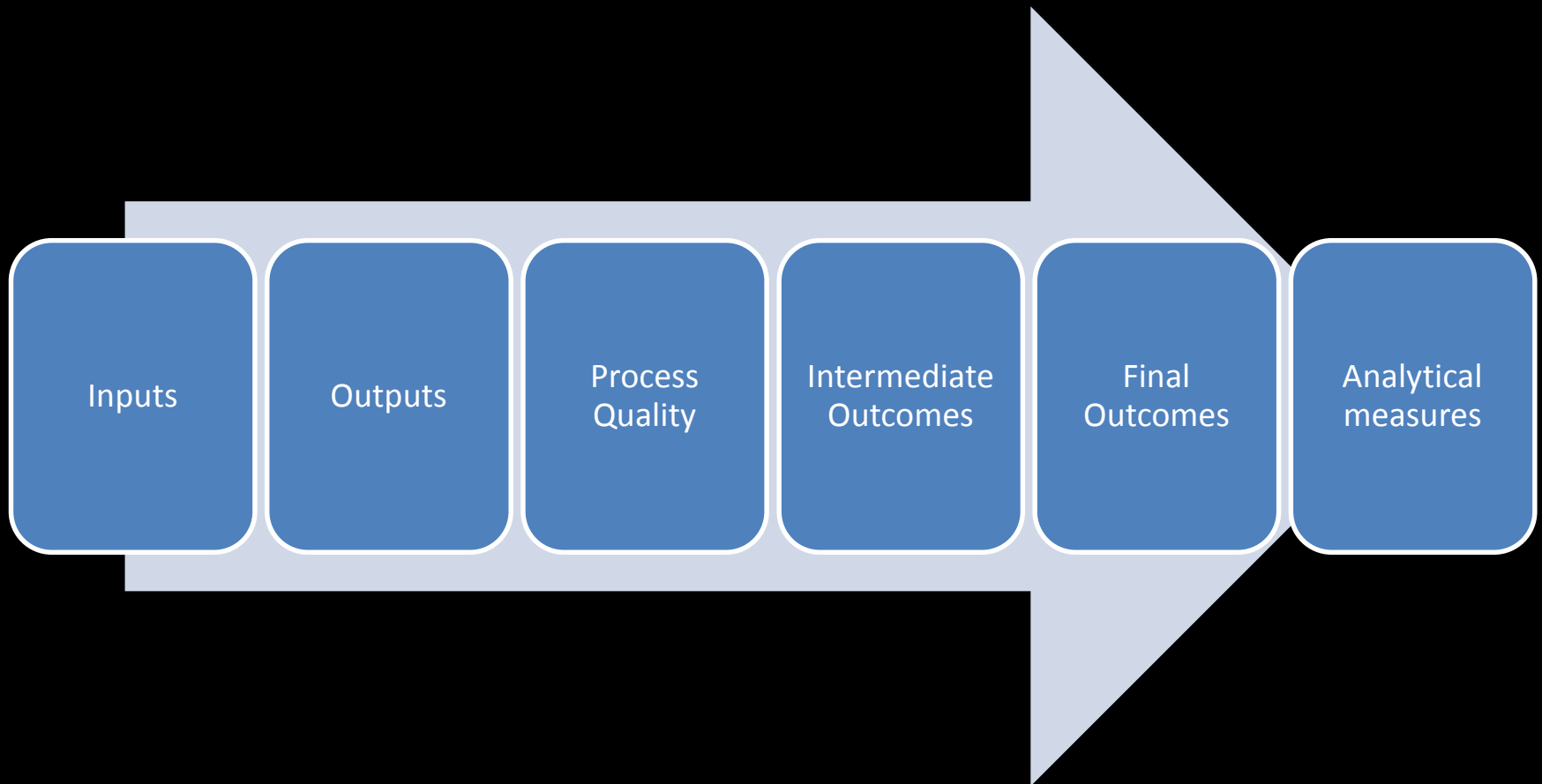


# **EU-US Exchange: Performance Management and EU PES**

# Underpinning studies

- Circa 8-10 cross national studies
- Me:
  - Peer Review 2013
  - PES2PES Analytical Paper 2012
  - DWP Review 2010
  - Multiple UK based evaluations
- Qualifications
  - My evidence drawn from 2013.
  - Data is very shallow (national experts, system design etc).
  - Some countries are relatively missing.
  - PES are very different across EU – at least as much variation between EU countries as between US-EU: not the same as saying EU and US the same.....

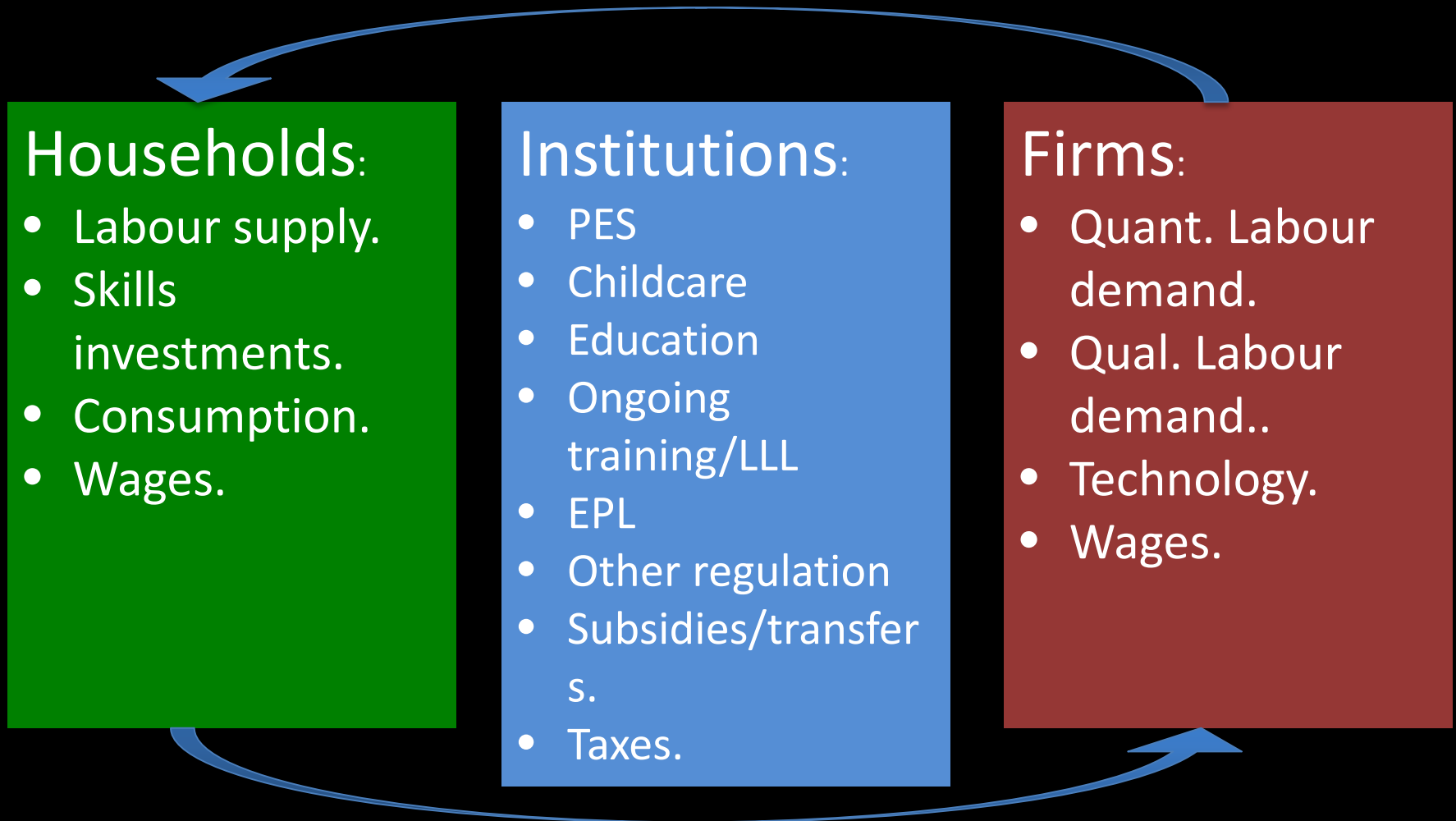
# A framework for thinking about PES Performance Management



# Current Practice in EU PES

1. PES PM is widespread but practice varies.
2. The majority/all use intermediate outcomes.
3. The investment *in* and sophistication *of* PM is growing
4. Clear and growing focus on activation
5. Only a small number use analytical measures.
6. Some countries involve different stakeholders.
7. Some countries utilise multi-annual measurement and target setting.
8. Benchmarking practices vary widely.
9. Few measure performance down to individual level.
10. Performance related pay not widespread.

# PES incorporate complementarities & feedback loops



# Different types of Complementarities

## IC Approach

- Matching skills supply to demand.
- Incentives to upskill.
- Demand met ... & stimulated.

## CC Approach

- Labour activated & cheap but...
- ...Skills poorly matched.
- ...Low skilled workers crowded out...
- ...high skill demand not met.

# Features of PM to be encouraged?

- PM in explicit and open cycles.
- Integration of PM and Evaluation – annual reporting.
- Multi-annual objective setting.
- ‘Inclusive governance’ at multiple levels.
- Local Decentralisation.
- Benchmarking is ok... but beware of gaming and perverse incentives.
- Culture of reflective practice and learning rather than blaming and gaming.