

Efficiency of employment services

– the attitudes and working methods of employment officers are significant

Summary and recommendations

The objective of the Riksdag's labour market policy is to contribute to a well-functioning labour market. The Swedish Public Employment Service is required to promote this objective through placement services and labour market policy initiatives aimed at jobseekers finding work. In recent years, however, matching has deteriorated and an increasing proportion of jobseekers are having difficulties in finding work.

Employment officers must implement the policy and translate it into concrete decisions by assessing the jobseeker's needs, providing support, monitoring the individual's search for work, and when necessary, assigning them to schemes that strengthen their skills in various ways. They have considerable discretion in making decisions about the type of support needed by the individual. There are advantages to this, since jobseekers' needs for measures vary. However, a previous study shows that there is considerable variation in how well an employment officer succeeds in getting jobseekers into work. This indicates that employment officers do not always choose the most efficient methods and that jobseekers are not receiving equivalent levels of services.

Because of this, the Swedish National Audit Office has audited whether there are differences between the methods and results of employment officers that mean there is potential for improving the efficiency of employment services.

Audit findings

The Swedish NAO considers that employment service placement activities can be made more efficient. The Swedish Public Employment Service could achieve its objectives better if employment officers worked in a more search activity-oriented way and if costly initiatives were allocated more consistently and accurately.

The work of employment officers should be more search activity-oriented

The Swedish NAO considers that a more search activity-oriented method could increase the effectiveness of the service. This applies at least to the group covered by the study. Our analysis shows that employment officers with a positive attitude towards working methods that promote job-search activity get more jobseekers into work. Search activity-oriented employment officers also send more job proposals and job assignments to jobseekers. This indicates that methods that are more directed at job search activity may result in more jobseekers finding work. This result is consistent with previous studies. To illustrate the level of the impact, we have developed an example calculation. It shows that if all employment officers were as search activity-oriented as the one-fourth who are the most search activity-oriented, about four per cent more unemployed people would be in work after two years, all other things being equal. In reality, however, the effect would probably be less because of displacement effects.

More accurate allocation of costly measures should be achieved

The Swedish NAO also considers that it is possible to reach a higher level of effectiveness, given the funds spent on labour market policy, by achieving more consistent and accurate allocation of training schemes and initiatives from external actors. This applies at least to the group of jobseekers that we studied in our audit. The audit shows that there are great differences in how often employment officers grant jobseekers access to these initiatives. The following example calculation illustrates the spread. Twice as many decisions on initiatives from external actors would have been made, if all employment officers made as many such decisions as the one-fourth who do so the most, everything else being equal. We also find that employment officers who have a positive attitude towards external actors often grant access to such initiatives, while not achieving better results.

More consistent and accurate allocation would mean that access to initiatives would be more extensively given to those jobseekers most able to benefit from these initiatives. More uniform allocation of measures would also contribute to greater equivalence in the services that the Public Employment Service provides for jobseekers.

Different ways of steering placement services

Our analysis has shown that attitudes towards the efficiency of different methods affect the extent to which employment officers make use of them. Increased knowledge on the importance of search activity-oriented methods should be able to influence the way in which employment officers work in this direction. A probable explanation for why employment officers use these measures to a varying

extent is that they make different assessments as to whether a measure is appropriate for jobseekers with similar abilities. It should be possible to achieve greater consistency in these assessments.

Through internal training and the exchange of experience, the Public Employment Service could, for example, influence employment officers to be more search activity-oriented and to make more consistent and accurate assessments. Other means could be through monitoring how different employment officers or teams function in relation to what can be expected and through giving feedback to the employment officers. Another means of achieving more consistent and accurate assessments could be through the increased use of support in these assessments. A further means of achieving more search activity-oriented methods could be to give clearer priority to job proposals and job assignments when managing activities.

Deficiencies in management and demand for exchange of experience

The potential for management that we have described above is used to a limited extent today. The Swedish NAO has previously found that the placement methods that the Public Employment Service has developed have a weak knowledge base and that the agency does not systematically monitor the way in which services are run at the local offices and by individual employment officers. It has also become apparent that employment officers would like to have greater exchange of experience and peer learning, particularly in wider circles and between offices. This audit shows that the internal training addressed to employment officers is limited with regard to exchange of experience and knowledge transfer about the impact of different methods. Today, employment officers seldom use assessment support, which would help them to determine which jobseekers may be relevant for various initiatives.

Methods and limitations

In order to carry out the analysis, we have used a large amount of data, consisting both of data registers and information from a questionnaire that the Swedish NAO sent to employment officers to measure employment officer attitudes to working methods, among other things. In the analysis, we have compared employment officers within the same offices. We have also checked the backgrounds and characteristics of jobseekers.

The analysis refers to jobseekers who were registered for the first time in the period 1 January 2015—30 April 2017. Participants in the Introductory Programme, people with disabilities that entail reduced working capacity, young people, participants in strengthened support from the Swedish Social Insurance Agency and those registered as part-time jobseekers or employed people wishing

to change jobs are excluded. Our results primarily apply to the group of jobseekers that we studied and cannot be readily generalised to other groups of jobseekers.

Recommendations

The Government has announced a reform of the Swedish Public Employment Service that entails outsourcing some of the work of placement to external providers. Consequently, there is currently some uncertainty about how the role of employment officers at the Public Employment Service will develop in future. The Swedish NAO therefore makes the following recommendations to the Swedish Public Employment Service for when the criteria for the agency's future remit have been clarified:

- Promote more search activity-oriented working methods. One means of doing this may be through internal training and the exchange of experience. Another means may be to give clearer priority to job proposals and job assignments in the management of operations.

The Swedish NAO makes the following recommendations to the Swedish Public Employment Service:

- Ensure more consistent and accurate allocation of costly initiatives. This may, for example, be done by monitoring how different employment officers and teams function in relation to what can be expected of them, through internal training and the exchange of experience or through greater use of some form of support in their assessments.