                              |   |
|           | D     | 4                     |   |                              |   |
|           | C     | 3                     |   |                              |   |
|           | A     | 3                     |   |                              |   |

|           |   |   |   |  |  |
|-----------|---|---|---|--|--|
| <b>B3</b> | P | 3 | The risk management approach is very good, but while most of the elements of a quality management system are in place, the only criticism is that it may not be entirely embedded into the decision-making cycle to improve the operational results. Work is ongoing to improve this area to ensure an effective control approach. It is clear that the PES is focused on this area, is well aware of how a classical QMS is designed and operates, and has a robust risk management approach.  | Embed more quality elements in the local office operational model. | Extensive use of risk management.  |
|           | D | 3 |   |  |  |
|           | C | 3 |   |  |  |
|           | A | 3 |   |  |  |
| <b>B4</b> | P | 5 | There is a good and long track record of ICT-assisted channel management and a new department of digital services has been established. Innovative pilot projects have been undertaken in the past, such as combining 'voice over IP' with eye-to eye video channels in the context of unmanned offices i.e. a fully virtual client interaction.<br><br>The current focus is on client self-help, where most interaction will happen via the internet. This to include action planning and conditionality-focused client activity self-reporting. Good system of client satisfaction surveys is in place, however they are not fully disaggregated. The PES is aware that the connectivity between channels needs to be improved. Procurement issues have recently slowed down ICT channels' further development. |  | Extensive use of innovative pilots in the past to develop new ways of channelling services to clients, on both the demand and supply sides of the labour market. |
|           | D | 3 |   |  |  |
|           | C | 4 |   |  |  |
|           | A | 3 |   |  |  |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)   | Suggestions/recommendations   | Aspects of good practice   |
|-----------|-------|-----------------------|--|---|--|
| <b>C1</b> | P     | 5                     | The first interview will take place within five days after registration. Registration can be done online at home and the jobseeker has the opportunity to fill in data on his work record, his qualifications, etc., but there is no standardised procedure for this. Furthermore, there is no standardised procedure for the whole profiling process in place.  | Regarding the content of profiling, there are no minimum standards for the quality of profiling in place. | High flexibility of the system which allows a very individualised proceeding |
|           | D     | 3                     |  |   |  |
|           | C     | 3                     | The first interview takes about one hour on average.<br>There is an evaluation tool which calculates the risk for the jobseeker to become LTU. Usage of the tool is voluntary for counsellors and only 30% of them use it.   |   |  |
|           | A     | 3                     | Referral to internal or external specialists can be handled with much flexibility by the counsellors.<br>The results of the evaluation tools are not linked with the general IT-System (CRM)   |   |  |
| <b>C2</b> | P     | 5                     | The segmentation follows a very individual approach in order to get away from target group thinking for a better meeting of the individual needs. The allocation of the jobseekers follows regularly the organisational structure of the local offices. The structure is a mixture of target groups (youth), and functions (matching), and programmes (supported employment). The relation of clients per front-line officer differs enormously between these groups. Nationwide, the relation ranks from 1:15 (for disabled) to 1:800 (matching unit in case of mass unemployment). If necessary, jobseekers can flexibly be re-allocated to another group. |   | See enablers C1 and C3   |
|           | D     | 4                     |  |   |  |
|           | C     | 4                     |  |   |  |
|           | A     | 4                     |  |   |  |
| <b>C3</b> | P     | 5                     | The non-binding target that 80% of jobseekers should have an IAP is achieved. IAP is based on mutual obligations and consequences for customers, if they do not fulfil their obli-   | On the long term it might be worth considering to establish a link  | High degree of individualisation which already starts with the               |

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|           | D | 4 | gations. The content of an IAP is regulated in a guideline, but there is no minimum standard in place, e.g. concerning the consideration of soft-skills.   | between unemployment insurance and PES to allow savings in the insurance model by quick integration into the labour market  | registration and profiling process and also the segmentation (see also enablers C1 and C2) |
|           | C | 4 | The customer has the possibility to fill in the IAP online, even after the profiling-interview. Jobseekers have to report monthly with the online activity reports.  |   |  |
|           | A | 4 | There is no direct link to payments. If a jobseeker permanently infringes his duties, PES sends a report to the authority which is in charge for payments. The decision on payment cuts lies with this authority, not with the PES.<br>Although a lot of data is collected and stored, the operational targets are not quantified. The target is of qualitative nature saying "x - plus", i.e. the figure or target should be increased or improved.   |   |  |
| <b>C4</b> | P | 4 | In the Swedish system, many employees are covered by agreements entitling them to support by job-security organisations in case of redundancy. These organisations, owned by the social partners, have their own budget made and can launch their own measures in cases of workers are at risk of losing their jobs. In case of mass redundancies, PES can establish offices in the respective company and also co-operates with the job-security organisation. But, in principle the responsibility of Af starts at the moment unemployment occurs. | Hence the responsibility for unemployment lies with the PES, all possibilities should be exploited so that workers at risk of losing their job can use all services of PES as early as possible- if needed (and not only self-services). This might be done by a more intensive co-operation with the job-security organisations. | Close networks and co-operations with regard to youth (YG)                                 |
|           | D | 4 |  |   |  |
|           | C | 4 |  |   |  |
|           | A | 4 | In the frame of YG, there are agreements with nearly all Swedish municipalities in place. In some regions there are joint offices for the youth established acting as one-stop-agencies. Implementation is monitored by 5 to 6 indicators such as the 90 day deadline for job offers. PES targets to reduce the time until a job offers can be submitted.  |   |  |

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| <b>C5</b> | P | 4 | If the assessment at the beginning of unemployment shows a high risk to become LTU, more activities can be established at an earlier stage. This is the case if the above mentioned evaluation tool is used or not. If the profiling results indicate a low risk for LTU, the jobseeker is mainly referred to self-service instruments.                               |   |  |
|           | D | 4 |   |   |  |
|           | C | 4 |   |   |  |
|           | A | 3 | After a maximum of 6 months, the jobseeker has to appear personally. In the meantime, the client has to deliver a monthly activity report.  |   |  |
| <b>C6</b> | P | 4 | The guidelines in use are often not yet amended to the new management philosophy. However, they gave orientation to the employment officers. Connected to guidelines, there are check-lists to support the officers. As reported several times during the visit, the help-line for internal staff is eminently respectable.   | As far as the legal framework allows, the procurement procedures should be made more flexible and more oriented to local needs. | Help-line for the employment officers and also the other internal staff. |
|           | D | 4 |   |   |  |
|           | C | 4 | PES intensively makes use of contracting out of services, if external services can effectively and efficiently support the work of the PES. However, there are some constraints in the system, which makes procurement of services inflexible, ineffective, and inefficient. For instance, local offices do not have the possibility to quickly react to local needs. |   |  |
|           | A | 4 |   |   |  |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)   | Suggestions/ recommendations   | Aspects of good practice   |
|-----------|-------|-----------------------|--|--|--|
| <b>D1</b> | P     | 5                     | 1.) Employer strategy was adopted in March 2014. It defines which employers are considered strategically important and the types of services employers should be offered. It also includes certain targets for employer services, (a) Arbetsförmedlingen should be an effective meeting place for employers and jobseekers, (b) Employer confidence in Arbetsförmedlingen should be high, (c) Arbetsförmedlingen should contribute to finding more employment. | 1.) Department of National Clients was closed down. Therefore, it is unclear who has taken over the responsibility to maintain and update the national strategy. Arbetsförmedlingen should determine new responsible department/persons for this task.   | 1.) Implementation of lessons learnt from the Jobseeker project started in January 2014. The project consisted of outreach activities to SMEs to find "hidden jobs". Employment officers in the project visited employers, offering qualified counselling. |
|           | D     | 4                     | There is only one general strategy in place but SME's may be involved and incorporated e.g. through the project "Job Hunters".   | 2.) Arbetsförmedlingen has centrally organised agreements with service providers of training and educational programmes (ALMP) for job seekers, which are less flexible when employers need specialised knowledge. It should consider how to systematically enable such "tailor-made" programmes and possibly create new programmes together with employers. | Arbetsförmedlingen later started using this as a method of ordinary work.  |
|           | C     | 4                     | 2.) Based on the national strategy, regions and areas have adopted their own employer strategies and have included employer interaction in their operational plans. Managers are responsible within their remit.   |  | 2.) A number of larger employers work with one dedicated employment officer with a good knowledge of the company who monitors the development of their professional groups, skills requirements and recruitment situation."                                |
|           | A     | 3                     | 3.) The strategy has been communicated to the employees and is available on the intranet.  |  |  |

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| <b>D2</b> | P | 5 | <p>1.) Arbetsförmedlingen has no guidelines specifying how local offices should organise their client-facing activities. Local offices have a high degree of freedom to organise their work as they see most appropriate according to their conditions. Arbetsförmedlingen employees care less about numbers (target results), but more about how to improve their work to achieve better performance compared to the previous year.</p>  | <p>1.) Arbetsförmedlingen should consider organising separate units, responsible for pooling all contacts with employers (offices for employers) in all market areas or even in all local offices with the intention to focus more on employers. Employers' advisers could offer them expertise – especially for SMEs which don't have their own legal experts, helping them also with employment contracts, all compulsory contributions and insurances, etc.</p> | <p>Arbetsförmedlingen is developing skills for its employees so that they better understand employers' positions and thus provide better recruitment support. The training programme "Employer Relations" provides participants with a foundation for creating good relationships with employers, and the knowledge and understanding of how Arbetsförmedlingen works with employers at the local, regional, and national levels.</p> |
|           | D | 4 | <p>2.) Employer strategy does not specify how service provision should be organised, and whether offices should divide staff in a certain way.</p>  | <p>2.) Arbetsförmedlingen does not have indicators to measure effects of increased employer relations. Regions are responsible for developing those - Region South is coordinating. Arbetsförmedlingen should develop indicators which show how much its activities contributed to labour market improvement."</p>   |   |
|           | C | 4 | <p>3.) A study from 2013 showed that roughly half of local offices had employment officers working in teams focusing on employers.<br/>Approx. 25% of working time is spent on employers across the PES. However, a new staff role with a 100% focus on employers has been created recently.</p>  |  |   |
|           | A | 4 | <p>4.) Arbetsförmedlingen makes national agreements with employers regarding various labour market policy initiatives such as work experience placements. The agreements are flexible and the employers gain the opportunity to have their recruitment needs met through multiple different recruitment channels simultaneously.<br/>5.) All services are developed and tested with the clients to see what works and what does not. Approx. 600 employers participated in such developmental projects over the last 2 to 3 years. Positive results were communicated to all units.</p> |  |   |

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| <b>D3</b> | P | 5 | <p>1.) Matching jobseekers and job vacancies is a core business for Arbetsförmedlingen. Access to information is crucial for effective matching. Part of Arbetsförmedlingen’s contribution to the matching process consists of providing infrastructure that meets both jobseekers’ and employers’ information needs. A significant element of this infrastructure is digital, such as the Job Bank, CV database and Career Compass (“Yrkeskompassen”). Arbetsförmedlingen’s website had more than 4.4 million visits per month in 2015, by around 1.8 million monthly users.</p> <p>2.) Self-service selection of candidates is available for employers. Further selection follows after automatic matching, if employer needs it. Before referral of job seekers, employment counsellors verify that candidates are motivated and have appropriate skills, working experiences and competences. When PES cannot find the ideal candidate, the counsellor tries to develop substitutional solutions, such as internal occupation of the job and mediation of a candidate for the new gap, or the training of other candidates, or subsidies.</p> | <p>Arbetsförmedlingen monitor various indicators, but not the indicator that shows if job vacancies were filled with referred candidates. Arbetsförmedlingen should consider finding a way to measure that indicator. This would help Arbetsförmedlingen improve its services for future cases.</p> | <p>1.) The project to improve automated matching system with competence based matching started in 2014, and will be finished in June 2016.</p> <p>2.) Employment officers working with different target groups organise informal information transfer to supplement the CRM system through meetings, email, etc.</p> |
|           | D | 5 |   |   |  |
|           | C | 4 |   |   |  |
|           | A | 4 |   |   |  |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)   | Suggestions/ recommendations   | Aspects of good practice   |
|-----------|-------|-----------------------|--|--|--|
| <b>E1</b> | P     | 4                     | Clear methodology used (e.g. PPS). Ex ante evaluation takes place through testing and developing new ideas for services in the "greenhouse" (method) where new services can grow before being launched on a larger scale/overall. Impact analysis weaker than implementation analysis. Evaluation is often done by external bodies. The Research Unit of Arbetsförmedlingen's Department of Analysis also conducts in-house evaluations on a regular basis, for example in the 'Labour Market Report', as well as on an ad hoc basis. There is not always a planned evaluation step/component, thus there is no systematic application/use of evaluation. Quality check is made by consulting customers continuously about services. | Build evaluation and impact analysis clearer and deeper into development, including ex-post analysis for the full cycle of evaluation. | Clear methodology (PPS) and methods (greenhouse) where the greenhouse method is a good example of good practice. |
|           | D     | 4                     |  |  |  |
|           | C     | 3                     |  |  |  |
|           | A     | 3                     |  |  |  |
| <b>E2</b> | P     | 5                     | Pilot project is a very common way of testing and introducing new services and ideas, often using the greenhouse method and PPS methodology with clear responsibilities. Decisions on rolling out projects on a larger scale/across the PES taken on a case-by-case basis sometimes based on evaluation within project (evaluation of results within the pilot and not necessarily analysis of possible implication of larger-scale). Impact analysis weaker than implementation analysis.   | Strengthen the analysis of the rolling out of pilot projects to the organisation as a whole, i.e. for the mainstreaming of projects.   | Often used and well-known model with clear and defined processes and responsibilities.                           |
|           | D     | 4                     |  |  |  |
|           | C     | 4                     |  |  |  |
|           | A     | 4                     |  |  |  |

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| <b>E3</b> | P | 4 | No plan for the communication of evaluation results exists. Stakeholder analysis under way to ensure that evaluation results are shared with the relevant people. In practice, so far, evaluation results are spread through "market areas"/ regional level, and through special meetings with Ministry of Employment to present results. In addition, all evaluation results are published externally. Each report includes suggestions to management on how any problems can be solved. | Plan and integrate how evaluation results can be repurposed and repackaged to be used in day-to-day contacts/work. | All evaluation results are published and disseminated internally across the PES, even if not in a systematic fashion. |
|           | D | 4 |   |  |   |
|           | C | 3 |   |  |   |
|           | A | 3 |   |  |   |
| <b>E4</b> | P | 6 | New philosophy of "self-leadership": trust and belief in the staff as competent individuals who can decide on the "how" themselves and does not have to be steered in detail; who can prepare and enable the organisation and constantly improve the organisation/the work, e.g. how to make the services more efficient and customised (lean process model) within the limits of the regulations; like change consultants in their own organisation.                                     |  | Self-leadership philosophy which empowers staff.  |
|           | D | 5 |   |  |   |
|           | C | 4 |   |  |   |
|           | A | 4 |   |  |   |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc.)  | Suggestions/ recommendations  | Aspects of good practice  |
|-----------|-------|-----------------------|---|---|---|
| <b>F1</b> | P     | 4                     | Strategy for external collaboration under development, based on long-term principles (cooperation based on formal agreements, and local needs/mutual support. Every manager's task to establish what co-operation is needed to achieve tasks). Local flexibility on agreements in terms of aims, objectives, and content/level of detail, based on local needs. Agreements/stakeholder collaboration in itself not monitored, but monitored as part of other monitoring/evaluation.   |   | Local flexibility, based on local needs. Agreements changeable/adjustable when need arises. |
|           | D     | 4                     |   |   |   |
|           | C     | 3                     |   |   |   |
|           | A     | 3                     |   |   |   |
| <b>F2</b> | P     | 5                     | New stakeholders, e.g. the church. Key that local level takes ownership and that it is based on local needs. Recognise that delivery of national agreements at local level can be sometimes difficult as it takes time for information to cascade down. Objectives around partnership working set at managerial level only. Agreements/partnerships followed and monitored through market area meetings. Double role of stakeholders as clients and partners - classification less important; key is how they help the PES succeed/reach the goals. | Take a more proactive approach through the strategy for external collaboration and partnership. | Local needs and relevance. New type of stakeholders, e.g. church.                           |
|           | D     | 4                     |   |   |   |
|           | C     | 4                     |   |   |   |
|           | A     | 3                     |   |   |   |
| <b>F3</b> | P     | 5                     | Clear and defined processes and responsibilities. Reports published internally and shared with all staff. Recommendations are implemented through projects, or it is clearly documented why recommendations were disregarded. Internal audit function exists too, which reports to the Board.   |   | Clear focus on good administration.   |
|           | D     | 5                     |   |   |   |
|           | C     | 5                     |   |   |   |
|           | A     | 5                     |   |   |   |

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| <b>F4</b> | P | 3 | Mandatory partner (advisory) so no agreement as remit is clear (not sure though where this is regulated and they refer to agreements as well in the self-assessment?). Currently reviewing the system of local labour market councils, how common they are, how useful they are, etc.  | If it is not clear what the role of Partsrådet is, or what the expectations on Partsrådet are, an agreement could still be useful. Review whether strategy and approach towards the social partners outside Partsrådet is useful, e.g. with the Swedish Federation of Business Owners (SMEs). |  |
|           | D | 3 |  |   |  |
|           | C | 4 |  |   |  |
|           | A | 3 |  |   |  |
| <b>F5</b> | P | 4 | Overhaul of the system for service providers and supply control with introduction of new model for procurement. Partnership with private contractors reduced from 952 to 220 with increased transparency. National level contracts sometimes pose problems. Developing module-based system for VET. For contract-renewal there has not been a model for service-auditing to answer questions are we using it, do we understand the purpose of the service, is it needed, etc.  | Some concerns at local level with the procurement process leading to delays in the service being utilised. Procurement - flexibility at local level not easy, need to find a way to better capture local need.  | Reform of the system for service providers and supply control has taken place. |
|           | D | 4 |  |   |  |
|           | C | 3 |  |   |  |
|           | A | 3 |  |   |  |
| <b>F6</b> | P | 4 | Agreements are between the PES and the municipalities at the minimum, but can be wider to include e.g. folk high schools and other local actors. Agreements cover all possible measures and services offered by the parties (i.e. PES, municipalities, etc.). Most agreements are both strategic and concrete/operational but it depends, and they define responsibilities --> flexibility. Agreed key indicators for YG, which will be the base for evaluating the usefulness of the agreements. Also continuous dialogue with local level to monitor meaningfulness. Updated and revised annually. |   |  |
|           | D | 4 |  |   |  |
|           | C | 4 |  |   |  |
|           | A | 4 |  |   |  |

| Enabler   | Phase | External Score 1 to 6 | Comments (observations, arguments for re-scoring the internal score, etc)   | Suggestions/ recommendations  | Aspects of good practice                  |
|-----------|-------|-----------------------|---|---|---|
| <b>G1</b> | P     | 5                     | There is a well-developed and resourced professional HR function in place in the Swedish PES. All the elements of a progressive and fine-tuned HR function are evidenced. The current organisational Journey of Renewal is supported by the HR structure and includes the provision of training in leadership/ self leadership skills coupled with management training to ensure the embedding of the new philosophy within the organisation. A staff support focus is clearly in place (an interesting aspect is the support for a healthy working environment including support for gym membership).  | It may be worthwhile to consider the provision of more longer-term staff career development opportunities that could be perhaps supported/jointly provided by a third-level university or institution. Such an opportunity for long-term career development could be delivered both on and off the job. | The internal help-line service for staff. |
|           | D     | 4                     | This new organisational cultural approach is also linked to the development of competency-based recruitment coupled with intensive mentoring of new staff. Staff performance dialogues are in place. There is recognition that the past focus on requiring a base-line graduate entry requirement for new staff may be outdated and more specific skills-based approach is being trialled with the potential introduction of a new grade of staff who would provide more specific professional support within the organisation. For example, the current renewed focus on the demand side of the labour market requires staff who may have a business background rather than a third-level qualification. This organisational openness to new HR approaches is to be commended. | One such idea is the possibility of supporting staff to pursue an MBA that would in turn help to reinforce the increased focus on services for employers and increasing market share.   |   |
|           | C     | 4                     |   | Another might be the development of a post-graduate programme to provide holistic vocational guidance education leading to a professional vocational guidance qualification for current employment officers, thus 'professionalising' the adviser/employment officer function.                          |   |
|           | A     | 4                     |   |   |   |

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| <b>G2</b> | P | 5 | Very good budgetary model with good local input. Planning dialogues between department, regions, and central management drive budget allocations. Budget is distributed in a sophisticated way starting with a top-down process. Locally, there are regular contacts between management and designated financial officers. Performance dialogues are built into the budgetary process. | More local budgetary scope for procurement of local active measures | New tool for operational planning and budgeting of ALMPs. The tool is a support for local managers in formulating requests for ALMP financial allocation. |
|           | D | 5 |  |   |   |
|           | C | 5 |  |   |   |
|           | A | 5 | There are systematic monthly reviews of budget allocation and budgets can be shifted between local agencies but not between the budget lines.  |   |   |