

Summary

The work of the Swedish Public Employment Service in the event of notice – A contribution to efficient adjustment measures? RiR 2014:27



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Background of the performance audit

According to research on the Swedish labour market, notice of dismissal has affected approximately 1.3 per cent of the employed per year on average over the last three decades. However, all notices do not result in unemployment. According to a follow-up conducted by Arbetsförmedlingen (the Swedish Public Employment Service) of received notices during the period 2002–2007, approximately 20–25 per cent of those given notice became unemployed. Those given notice generally have a good attachment to the labour market, but there are those who may require extra support for preventing long-term unemployment.

Arbetsförmedlingen is the agency which receives advance notice from employers and which has been commissioned, through collaboration with other employment security organisations, to offer support and initiatives to persons given notice in order to facilitate adjustment to new work. The procedure for notices is settled by the Act Concerning Certain Measures to Promote Employment (1974:13), which aims to create time for agencies in charge to prepare initiatives for adjustment. Arbetsförmedlingen's participation in the adjustment process for persons given notice is restricted by current labour market policy. Since 2007 labour market policy has focused on those who are far from the labour market or risk long-term unemployment. Since 2012 the opportunity for Arbetsförmedlingen to identify and target early initiatives for those who risk long-term unemployment has increased.

Reasons for the audit: Arbetsförmedlingen has been commissioned to collaborate with employment security organisations in order to facilitate adjustment in the labour market as well as adjustment for the persons who move from initiatives within employment security organisations to the activities of Arbetsförmedlingen. Employment security organisations are responsible for the initiatives which are conducted within the framework of the employment security agreements which are prepared between employer and employee organisations. Arbetsförmedlingen and some of the employment security organisations have also signed an agreement on collaboration.



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In the pre-study of the Swedish National Audit Office (NAO) it has been claimed that there is disappointment and dissatisfaction among employment security organisations on that the agreement on collaboration has not resulted in any concrete initiatives by Arbetsförmedlingen. Therefore two employment security organisations have terminated the agreement with Arbetsförmedlingen. In the pre-study the Swedish NAO also found that Arbetsförmedlingen, in accordance with the approach in the labour market, has focused its activities on the long-term unemployed and those who risk long-term unemployment, and that the agency did not believe that persons who have been given notice of dismissal per definition belong to the group which risks long-term unemployment. The question is then how the intentions of the Act Concerning Certain Measures to Promote Employment are attained. Early initiatives for the group which risked long-term unemployment have neither been realised to any large extent.

The aim of the audit: The Swedish NAO has audited whether Arbetsförmedlingen in its work on notices contributes to creating efficient adjustment measures for persons who are given notice of dismissal. The focus of the audit is Arbetsförmedlingen's guidance, procedures and internal support for notices, Arbetsförmedlingen's usage of the notice period for identifying the need of initiatives of those given notice and Arbetsförmedlingen's collaboration with other relevant players in the event of notice.

Implementation: The audit is based on document studies, a survey targeted to a number of local employment offices as well as interviews with administrators at Arbetsförmedlingen and five employment security organisations.

Results of the audit

The overall assessment of the Swedish NAO is that the work of Arbetsförmedlingen on notices needs to be improved in certain respects so that the agency can contribute to creating efficient adjustment initiatives for persons who are given notice of dismissal. The purpose of the Act Concerning Certain Measures to Promote Employment could thereby be attained in a better manner. It relates to, for example, the need of clarifying information on procedures in the event of notices as well as improving the communication and procedures on collaboration with other players who are involved in the adjustment process.

Procedures, guidance and internal support of Arbetsförmedlingen in the event of notices

The audit of the Swedish NAO reveals that at Arbetsförmedlingen there is guidance in the form of internal instructions and two administrative supports, on how the agency should



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handle notices. The instructions and administrative supports relate to the regular handling of notices which the local employment offices are responsible for as well as how responsibility is allocated within Arbetsförmedlingen in the event of major notices. The Swedish NAO's audit reveals that a majority of the offices are aware that there is administrative support for how notices should be handled and believe that it provides adequate support. At the same time, 20 per cent of the offices state that they are not aware of any administrative support. According to the Swedish NAO, this can entail a risk of less efficient handling of notices at the office.

The audit also reveals that Arbetsförmedlingen receives relevant information on notices from the employer on time in accordance with the Act Concerning Certain Measures to Promote Employment and that the information is usually of a good quality. All the offices included in the audit's survey state that they have at least one employee who can receive information on the notification of notice. However, only 60 per cent of the offices fulfil the recommendation in the administrative support of having at least two agents with responsibility for notices and access to the notice information. That the access to information on notices to such a high extent is available to only one employee at the offices, makes the handling more vulnerable according to the Swedish NAO's assessment.

Arbetsförmedlingen's initiatives for those given notice before the first day of unemployment

A prerequisite for persons who are given notice to gain access to initiatives within labour market policy is that they register as job seekers at Arbetsförmedlingen and thereby have their need for support and initiatives assessed. This is particularly important for individuals who risk long-term unemployment as early initiatives may be appropriate for them. However, the audit of the Swedish NAO reveals that relatively few offices state that those given notice register as job seekers before their first day of unemployment (exchange applicants). A decisive factor for them failing to do so is that they do not receive information about that opportunity. This means that there is a streamlining potential to utilise. The statistical estimates of the Swedish NAO also show that there is a positive correlation between the offices' assessments of information initiatives and the number of those given notice who register as exchange applicants. However, in the audit only roughly half of the offices state that they conduct an information activity for those given notice "often" or "always," and that it is the employer's preferences for information which determine whether the offices conduct an information initiative. That the employer is governing for whether information initiatives are conducted may entail that those given notice do not receive the information they may require.



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The audit also shows that the offices' assessments of the extent assessment support and action plans are used varies considerably. This may indicate that in practice there are differences at the offices in terms of how the offices handle those given notice who register as exchange applicants at Arbetsförmedlingen.

Arbetsförmedlingen's collaboration with other players

A prerequisite for creating efficient adjustment initiatives is that relevant players collaborate when necessary. The audit of the Swedish NAO shows that a majority of the offices state that they have collaborated with the employer, while roughly half of the offices state that they have collaborated with employment security organisations and adjustment companies. At the same time a majority of the offices state that they have not collaborated with the municipality. Furthermore, the offices assess that on the whole collaboration has functioned well with all players outside the municipality.

Through in-depth interviews the Swedish NAO has particularly audited how collaboration between Arbetsförmedlingen and employment security organisations functions. The interviews show that employment security organisations in general are critical to how the agreement on collaboration between Arbetsförmedlingen and employment security organisations is complied with. According to employment security organisations, the agreement has not made an impression on the practical work on notices. Two of the employment security organisations, Trygghetsfonden TSL, an Employment Security Fund and Trygghetsrådet TRR have also terminated the agreement with Arbetsförmedlingen. Both Arbetsförmedlingen and employment security organisations state that the knowledge among employment offices and employment officers on the agreement as well as employment security organisations and their commission is low. According to both players, there are regional variations in how the collaboration functions, which can be explained by personal contact and management and governance at the local employment offices. Other factors which according to the players may be important for the collaboration are Arbetsförmedlingen's commission and employment security organisations' expectations of what Arbetsförmedlingen can attain.

Employment security organisations are particularly critical in terms of the collaboration with Arbetsförmedlingen for job applicants who require special support, employment security organisations believe that for these groups there is a need of measures which Arbetsförmedlingen has at its disposal. However, according to employment security organisations the collaboration is obstructed as Arbetsförmedlingen usually makes other assessments than the employment security organisations and uses other definitions of the risk of long-term unemployment. According to employment security organisations, it is



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also difficult to contact Arbetsförmedlingen when they have identified that a job seeker requires special support.

Recommendations of the Swedish NAO

In order for the purpose of the Act Concerning Certain Measures to Promote Employment to be attained to a greater extent, the Swedish NAO recommends Arbetsförmedlingen to:

- Take appropriate measures to increase the awareness of employment offices of administrative support for notices and major notices and inform about the significance of having at least two administrators with responsibility for notices.
- Develop more paths to inform and communicate with those given notice about the opportunity to register as exchange applicants at Arbetsförmedlingen.
- Clarify that assessment support should be used and action plans should be prepared in connection with registration of those given notice.
- Inform internally within Arbetsförmedlingen about employment security organisations and their role in connection with notices.
- Consider communicating the assessment criteria which Arbetsförmedlingen uses for the assessment of job seekers' need for support and initiatives with the employment security organisations, or creating shared assessment criteria together with them.
- Review agreements with employment security organisations and have a dialogue with them with the aim of bringing about more well-functioning collaboration.

