# GUIDELINES FOR QUALITY ASSURANCE IN PUBLIC AND PRIVATE EMPLOYMENT SERVICES

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# Chapter 1 – Introduction to Quality Assurance systems: Principles and Concepts for a Manual

## 1.1. Perspectives and objectives

The Project "**PUBLIC AND PRIVATE SERVICES: TOWARDS A QUALITY ASSURANCE SYSTEM- TRANSNATIONAL RESEARCH",** was promoted by the European Commission in 2005 and managed by the Ministry of Labour and Social Security - Directorate General of Labour Market (Italy), in co-operation with Belgium, Bulgaria, Czech Republic, Hungary, Romania, Slovak Republic, Italia Lavoro (technical Agency of the Italian Ministry of Labour), and with the Italian Regions Emilia-Romagna and Lombardy.

The project envisages explicitly as final result the definition of "guidelines for the employment services' quality", in order to develop a coherent series of indicators and methods to which the participants in the project can adapt their actions and choices in contexts where public and private employment services coexist and operate in the same market.
Meetings and exchanges have been realized along the past 12 months: they represent real and effective actions of benchmarking and the research on 'Best Practices' realized in the Transnational Project has its origin in the application of the Quality Systems methodology.
The process has been complex and experimental. In participatory workshops, partners and staff experts were able to contribute very widely to initial design.
Project partners have decided to collect and report on the identified Best Practices which have been launched or already carried out in their respective contexts, to encourage their transferability and speed up the improvement process of their own quality strategies and integrated quality management, both for public and private employment services under their jurisdiction or action.

According to the agreement signed on the occasion of the partnership, it has been unanimously agreed to produce the present paper, which we can call a Manual to a certain extent, and to supply, in the examination of the Best Practices, an integrated strategy containing all the successful elements of the quality systems implementation, besides guidelines for the most applicable and transferable harmonization of the employment services' quality in each respective country, according to the European Union policy in this field.

Actually, EU has not yet established definite directives or rules on this matter: as usually, it prefers the "bottom up" approach, encouraging local (national or regional) experimentations and tests, benchmarking between member states and their relevant institutions and organizations, the "discovery methodology" which rises from the social and institutional creativity and/or innovation of players: in fact, the "change" required in the employment services design, organization, management and delivery is impressive.
Since the Commission's "White Paper on Growth, Competitiveness, and Employment: The Challenges and Ways Forward into the 21st Century", COM (93), 5 December 1993, the perception of the deep breakthrough with respect to the past employment strategies and the traditional forms of job creation and employment services organization was clear and unequivocal. Moreover, the scenario was shaped day by day, in very rapid processes, by the new forms of economy, value creation (and job thereby), social and civil organization, enterprises and institutions re-engineering: net economy, knowledge economy, well-being and happiness economy, economy of the experiences, access era, information and network society, global-local paradoxes, sustainable development model, bottom up and decentralization strategies, the increasing role of the third sector, the e-government programs, the new governance styles, the demand of more ethic guarantee both in the production and consumption behaviours and business transactions or interactions.
These concepts are only some of the features which are forging the present millennium.

Employment creation, as part of the value creation, is involved in this global and rapid "mutation": the "end of the work" has been proclaimed and traditional forms of labour market functioning and management are obsolete.
The interpretation of the present evolution is necessarily multi-facet and manifold: the "vision" is changed, the value table is deeply modified, and the relationship between citizens and their service providers (public and private) is more and more client-centred. People tend more and more to refuse the bureaucracy "one-up/one down", inaccuracy, parasitism, lack of attention and care. Customers are often unsatisfied with the quality and value of the services that they receive: delayed deliveries, rude and incompetent personnel, uncomfortable premises, service hours according to the employees needs and interests not to those of the customers and beneficiaries, complicated procedures with many steps from one office to another, stand in line everywhere.

Luckily, there are also services providers who are able to please (even delight) their clients: no matter if public or private. The idea (a myth) that service privatization implies necessarily an improvement of quality is false.
To ensure quality in the services' sector means almost automatically to improve the society, the economy and the well-being in general as a whole.
Services are an increasingly important part of economies. According to the OECD (2005) 'market services' accounted for 50% of total OECD value added in 2000, with public services accounting for an additional 20%. As innovation is considered one of the key drivers of economic growth, there has been increasing interest in studying and measuring innovation in the services sector. Quality is one of the most important factors of innovation: we have just in this new paradigm the possibility to integrate the high tech competitive advantages together with the "high touch" (or contact) competitive advantages.

### 1.2. The main results of the benchmarking programme

In view of the final meeting for the conclusion of the program, project partners decided to define more precisely the guidelines for the quality of the employment services, even if the different countries have many different systems.
It is not important that the employment services organization is public or private, more public than private or more private than public or a mixture of both: the paradigm of quality is applicable in any case and, once applied, the efficiency and the effectiveness can be comparable in competition or consistent in co-operation or competent in compliance.
In other words, it is not necessary to wait that all the European countries have the same or similar system or the same or similar balance public-private of their employment services' system: they can stay different in means, but similar and homogenous in the vision, strategy and practices. A public system which is well organized through quality, client centred and oriented to continual improvement, could be more effective than a private employment services organization without any quality policy.

In order to realize an overall and complete overview of the state of art (norms and best practices) in the field of quality assurance schemes actually adopted by PES-PRES in Partner Countries, all partners were asked to describe the characteristics of their services' delivery and public-private relationship in the field of employment services.

To this aim all project partners prepared a country report with the following key elements or topics:

1. **Legal Framework For Quality Assurance In The Public Services:** description of present situation with particular referral to the norms created to promote integration between public and private employment services and main practices adopted ;
2. **Authorization Systems For Private Service Providers**: description of present situation concerning the specific services for final customers (i.e. job matching,

vocational training, etc.) that are subject to authorization, included use of quality indicators;

3. **Outsourcing Of Services Which Are Not Subject To Authorization**: description of general framework and of specific services outsourced, with particular concern to minimum quality standards required;
4. **Presentation Of Case Studies And / Or Good Practices:** description of examples showing criticalities and solutions adopted;
5. **Possible Development of Present Situation in Each Country:** strategic vision and approach towards a quality framework in the public/private system, which can help define "core criteria" and "subsidiary criteria", in order to build a common frame of reference for the different PES-PRES systems.

To highlight main critical issues in quality assurance systems, all papers prepared by project partners were analysed during the previous months and were worked out in a Compared Transnational Research, which pointed out analogies and differences in the various legal frameworks, and in the practical examples of public-private relationships in the labour market.

The International Workshop that was organised in Brussels on June 15-16 2006 envisaged the participation of all partners' representatives and also representatives of the private sector, in order to present and discuss a first draft of the Transnational Research and to define key issues to be included in the guidelines for Quality Assurance System in the PES-PRES relationship.

The Workshop was helpful to stimulate discussion on several issues that emerged from the various Country Reports and to promote mutual learning on the complex area of public and private relationship for employment services.

Key elements were taken from Country reports, in order to build a synoptic picture that could allow for comparison among the various Authorization Systems for Job Mediation in partners countries, for example.
A very important part of the Transnational Research includes a benchmarking of best practices for mutual learning, which is a key topic in all European activities. In fact one chapter of the Transnational Research is devoted to description of good practices in Partner Countries, concerning the standards of quality in the public-private relationships.

The debate should contribute, in fact, to find a common set of indicators that represent the basis for PES-PRES quality system. For example the British public agency for employment Jobcentre Plus, sets in its own paper "Official Main Targets 2005/6" a very detailed list of indicators, both qualitative and quantitative, to measure their level of service:

1) The JOB ENTRY target: helping people into work
2) The MONETARY VALUE of FRAUD and ERROR target: cutting fraud and preventing error
3) The EMPLOYER OUTCOME target: helping employers to recruit
4) The CUSTOMER SERVICE target: helping all our customers
5) The BUSINESS Delivery target: doing the right thing at the right time
6) The UNIT COST target: efficient delivery of services

The main aspects that were pointed out in the first version of the Transnational Research came out from the study of different systems in partner Countries Belgium, Bulgaria, Czech Republic, Italy, Hungary, Romania and Slovak Republic.

The first evidence from the comparison is that all partner Countries have overcome public monopoly of employment services, but they proceed in an *open order* towards the common objective to optimize labour market especially through the co-operation between private and public operators.

In fact, the employment system is enriched by the presence of private actors, but the relationship between public and private may vary in each country. In particular the comparison brings up that in some cases they co-operate and somewhere else they compete. There are also examples in which the PRES integrate public employment services (PES).

A second aspect that rises from this analysis is that the PES-PRES relationship constitutes a new field of the economy, which opens new topics and constitutes a specific 'branch' of social sciences.

Thirdly, from the comparison between the different approaches in the roles of public-private services, it is remarkable that there is a strong historical and ideological "colouring" in each Country. The relevant comment on this issue is the perspective that the developing private sector is becoming the **new frontier**, where both the new and the old system are confronting each other, and which are influenced by Cultures, Languages and Values.
However, there are some common elements in the various countries, despite the "cultural" differences that were just mentioned:

1. Strong necessity of specialization and timeliness in the services supplied,
2. Resistance and suspect (from the PES side) towards subjects who make "profit",
3. Passivity and irrelevance towards some new services that is more "modern".

In all partner countries the law does not forbid co-operation between private and public, but rather sets the framework for its promotion in all cases, even if specific forms of co-operation are not prescribed in detail. So the picture that comes out of this synoptic table is that public and private operators are rather working **parallel** on the labour market, and not competing nor co-operating.

Concerning roles to be played on the labour market by public and private actors, generally speaking the public services play a role of coordinator and controller on the work of labour agencies, whereas both private and public services contribute to the collection and analysis of labour market data.

Also from analysis of Country Reports it is possible to say that in general the PES seem to pay greater attention to unemployed as their main clients and not to employers or other companies that help people into work (i.e. public/private service providers), thus failing to support integration of services. One example is the concept of **employability**, and the related services that concur to improve workers' and jobseekers' chances to find and retain work. In all country reports employability is mentioned as a goal for services rendered to clients, which should include "career guidance", "training" and "introduction to work" as components in a path of integrated services. However, in the description of partners roles, only "career guidance" is considered a specialised service typical of Public Employment Services directed to job seekers, and little attention is paid to the fact that other operators (public and private) are asked to play their role in this field, delivering services in the other segments of an integrated path, thus contributing to the development of a concrete Life long learning strategy, defined in the European Strategy for Employment.

Finally, the PES doesn't show a great acknowledgement of their role as driving force for economic development at national level.
Additionally, it seems quite general the "impression" that all these relations between Public and Private Employment Services are more focused on the "perception" of the reciprocal status than on the "problem solving" of the same content.
Nevertheless, the "liberalisation" has somewhat favoured the birth of so many actors, that they exceed in the effort to be "visible" more than to collaborate with each others, exploiting the social desirableness of the activity for their brand.

Concerning quality in services, it is common in all country reports that Quality parameters/indicators are set out ***ex ante*** with respect to the release of proper authorization or licence. Authorization is released upon respect of some norms established to guarantee organization of the labour market. Despite the use of ***in itinere*** controls monitoring of results ***ex***

***post*** is less widespread in all countries surveyed. As a whole, we could say that the system is still little inclined to measure the effects of the undertaken actions.

The goal for all countries participating in the project should be that of improving their monitoring systems, so that they become capable to monitor with more precision:

- Service delivery processes
- Results obtained by each operator

An overall assessment of aspects emerged from the different country reports lead to a first set of conclusions:

1. First of all, it is necessary to define more precisely and with more courage what is co-operation between public and private services all about, and to promote awareness of that concept ;

2. It is also necessary to promote a set of common competences between operators in order to bring them to co-operate with each other on common and consistent basis and add value to their partnership ;

3. It is furthermore necessary to define what outputs are to be measured and what indicators to base measurement on ;

4. A greater attention should be paid to employers' needs;

5. Another important aspect that was underlined is the need to integrate public and private services from career guidance to outplacement, according to the concept of employability as a whole.

In the debate that followed the presentation of main results of research, all partners added clarifications, explanations and comments on their own systems.
In Belgium FOREM is closely linked with private service providers, mainly for the delivery of services for disadvantaged jobseekers. Forem is very careful to assess private providers' results, and this represents a guarantee of quality. FOREM was awarded a prize last year for its contribution to the good functioning of the labour market.

The French strategy in this field consists of a very competitive public service to help workers and enterprises to reach a more efficient job matching through a less expensive and faster service. ANPE has concluded agreements with many private companies such as recruitment/employment agencies. Regarding the qualitative aspect, the local agencies are authorised by a certification body. The law on social cohesion of 2005 has decreed the opening towards social partners of the PES and PRES agencies. ANPE remains the central operator in the labour market. Its functions include the services for the unemployed and for employers, the organization of subcontracting production and partnerships creation, and the implementation of policies.

ANPE is developing its alliance strategy mainly under 4 areas: partnership, outsourcing, pilot programmes and large accounts.
Under the first area, ANPE plays a role of main player together with other "peer" actors, which have a specific knowledge of issues related to target groups, for example "Mission Locales" to help young people to work, and "Cap Emploi" for disabled people.

In the second type of relation, ANPE is asking private providers to deliver services under a service chart, to guarantee results: almost 2.7 million people were helped into work this way. Mr Bel reports that subcontracting in 2005 amounted to 528 million euros and concerned 4000 employees. For the quality control of private providers, there is an obligation of results and adequate means.

With the third type of intervention ANPE is launching different pilots, in order to test the efficacy of public-private partnership in new areas: for example ANPE together with UNEDIC (responsible for payment of social security) have charged private providers such as Adecco and Manpower, to follow up unemployed who have made subsidy claims and help them into work again. The experimental program with private companies has been carried out based on the principle that the unemployed must re-enter the labour market a.s.a.p. before they fall into long-term unemployment. The program foresees:

- shared "*tableau de bord*"
- Statistics based on the analysis of groups and duration of unemployment
- Regular follow up in the field
- Survey with unemployed, customer concern and the related opinions

The parameters must be adapted to objectives in order to improve globally the system. For example, ANPE is responsible for unemployed registration and the relevant follow-through process: as foreseen by the Labour Code, ANPE controls the list of unemployed people and the management and realization of their vocational career. Other controls come formally from the Ministry of Labour, but in practice also from ANPE and the Unemployed Insurance System in an integrated way that include also data processing.

Finally, the Large Account system allows ANPE to sign agreements with large companies usually for recruitment purposes, for example Carrefour, which receives candidates for free, whereas at the same time it is possible for someone who would not have been hired otherwise to find a job (market transparency, fight against treatment disparities, discriminations, etc). Notably these agreements are made mainly with temporary work agencies.

The examples offered by various kinds of partnerships underline the need for more and more accurate partnerships, because they have to be more operational and more structured, they have to be based on the satisfaction rate, the cost of the service, etc, which are all useful elements to measure the quality of the service.

In other partner countries that are represented in the project, partnerships between private and public sectors only started recently. In some countries there is no specific regulation in this field. In Romania, for example, the public agency for employment was created seven years ago and almost at the same time private providers were allowed to operate in the labour market. So the relationship has to be developed, considering that not much can be done by acting alone. One of the key issues is actually to find out a way for public and private sector to cooperate in order to ensure a better quality of service. However, the guiding role for public employment service should remain a constant element in the relationship development. The quality issue can be seen under different perspectives: on the one hand, competitiveness should be increased in a transparent way, on the other hand, certification, both for public and private employment agencies, can contribute to the standardization of service delivery. The National Agency for Employment of Romania, for example, achieved the ISO Uni 9000-2000 certification in year 2005.

Also cooperation with social partners such as trade unions, local authorities, and associations play a key role in the quality of partnership, but more needs to be done along with improvement of relationship with private providers.

### 1.3. Presentation of Good Practices

Examples of good practices in the field of public-private relationship were important to stimulate debate on the intervention models that each country has developed so far.

In **Italy** the decentralised system in employment services has produced solution that is relevant at regional and local level, but they contribute to the creation of intervention models that can be transferred also to other parts of the country. One example was offered by the presentation of the experience of job introduction of disabled people in the Province of Reggio Emilia, in Region Emilia Romagna.

The province of Reggio Emilia can show evidence of good practice in the job introduction of disadvantaged groups and disabled through a public-private (social private cooperatives) relationship. The Italian Law n. 68/99 on the placement of the disabled foresees openly the collaboration between public and private sectors and this practice could be an example of service integration. The pilot project aimed at the creation of **Territorial Units** (nuclei territorial decentralise) that support disabled and disadvantaged people to get into the labour market. Partnership agreements have been concluded between public employment agencies (centri per l'impiego), ASL (Local Unit of the health system), the Municipality of Reggio Emilia, social services and consortia of social cooperatives. There are so far seven "territorial units" which involved six Public Employment Centres (CPI) but the pilot is supposed to be extended to the 45 municipalities which have competences in this field.

Territorial units focus their interventions on multiple "disabilities", i.e. people with severe handicaps, but also with low level of skills and knowledge that are at high risk to fall into poverty, as main target groups. Most of these persons depend already on social services or cooperatives. The service is available not only for the disabled but also for employers, since the territorial units offer general consultancy on issues related to hiring of disabled people, and other disadvantaged groups. Indeed the social factor has represented a key factor that has contributed to the success of this initiative: the social capital of this area is rich in terms of solidarity, social inclusion, participation in social life.

Another practice presented concerned the PES-PRES relationship in **Hungary**, focused also on job introduction of disabled people.
In Hungary, PES are made by the National Employment Office, the Country Labour Centres, the Labour offices and the Regional Labour Development. Private job-brokerage agencies and the temporary work agencies operate in the labour market following specific guidelines. In particular this sort of agencies is supposed to take the lines established in *Act on the PES (1991.IV.)* and in the Hungarian Labour Code. However, this is just a licence system and it doesn't have to be confused with accreditation. This also means that the Quality Assurance System is not defined.

The PRES system and the different legal forms that are allowed in Hungary basically include temporary work agencies, private job brokerage agencies, private third sector agencies and last, a combination of them. Some figures and percentages about the number of private job brokerage agencies help to describe the situation: in 2004 43,8% of them were situated in Budapest while at the end of 2004 the Temporary work agencies in Hungary rose at 49% of private services, showing a growth of 14,3% compared with 2003. The private and public recruitment trends together are supported by statistics that show successful recruitment actions in 2005.

The examples of good practices chosen regard partnership of public and private (non-profit) agencies for job introduction of disadvantaged people.
The first example concerns "Motivation Foundation" and "Job Centre of Budapest" established in 1991 with the purpose to promote the integration of disabled people. The other practice described regards "Salva Vita Foundation" and "Job Centre of Budapest" set up in 1993 with the aim to support social inclusion of people with mental disabilities.
Concerning the results of these experiences, it was stressed out the PES and PRES cooperation has a different meaning in former socialist countries compared with the rest of UE. The crucial aspect of the difference relates to **levels of transparency** in the labour markets and to **levels of trust** between the partners operating in the respective labour markets. Higher levels of trust lead to more transparency, and that has a direct impact on the work of recruitment agencies. In a way, more vacancies are advertised in a transparent economy. Consequently, setting up a common framework for the quality assurance system of public agencies nationally and in various countries is a most demanding job.

A practice was presented concerning the recruitment activity in the **Slovak Republic**. Recruitment from private agencies is a fee charged service, also for workers and jobseekers.
The amount to be paid depends on the length of employment and monthly salary. 75% of employment was asked abroad even if the lack of foreign languages knowledge, qualification and flexibility to travel for work represents a huge problem for the mediation employment process.
Temporary Work Agencies play a relevant role in recruitment in the Slovak Republic, focusing on unemployed and jobseekers as their main targets.
In this activity there are different levels of cooperation, in particular with employers and trade unions. Employers consider TWA as a good opportunity because it is based on business contract. In the second case, the Agencies provide legal compensation for allowances, accommodation and pocket money, and this is important to establish a good relationship with trade unions.
Regarding public administration the TWA required a more clear interpretation of legislation especially for the issue of the taxation of income in case of temporary employment abroad.

Besides Temporary Work Agencies, there are the so called Agencies for Supported Employment. In this case cooperation with employers deals with employment of disabled people, creation of protected workplaces and help into work of long-term unemployed citizens. ASEs usually contact directly employers who are interested in hiring their clients.

The experiences described above can show examples of what was defined as the development of parallel private – public activities, since they do not interact really, but rather act together in the same marketplace.

The Workshop offered participants also the possibility to confront issues and address question to key players in the private sectors. In fact, a strong focus was made on the main factors which indicate the need for closer relations with the private employment services, particularly with presentation of experiences by private sector representatives, coming from Belgium and UK.

The experience of a private provider in Belgium was made on the example of **TRACE!**, a private provider which acts almost as a public company with social scope. In fact the company must provide support for the socio-professional job introduction for people in disadvantaged groups, for at least 80% of its activities. The priority of their intervention is given to under-qualified young people. The values that affect mostly their "social scope" can be summoned in the following: services to the public, proximity to citizens, delivery of services with social impact, respect for people, ethics and diversity.  In fact, TRACE is the only company certified on the three axes in Belgium: quality, security and ethics.

TRACE! Cooperates with the FOREM in order to carry out a comparison of the vision of the labour markets and the approach in job search, so that they build together a common approach for insertion pathways for unemployed. Finally the advantage of working together lays also in the data and information exchange.
There is competition, but directed towards the acknowledgment of the added value of each other.

There are essentially two ways of collaboration:
1) *Partnership*, to respond to local needs, partnerships with local, social actors, ASBL (non profit companies), and Forem, in order to reach the best possible results at local level; to establish permanent contacts and focus on relevant "core business" in the labour markets.
2) *Projects*. National projects are useful to stimulate creativity, to develop personalised paths, to offer visibility to partners and to results, and finally to join financial means.

The second experience of public – private partnership from the point of view of a private provider was offered by Adecco and JobCentre Plus in the UK.

**Jobcentre Plus,** has a long-standing approach to work with private providers for the delivery of employment services. Jobcentre Plus Clients are mainly long-term unemployed, disadvantaged groups. Private providers are key actors also in the introduction to work of these categories of clients. For example in the recruiting sector, both JCP and recruiting companies have constant relations with employers, because they have the same goal: to find suitable candidates for employers.

**Adecco** collaborates with Jobcentre Plus because the partnership can maximise effectiveness. The factor of adaptation to the change is a key element to be kept in mind. In fact some figures and data about the labour market situation can be best provided by the public sector, and their analysis can help private providers improve their strategies.
These are some of the main elements that characterise the UK labour market:

- There is a shrinking pool of talent / labour to draw from.
- The United Kingdom has an ageing population.
- There are large numbers of inactive workers in UK.
- There is a need to understand individual needs of both sides in the partnership.
- Private sector recruiters (e.g. Adecco) engage most employers - They can fill gaps (vacancies) at every level (the advertising campaign of Adecco is proposed through internet, announcements, etc...)

Indeed the aging of the population affects the profile of the candidates and consequently the strategy must be adapted to the changes. Private (for profit) and public sector (economic and social) objectives can be mutually beneficial. But that ‘benefit’ needs to extend beyond young, qualified, prime aged customers for one key reason: demography. So public and private bodies need to start attracting other groups into the labour market.
In the words of Adecco representative: “It makes good business sense (from private sector perspective) and good social / economic sense (from public sector perspective) to work together”.

Finally, good cooperation is also a matter of "perception": the collaboration between Adecco and Jobcentre Plus is based on common objectives and goals, especially regarding funds and financing, but the confidence that can be earned in a day, must be retained more days.

JCP has published a report on partnership with private recruiters for hard to help categories. Among the main findings Jobcentre Plus voted open communication (82%) and understanding each other’s objectives (75%) as important in creating successful partnerships with recruitment agencies, very much higher than the importance of service level agreements (which are however not compulsory in the definition of public private partnership agreement).

Even if Italian Universities are not considered private providers, they are special actors in the field of “employment agencies” for their role in job mediation. In fact the Italian labour market reform includes (public and private) Universities as “special mediators” with the obligation to be connected with the National Labour Exchange system (Borsa Continua Nazionale del Lavoro). The example that was described during the Workshop concerned the University of Turin, with its enlarged responsibilities and activities, besides those that are normally performed of education, vocational guidance, in order to strengthen the University’s role in supporting people to adapt to a more flexible and dynamic labour market. In particular, Universities are asked to develop stronger relationships with the labour opportunities that are offered to their students.

### 1.4. The indicators of quality proposed by the benchmarking programme

In the Seminar of 15-16 June 2006, the two working groups agreed on the following areas of intervention that help define quality indicators in the public-private relationship:

***Working group 1***

- degree of clarity, evidence, and relevance of organization’s strategy (mission)

- degree of coherence and adequacy of mission to the program, project, action.
- degree of capability to deliver required services
- degree of evidence of operators' skills
- degree of consistency of the tangible and intangible resources concerned and consequent capability therein
- degree of commitment and corporate social responsibility for the programmes proposed
- degree of evidence of the customer satisfaction achieved
- degree of innovation, creativity and problem solving
- degree of versatility towards different target groups, especially with disadvantaged people
- degree to provide competitive advantages to the programmes (e.g. costs effectiveness, image, positioning, etc.)
- degree of the outcomes achieved in the domain of the program or action.

***Working group 2***

- degree of transparency of information delivery towards clients (e.g. advertising, publicity, etc)
- degree of pro-activity towards clients
- degree of trust in the organization
- degree of coherence between mission (finalisation) and programs/actions
- degree of personalization of services according to needs of different target groups (both job seekers and employers)

The examples examined on the type of quality in services but also in partnership, in relation to ethics and to the Corporate Social Responsibility, are very important and they helped experts to focus their work after the Workshop.

An encouragement must be drawn from these meetings and seminars, in order to proceed with a certain confidence to the definition of guidelines for quality assurance and use common tools to design and adapt a "manual" of quality to the actual situation of each country.

### 1.5. Benchmarking as strategy for continual improvement:

The most important tool to implement a strategy for improvement is the benchmarking. However, we have some considerations to do on this subject and draw the attention of the experts to the limitations of the benchmarking programs.

We could summarize these limitations to the following aspects:
- **Relativity**
- **Transferability**
- **Reversibility**

Usually we define the services for their features of intangibility, heterogeneity (or variability), perishability of the output, simultaneity of production and consumption, but not enough the features of relativity and reversibility.
The relativity is implied in the concept of benchmarking: however we must consider a supplementary aspect of the relativity, which is the differences of the services performances in the perception of the beneficiaries, not only in their delivery processes and in the benchmark or standard therein.

The same consideration should be made for the "**transferability**": it is easier to transfer processes concerning the production of the industry than the processes of the services, because of the elements of creativity or other skills which cannot be reproduced out of their milieu or social capital.

Moreover, the "**relativity"** is also diachronic: some benchmarks of services quality were much better in the past than in the present, like the postal service efficiency of the ancient Romans, which was the best practice until the XX century. The layers of the houses and the thermal services are other examples of the benchmarks not yet overcome. Until now. We live under the "myth of the contemporaneity ": on the contrary, every nation (even every "man") has its own pace in its own historic processes. The harmonization should be a co-operative path, not a draconian nightmare.

As far as the "**reversibility**" is concerned, the examples just quoted are eloquent: we can have a society, an organization, an institution, a state, a corporation etc. that are excellent providers of the services now but not after a certain period. Reversibility and instability are embedded. We are forcing now the comparison of the services quality providers in Europe: but the methodological approach cannot ignore how many differences there are and how much we must adopt the so called "diversity management" (according to the different cultures and values' tables, also within our countries, because of the massive immigration).

According to the empirical applications of many programs for services' quality improvement, there are three elements of the quality requirements that are usually weak: the responsibility of the managers (Deming said that more than 90% of the errors and not conform outputs of the organizations are the result of bad management and weak strategic thinking), the poor empowerment of human resources, the poor attention to the voice of clients.

### 1.6. Services and the social capital

Service quality has a close connection with social capital quality: we experience "services" daily, from the State, being the organisation that ensures the citizens' rights as equal in front of the constitution and legislation, to the local institutions, firms, schools, banks, insurance companies, enterprises, shops, hotels & resorts etc... All these experiences form the immense "pedagogical province" which generates the social capital of a community, a region, a state, even a union of states like the European Union or the Council of Europe or the World Bank, the United Nations etc. If the service quality is poor or does not exist, the quality of the social capital should also be low or not existing at all.
Actions concerning service quality are urgent nowadays, to ensure the vitality and regeneration of the social capital and its "inclusive" energy and action.
According to the World Bank definition social capital is "the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions (World Bank, 2000)", especially through the "trust" indicators. Social capital is explicitly relational. It cannot be produced by individuals acting in isolation from one another. In sum, social capital reflects the value of cooperative social activity.
Families, communities and nations differ in their endowments of social capital. In some, the social networks that give rise to social capital are dense and efficiently organized. In others, levels of quality are low and the stock of social capital is meagre. Recent theory suggests that communities possessing relatively high levels of social capital will experience higher levels of economic performance and social welfare (other things being equal).

### 1.7. The new trends of customers' requirements in the modern society

New customers' requirements are reflecting the four most important incoming effects of the new millennium:

- "spider-man" anthropology, as active citizens co-make or co-produce services and self-generate connections, if motivated and involved

- The new expectations of the client becoming “guest” in welcoming stage where he/she “experiences” what expected [1]
- The new economy of the well-being and happiness as new “welfare/workfare” paradigm in the next decades
- The new ethic of quality as commitment to really acknowledge citizens as stakeholders involved in democracy and its institutions.

**Spider-man Anthropology**: it is the metaphor of the human being who is able to “generate” on its own the “connections” he/she needs, beyond the traditional social, political, cultural and economic contexts (family, local community, local and national institutions, even national citizenships). Its features are: huge mobility and nomadism, not only for tourism, but also for work purposes or simply for human rights’ achievement (most part of immigrants are rather looking for respect of rights than money or jobs). Each person is craving to fulfil his/her own “state”, his own nation, his own citizenship: web is there to facilitate this attempt and satisfy, at least in a virtual way, this wish. It may become feasible to live at the same time two, three or more cultural identities (cosmopolitism and multiculturalism): the access era makes visible and attractive the “opportunities” to be caught or the rights to be enjoyed everywhere they appear possible according to the inner capabilities. The comparison between the different nations, their levels or degrees of life satisfaction and well-being, is nowadays very easy, through a lot of communication means (television and internet above all). Most part of present jobseekers are born within the access era and their “genetic” inspiration is to navigate in the web and use it as a channel for every connection that they need. A sort of new huge womb, where they can perform their behaviours and look for their “services” as specific transaction of utility and opportunity: our society is in rapid transition and passes from the economy of commodities production (until 18$^{th}$ century), to industrial goods and items (until the Eighties of the 20$^{th}$ century), from the economy founded on service delivery (from the eighties up to now), to the economy founded on the production of experiences and relations, i.e. the production for the human being himself (well-being society and sustainable models of life).

**The “guest’s” expectations.** The needs and expectations of the client are the object of quality policy: nevertheless, the patterns of the expectations are changing. The consumers of the “Au bonheur des dames” by Emile Zola meantime became “clients” (the marketing wave of the Eighties); later they became “prosumers” (Toffler) and finally “guests” (Pine & Gilmore). Psychology and expectations of someone, who perceives himself as a “guest”, are much more refined and higher than those of a person who perceives himself as a consumer or user. Therefore, people expect “services” to be delivered with the same responsiveness expected by a guest, no matter if the provider is a trade centre, a store, a resort, a carrier, a fitness centre, a concert hall or a job centre. Many of the features of the hospitality and the show industries are used by almost all services providers, to excite “emotions” and personal or inter-personal experiences: the transaction is a stage, the script is customized, people become “players and actors”, the stakeholders are the audience and their satisfaction analysis is required to evaluate the effectiveness, the congruity and the costs-benefit equation of the performances. The experts speak about “dramaturgy of service delivery “(C. Lovelock).

**Happiness and well-being economy:** Domestic policy currently focuses heavily on economic outcomes, although economic indicators omit, and even mislead about, much of what society values. We show that economic indicators have many shortcomings, and that measures of well-being point to important conclusions that are not apparent from economic indicators alone. For example, although economic output has risen steeply over the past decades, there has been no rise in life satisfaction during this period, and there has been a substantial increase in depression and distrust: it is the paradox of the happiness in economics. We argue that economic indicators

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[1] This interpretation of the present form of economic facts is due to the famous text of Pine and Gilmore, American economists, who interprets the market as a “stage” where costumers become “guests” and consumers enjoy “experiences” and emotions (*Pine B.J. - Gilmore J.H. (2000), The Experience Economy. Work is Theatre & Every Business a Stage, Harvard Business School Press, Boston).*

were extremely important in the early stages of economic development, when the fulfilment of basic needs was the main issue. As societies grow wealthy, however, differences in well-being are less frequently due to income, and are more frequently due to other factors, such as social relationships and job satisfaction. Important non economic predictors of the average levels of well-being of societies include social capital, democratic governance, and human rights. In the workplace, non economic factors influence work satisfaction and profitability. It is therefore important that organizations, as well as nations, monitor the well-being of workers, and take steps to improve it. Supportive, positive social relationships are necessary for well-being. There are data suggesting that well-being leads to good social relationships and it does not merely derive from them. In addition, experimental evidence indicates that people suffer when they are ostracized from groups or have poor group relationships. The fact that strong social relationships are critical to well-being has many policy implications. For instance, corporations should carefully consider relocating employees because doing so can sever friendships and therefore be detrimental to well-being. To set up and carry out the employment services without considering this new approach is far from “quality”.

**The new ethic of quality and its connection with new welfare/workfare purposes:** One of the most innovative approaches of modern society, is the “social accounting and auditing”, as a way of measuring and reporting on an organisation's social and ethical performance. An organisation which takes on an audit makes itself accountable to its stakeholders and commits itself to following the audits recommendations. This is the reason why in the present Manual for quality in employment services we have introduced also the ethic and social accountability systems (e.g. CSR - Corporate Social Responsibility), together with the quality systems: ethic is the most consistent implementation of quality, because quality certification (e.g. ISO 9000) is insufficient to ensure the accountability of the organization, if the “moral feelings” ( just to use the expression of the fathers of modern democracy and capitalism, Adam Smith, Stuart Mill and others) do not enable the commitment and responsibility to be steady and internalized. Even economics is interested to introduce, after the ROI index (Return On Investment), also the SROI index (Social Return On Investment): in the case of the employment services, this approach is a “compulsory expectation”, according to Max Weber’s theory.
In the field of government spending, the developed SROI tool might allow, for example, a department to assess the full extent of the costs and savings created by introducing an increased crime prevention strategy compared with the costs of dealing with crime, or investment in the public employment services compared with expenditure on traditional assistance of the unemployed people (regardless of the “psychological” and existential costs, which are not easily measurable). This is the reason why many experts ( e.g. Robert Solow, Nobel Prize of Economics in 1986), in the Self-Sufficiency Projects promoted by the Canadian Government, studied the advantages of the so called *fair workfare* with respect to the traditional welfare. To have a job is strongly connected with the self-esteem and the perception of an active role to play in the society, because we live in a society where the respect for ourselves, so as the respect for the others, are associated to a job, so that “even rich people simulate to work” – said Solow ironically. The most relevant indicator for ethic quality of the public services is the degree of p*articipation, decentralization, and professionalism.* There is a more fundamental reason for civic engagement, however – the renewal of the democratic state. The travails of public services are not simply a product of poor management, inadequate funding or the wrong political party. There is a systemic issue involved – the role and extent of the state itself. It produces services that are less than universal and effective, so that people no longer see themselves as part of a collective functioning. Nevertheless, new forms of social contract have not been easy to establish. Without a sound foundation – the consent and participation of those at whom they are aimed, for example – they can simply appear coercive or neglectful. Direct involvement by people in the services provided by society would refresh the public realm, rebuild commitment to wider society and re-engage them as citizens: from users to partners, testifying to the enormous potential of engaging users of public services directly in the public services they use. In what Edgar Cahn, a US pioneer of public participation, describes as “co-production”, users are affirmed as *partners*: they have their own skills and value.

INTANGIBLE VALUES

Not everything that counts can be counted and not everything that can be counted counts (Albert Einstein)

**NOTE N.1: Why are employment services organizations asked to change?**

Many people are in trouble, because of the rapid obsolescence of the organizations and institutions: the change is permanent, structures innovation (both public and private) is steady, many public and private organizations and institutions seem to be late with regard to the needs and expectations of citizens, consumers, clients, etc.
The reason why can be simply cleared through 3 images or diagrams concerning the relation between time and innovation in the last two centuries.

**Figure n. 1:** *In human history the innovation curve is slowly increasing for a long time and it suddenly speeds up in a very short time.*

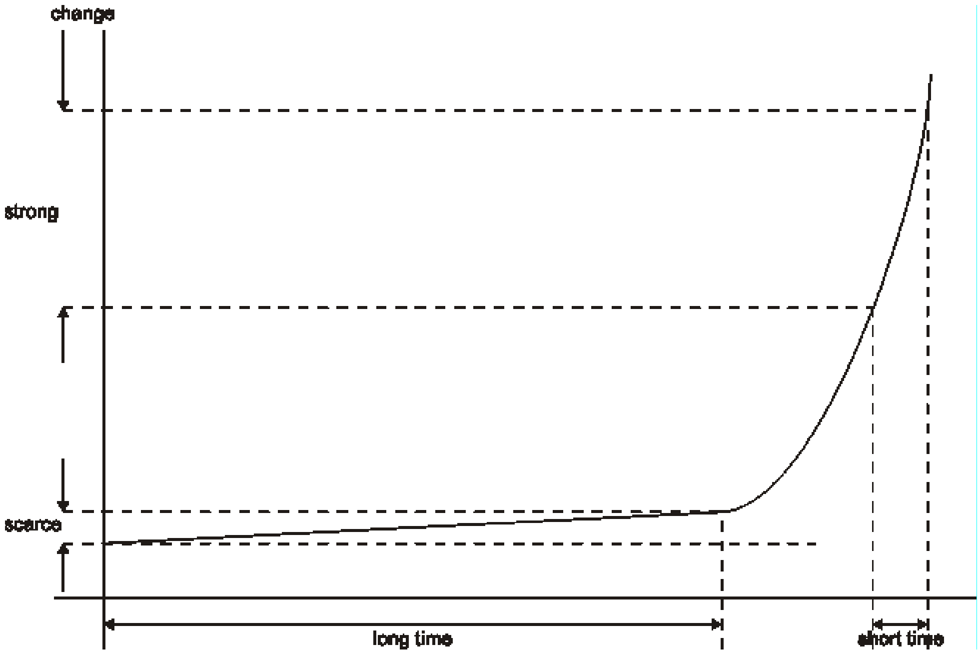
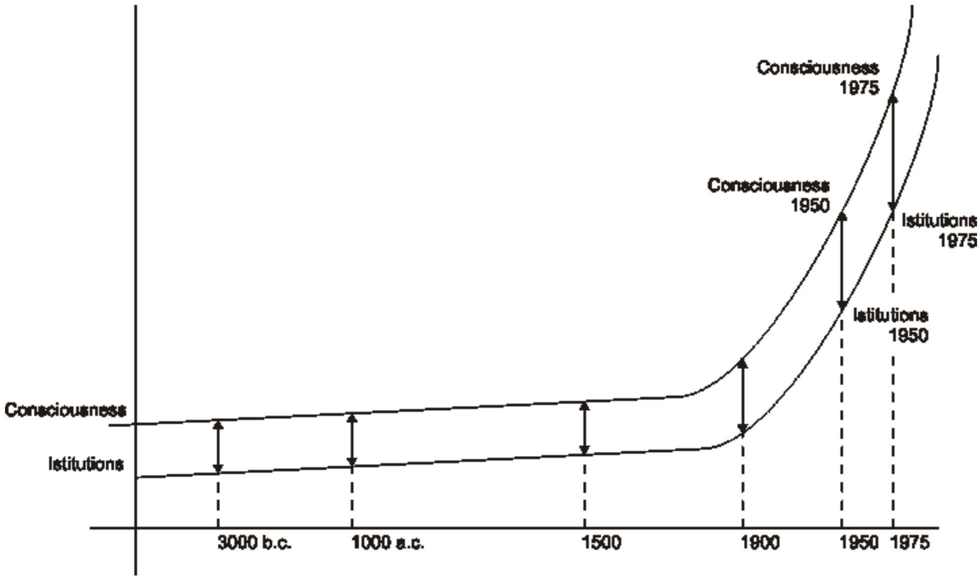
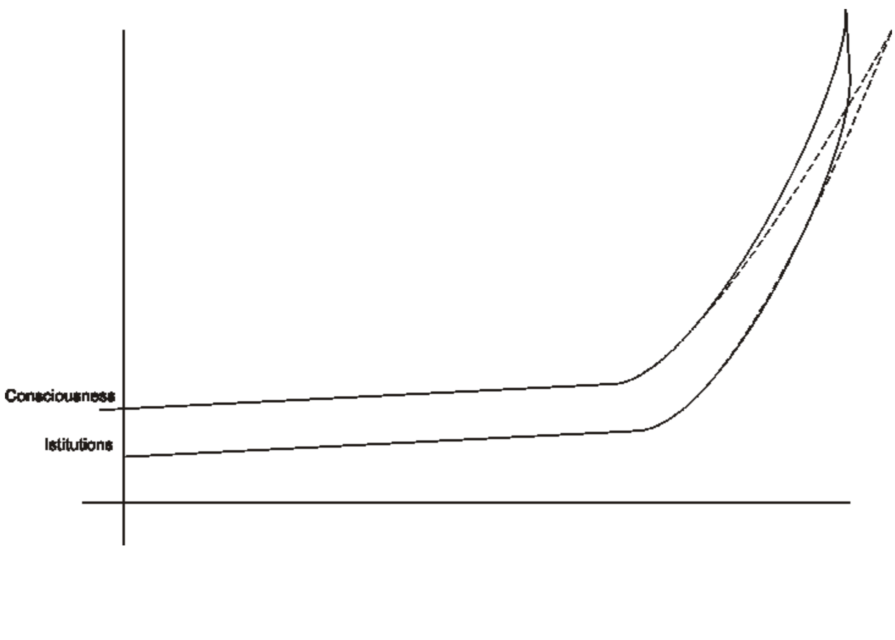


**Figure n. 2:** *The gap between the curve of innovation and the curve of organization establishes an increasing distance between human beings' consciousness (and their needs and expectations) and the corresponding response of organizations and institutions, in spite of the fact that they run parallel. This implies that institutions and organizations seem to be close to citizens or consumers or clients, but in fact their relationship becomes more and more dissatisfactory. The trend, in absence of new solutions, is endless.*




*1975: the turnabout of the acceleration with net economy*

**Figure n.3**: *People have two choices in the middle of the paradox of change and innovation (globalization included). The first one is to stop change and innovation, to constrain one's consciousness (needs, expectations, vision, experiences etc) to conform with the delay of the institutions or organizations, through repressive or manipulating actions (the "Big Brother" nightmare of the literature or the "small sergeants" of the farces & fictions) or to innovate the institutions and organizations to the new forms of governance (client-centred, participatory, networking etc.), which are able to overcome the gap through continuous improvement, increasing flexibility and customized delivery of goods and services. Decentralization, e-government, quality systems, sustainability policies, web market, access of many to many etc. are the attempts to fill in the gap. And the employment services don't escape from this new scenario, either.*



# Chapter 2 – Guidelines for Quality in Employment Services: Systems and Vocabulary

## 2.1. Why a Manual for Quality?

A Manual is a sort of contractual code stipulated with oneself, the parties involved, the community and jobseekers: it is an instrument, a reference point to assess the coherence, pertinence, and effectiveness of the choices and actions that each country accomplishes in its own territory and to be assessed by all the parties involved, both private and public, on the actual application and progress.

This will lead to:

⇩ *an innovative management*: the Copernican revolution of Quality literally consists of "overturning" the traditional setting up of services delivery, that has to become more and more deeply "customer oriented", that is to say focused on the client's needs;
⇩ *an assertive management*: the principles and the methods of quality introduce a client approach philosophy that opposes two equally negative management styles. One is the "aggressive" style: the client is a prey, no matter if there is no balance between service supplied and the client's needs and expectations. The other one is the "passive" style: a relation deprived of proactive substance is established. The "assertive" style, on the contrary, stretches out towards the permanent research of a balance among the client's interests, the exact and correct confirmation of his/her expectations, and the vital interest of the provider, of its brand image;
⇩ *a true and transparent management*: the quality system fixes and circumscribes some key behaviors in an unequivocal way, as in the case of communication tools where the promise is outlined in a corresponding and congruent way with the real services, avoiding advertising exaggerations that urge excessive expectations, and proposing, instead, to "surprise" positively the client when he/she enjoys a service that exceeds expectations;
⇩ *a management opened to permanent improvement*: to attain this goal, management involves and motivates the whole staff and runs a management of human resources extremely carefully to the staff's satisfaction, establishing a feed-back with all the departments, to elaborate in a systematic and strict way any improvement of the services, even the care of the apparently most banal details, through daily and weekly briefing, periodical training periods, and a training on the job that enables the whole system to keep the service level expected by the client appropriate and alive.

## 2.2. The target groups of the Quality Manual

The present guidelines for a Quality Manual concern the following main areas of interest:

*A - The mission, the strategy, the management and the operational processes of Public Employment Services and Private Employment services.*

They are considered as "organizations" (agencies) with their own profiles of quality standards and requirements.
Most part of Quality Systems requirements is common to both public and private organisations, but the "priorities" in setting the Quality System should be differentiated, according to the differences in missions and strategies therein.
The first part of the Manual, presented in the Chapter 3, will be devoted to the "internal" quality system of the organizations concerned.

*B – The interactions between all the players of the Employment Services System.*

We have to consider the "system" as a whole, where the parts are necessarily interactive and related to each other: the quality of this "*meta-organization*" is also required, with its own philosophy, principles and processes.
Improving the quality of public employment services may increase short term customer satisfaction but not necessarily trust in Government, Parliament and the civil service. In order to improve trust in public administration a much wider concept of quality is needed, which encompasses the quality of interaction of networks of public, voluntary, and private organisations providing services and solving collective problems "together with or complementary to" the public services.
This is only a detail of a general critical situation already stressed in the first part of the present Manual: the two traditional "players" of society, the state and the market, are not longer able to give a satisfactory offer and response to citizens' increasing and changing expectations. Furthermore, their interaction is being turned upside down by globalization, which allows the market to adopt behaviours and strategies exempt from control, even from taxation, and the state to be deprived of the real power and capacity to face the new challenges and changes. The network society and the co-operation integrated systems are there to provide for solution: the administration physical space (defined by borders) will be surrogated by the "open" space of the social, economic and cultural needs, regardless of any frontier or administrative rule. The third sector will be one of the most active and fitting actors of that new world.

## 2.3. Sources and guidelines

The sources and guidelines for the Handbook can be found, firstly, in internal documents of the partners, written during transnational actions and in the reports that each partner has prepared on their experiences and projects. The Manual reflects these reports.
Secondly, we have tried to give this Manual a profile and a method in full accordance with the declarations, papers, directives and standards of the most important national and international institutions concerning quality.

The objective of this section is to establish basic working definitions which assist the exchange of international experiences and to contribute to the dialogue on how to improve the measurement of quality in public and private services delivery.

We start with an analysis on the way in which the concept of quality evolved in the private and public sectors. It will be shown that quality is not a new concept for public administration but the current notion of quality public services clearly stems from the private business theories, particularly in manufacturing industries. An attachment is devoted to the "fathers of quality"; just to give the opportunity to know the "original" and genuine philosophy of the quality systems *statu nascenti*, without the heavy accessories that have been added later.

The sources and references for our proposal of quality are three:

- ⇩ *The ISO family and its theoretical and practical headlines*
- ⇩ *The Total Quality Management with its excellence awards, like European Quality Prize, and the Kaizen methodology*
- ⇩ *The ethic certification systems, like SA 8000 (Social Accountability) and the "services charters"*

Moreover, we have to introduce a new, not yet existing section in our Manual, that's the **Quality Co-operation Accountability System**, for the quality assurance of the "interactions and integration policies" of the Public and Private Employment Services Providers.

⇩ ***ISO and its family: the basic approach to the philosophy of the quality system***

The ISO 9000 Series and Third Party Certification are an internationally recognized standard for quality assurance. ISO is the International Organization for Standardization, which is a federation of national standards bodies, and which is responsible for preparing international standards. The international standard gives indications how to set up quality systems in organizations where a contract requires the demonstration of a supplier's ability to respond to mutually agreed requirements. The first series was published in 1987, the second one in 1994, the third (and present) in 2000.

ISO 9000 was also adopted in 1987 as EN 29000 within the European Community: it became important for businesses in the EC and thus helped to facilitate the free flow of goods.
The mysterious formula ISO 9000-9004 reveals itself as a synopsis of norms which need to be understood as a guideline and as an assessment tool for companies to benchmark themselves against standard industry norms, in order to improve their individual quality management.
It is evident that the main focus of the ISO system is the contracting situation. The recommended quality assurance system consists of 23 elements, from which an organization has to choose suitable elements for the formulation of contracts.

Demand for the application and certification of ISO 9000 may be created by a suppliers' need to extend its market into areas where its reputation is unknown or needs to be enhanced.
Regarding the value of the ISO 9000 series as a quality assessment instrument in public services (as in our case), we believe that our employment services (both public and private) should "use" the methodology, even if the Third Part Certification could be considered "optional": in fact, the documentation required by the ISO standards may increase transparency, effectiveness, motivation of the staff and employees, if correctly applied, but it also implies the risk to create unnecessary "red tapes" and thus to reduce flexibility.

It is more important "to do quality", rather than to show it off: our clients being necessarily the individuals, the third part certification does not interest them, nor they demand it. The third part certification could be useful, but necessary, for the employment services suppliers, when an authority or a client organization (b2b) "delegates" or has to give licensing to supply or provide such a service and needs objective evidences for the accreditation: one of the best instruments to demonstrate a suitable capability to receive the accreditation, is the Quality Mark of the ISO 9000 norms. An example of this type of appraisal has been the EU, Member States and Regions, accreditation policy of the Vocational Training Centers and Agencies, set up and carried out between 2001 and 2003.

Fundamental principles in ISO 9000 standard family are:

a. Orientation towards client – the central point of this principle is that Organizations depend on their customers: therefore understanding their needs and also their expectations would lead to an increased satisfaction;

b. The principle of leadership is used with the purpose of increased internal environment for the processes and relations between employees. Leaders should be followed by their subordinates on the basis of trust and confidence in their capabilities, not by constrictions and fear. Motivated, even enthusiast workers, may achieve established objectives in a shorter time, with improved efficiency.

c. Involvement of personnel is also an essential part for gaining benefits for both personnel and the company. For example, allowing an employee to establish his or her own objectives, based on company's vision and mission, may lead to improved work results, better control, better product or service, reduction of consumption. After all, each of us is dreaming of getting one's own life in one's own hands, deciding what would be best to satisfy own needs and expectations, in correlation with the extended community interests.

d. Process approach of every aspect that exists in the organization may lead to improved performance. As long as some inputs are transformed into some outputs, within the process, it is more easy to understand it, control it and decide whether planned objectives have been reached or not.

e. Continual improvement should be a constant concern of every company. It's not important to have small or large improvements; it is important for them to exist. Areas for improvements can be established simply by following the rule: if you don't measure it, you can't control it, therefore you can't improve it. Having the measurement result, it's very easy to observe if there is something good or not. Either way, the managers may decide if some improvements are needed. Setting new objectives, providing necessary resources, measuring again the result of the process and comparing observed results with initial objectives is a usual practice to apply what is called continual improvement. How will you know that an improvement was made? Quite simple. Are there happier customers, do processes flow easier, are resources used more efficiently, are employees happier, is the local or regional community happier?

f. The principle approach based on facts should be a leading guide for managers. This means that a good decision is possible when it is based on objective evidences, in an adequate amount. Less or inaccurate information is most of the time a chance to detect wrong decisions with all the consequences that arise from their implementation.

g. Suppliers are a key factor for every company. Because the quality of products and services provided by suppliers directly affects the quality of products or services supplied by organization, it is important to have a mutual good relation with suppliers. By developing this concept, we can reach the concept of positioning the company in the supply chains where every link of the chain has value in terms of quality, reputation, relations, etc.

h. Customer satisfaction studies: It is obvious that a company cannot exist without its clients, but is it enough for an organization to have clients, without knowing how (dis)satisfied they are, what are their expectations? The answer is NO! From this point of view, ISO 9001:2000 standard places the client in the centre of the universe. Clause 8.2.1. Customer Satisfaction requires for organization to monitor information regarding customers' perception about how organization satisfied their needs. We can understand further that customer satisfaction is one of the methods to determine the performance of the system. Under ISO 9001:2000 standard, whatever is doing the organization, it has to fulfil the requirements of the client, if they were mutually agreed initially. Such studies may help the management of organization to improve the relation organization – client in two directions: lowering the operating costs and increasing customer satisfaction. As for increased customer satisfaction, there is a simple and straight benefit: partnership between organization and client. Most successful companies turned their customers into partners. This is a superior approach of "client" concept.

In the ISO certification procedure, institutions empowered to authorize companies to perform certifications are (for example):

- Austria – BMWA (Federal Ministry for Economic Affairs);
- Belgium – BELCERT (Registration Accreditation Board);
- Brazil – INMETRO (National Institute of Metrology, Standardization and Industrial Quality);
- Canada – SCC (Standards Council of Canada);
- China – CNAB (China National Accreditation Board for Certifiers);
- Czech – CAI (Czech Accreditation Institute);
- Denmark – DANAK (Danish Accreditation);
- Finland – FINAS (Finnish Accreditation Service);
- France – COFRAC (French Committee of Accreditation);

- Germany – DAR (German Accreditation Council);
- Great Britain – UKAS (United Kingdom Accreditation Services);
- Holland – Rva (Dutch Accreditation Council);
- Hong Kong – HKAS (Hong Kong Accreditation Service);
- Ireland – NAB (Irish National Accreditation Board);
- Italy – SINCERT (National System for Accreditation of Certification and Inspection Organisms);
- Japan – JAS (Japan Accreditation Board for Conformity Assessment);
- Malaysia – DSM (Department of Standards Malaysia);
- Mexico – EMA (Mexican Accreditation Entity);
- Norway – NA (Norwegian Accreditation);
- Poland – PCA (Polish Centre for Accreditation);
- Romania – RENAR (Asociatia de Acreditare din Romania);
- Slovakia – SNAS (Slovak National Accreditation Service);
- Slovenia – SA (Slovenska Akreditacija);
- Spain – ENAC (National Entity for Accreditation);
- Sweden – SWEDAC (Swedish Board for Accreditation and Conformity Assessment);
- Switzerland – SAS (Swiss Federal Office of Metrology and Accreditation, Swiss Accreditation Service);
- U.S. – RAB (Registration Accreditation Board);

*First Law of Jay:*

"To change things is the essence of management,
to change them before others do, is creativity"

(Arthur Bloch, The Laws of Murphy)

### ⇩ ***Quality excellence models: Total Quality Management and Kaizen***

The Total Quality Management (TQM) is a specific methodology within the logical framework of the Quality Systems.
The evolution of the principles proposed by TQM is basically connected to the contributions of the pioneers of the Quality Systems like W.E. Deming, J.M. Juran, A.V. Feigenbaum and K. Ishikawa.

TQM is focused on:

a) Customer satisfaction: quality is meeting then exceeding customer requirements and expectations (for products, services or information & communication delivery), both stated and implied.
b) Continuous improvement: the use of benchmarking should be a basic rule of the organization. Benchmarking is a process for rigorously measuring performances versus the best-in-class companies and for using the analysis to meet and surpass the best-in-class.
c) Total organization involvement: in TQM it is strictly required to involve in the process everyone inside the organization.

Those principles gave birth to a model adopted in the economy (at first by the manufacturers, in Japan in the fifties, in USA in the seventies, in Europe in the eighties, later by other economic and social sectors, both private and public), together with the Quality Certification Systems introduced

by ISO and spread all over the world through national organizations, responsible for the normation and accreditation in quality (e.g. ISO 9000 norms).
TQM is more advanced than quality certification: it encompasses all organizations' activities and human resources.

TQM is promoted by means of "awards" like:
- Deming Quality Prize in Japan (1951)
- Malcom Baldrige Award in USA (1987)
- European Quality Award in the EU (1992)
- Other minor quality awards elsewhere.

Any Award includes an evaluation of the candidate through two types of criteria:

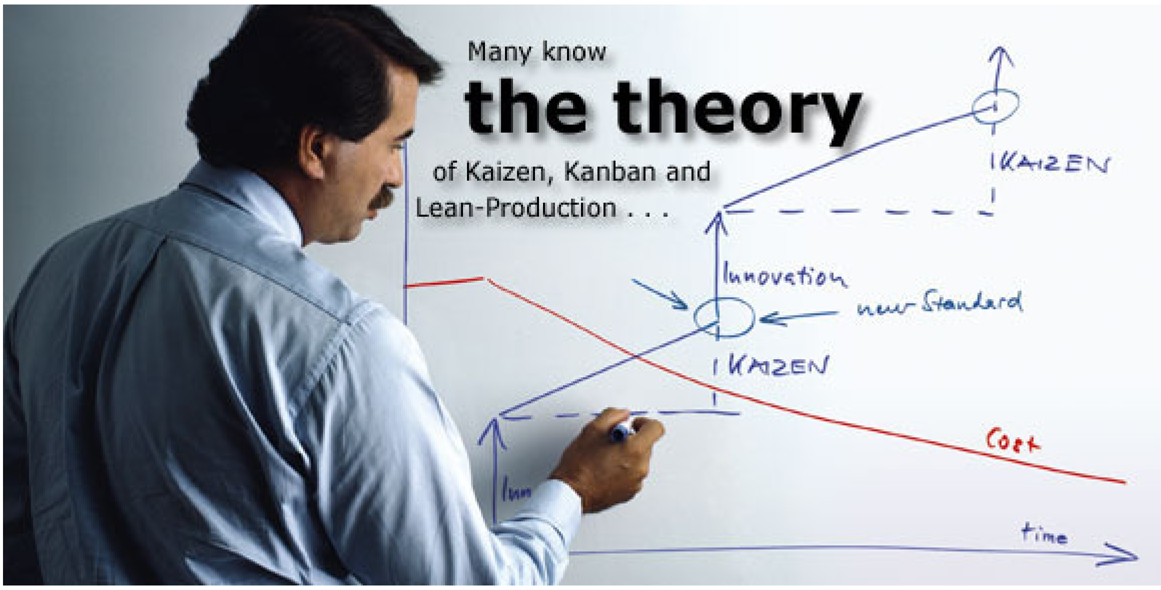
A. Enablers (concerning the organization's management system)
B. Results (concerning quality effectiveness)

Criteria under A group:

- Leadership (value: 10%)
- People management ( value : 9% )
- Policy and strategy (value: 8%)
- Resources (value 9 %)
- Processes (value: 14%)

Criteria under B group:

- People (employees') satisfaction (value 9%)
- Customer satisfaction (20 %)
- Impact on society (value: 6%)
- Business Results ( value 15 % )




*Source : [http://www.kaizen-institute.com/kzn.htm](http://www.kaizen-institute.com/kzn.htm)*

### The Kaizen methodology

The guidelines for services quality are basically in these two Japanese words, used by Masaaki Imai, one of the fathers of quality systems: Kaizen and Kairyo.
The Kaizen approach and the Kairyo approach are compared according to their differences in the components of the activity concerned: the application to the services is evident, and we can choose the fitting approach in accordance with citizens', clients', customers' expectations.
If a service is provided in certain sectors, the expected quality is focused on safety more than on other features or outcomes, e.g. an airplane flight. Normally we state that the participation of the customers or the consumers to the quality of the performance should be always guaranteed. Nevertheless, services quality and customer satisfaction are often more likely ensured by a directive action by service providers, without any participation or involvement of the clients. It is evident that an unemployed young or worker is less interested to the smiles, the warm reception, the clean offices and the gentle behaviours of the officers, than to the opportunity to get a job. To provide the services implies to satisfy the most important expectations, before than the supplementary elements of the relationship.

| **ACTIVITY** | **KAIZEN improvement** | **KAIRYO reengineering** |
|---|---|---|
| ***Level of the change*** | ***Gradual & continual*** | ***Radical, sudden and not steady*** |
| ***Starting point*** | ***Existing processes*** | ***Zero point*** |
| ***Frequency of the change*** | ***Continuous*** | ***Once*** |
| ***Speed*** | ***By little degrees*** | ***By great strides*** |
| ***Timing*** | ***Continuous and in progress*** | ***Intermittent*** |
| ***Involvement*** | ***All*** | ***Few and selected*** |
| ***Participation*** | ***Bottom up*** | ***Top down*** |
| ***Approach*** | ***Collective, team working*** | ***Individuals' efforts*** |
| ***Style*** | ***Consent*** | ***Directive*** |
| ***Risk*** | ***Moderate*** | ***High*** |
| ***Rules*** | ***Adaptation and evolution*** | ***Conflicts and discussions*** |
| ***Forms of action*** | ***Maintaining and improvement*** | ***Dismantling and building*** |
| ***Evaluation criteria*** | ***Process and striving for the best practices*** | ***Results and profits*** |

Masaaki Imai says that in most cases the quality improvement can be reached through the Kaizen methodology, but some times it is necessary and compulsory to adopt the Kairyo methodology. Reengineering normally refers to a drastic, dramatic process improvement in certain areas of management or in certain phases of the product or service life cycle. However, reengineering addresses only a limited area of problems in the company and brings about limited improvement, no matter how dramatic. Reengineering probably will always have its place as an organizational change process. But it is relevant in limited circumstances because, ultimately, it produces short-term and static results. Reengineering is like innovation. We expect innovation to occur all the time, yet we know it doesn't happen. It's unrealistic to expect reengineering to be applicable all the time. That would cause chaos. *Kaizen* is a more lasting improvement process.

Kaizen has a great impact on the costs of services. To ensure quality is not so **automatically friendly** for customers, clients, citizens, beneficiaries etc. without a commitment for the lower possible costs.

The Baumol law is clear: services are not so easily flexible as regards prices reduction. On the contrary, services are the economic area where "bubbles" are well covered and the cheating strategies are spread.
From this point of view, the introduction of quality in service domain first of all needs to clean and delete all these bubbles: the effect would be positive for customers, clients, citizens, because they get more services at the same price, more quality in the same service, lower prices or less waste of time or less painful troubles in the services experienced. The low cost flights are an example: why do low cost companies achieve higher profits lowering the prices, while the high cost companies have great losses raising their prices? The mystery is the use of the Kaizen methodology.

Most companies still attain themselves at the old paradigm which says that better quality costs more money. The real challenge to management is to improve quality while reducing cost because that is what today customers want is.
Improving quality while reducing cost is the only option for survival. Often, managers take cost reduction to be synonymous with cost cutting. Cost reduction should come as a result of better cost management. The key point is how to build a management system that can reduce costs while achieving good quality.
Management has been too focused on results and not on the process of what to achieve or how to deliver those results. They have avoided looking at the core process of the business, the one that delivers added value. Instead, they have focused on peripheral elements such as financial management, marketing, R&D and engineering which, while they are important to any business, they are not the *gemba*[2], the value-added portion of the business.

Finally, it is a question of greater balance between process and result. The stock market places great emphasis on short-term results, which drives executive management behavior to demand results in the short term, hence to focus on finance.
We can say that 99.9 percent of all companies in the world today are obsessed with a growth mentality. These are the companies that can make profits only when the market is growing. In real life, market demand always fluctuates. The only companies that will survive into the new millennium will be the ones that have the flexibility to produce according to fluctuating demand.

With TQM and Kaizen, the Quality Concept is more extended than in the ISO norms, because it includes the global "excellence", not only in the technical and productive aspects (conformity of the ISO norms and/or zero defects) but also in the "intangible" aspects, concerning particularly human resources (inside) and customers (outside).

TQM is based on a definition of quality that comes from consumer psychology literature and sets *meeting customer expectations* as the first and ultimate goal of each activity in an organisation. In order to function properly, TQM requires the full and active commitment of all employees to a corporate quality plan, as well as comprehensive information systems that collect and process information with regard to customers, suppliers, corporate-wide processes and competitors.
TQM also requires a willingness to invest substantially in training. Last but not least, TQM involves cultural change towards continuous improvement.
It becomes obvious that TQM is a very demanding quality management system and challenging to implement, even in for-profit business settings. As the following section suggests, TQM has to be modified to make it appropriate for use in public services.

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[2] In the Kaizen vocabulary (Masaaki Imai), gemba is the "factory" or the place where products are made.

Quality excellence models may be used for self-assessment or as the basis of external assessment. In particular, the European Excellence Model (see http://www.efqm.org ) has become a widely used self-assessment instrument in various Western European countries.
In addition, the Common Assessment Framework (CAF), which was specifically designed for public administration, is starting to become a common self-assessment instrument for public agencies (see http://www.eipa.nl/CAF/AssessmentForm.htm). In contrast to the European Excellence Model, it is however less demanding and therefore more suitable for organisations to start with the implementation of TQM, even if it is less systematic.

Quality awards are introduced as surrogates of market competition in the public sector where a market does not exist. Competition among the participants of an awards programme is intended to motivate public agencies to increase organisational quality. If they are awarded, they are likely to act as a model for other organisations; if they do not win any award, they hopefully learn how to become better in the future.

Public sector quality awards also have the function to help public authorities to improve their organisational quality by learning from each other.
Quality awards identify excellent public agencies and their success factors are made visible to other organisations. This means that there is also a co-operative element in quality award competitions, which is perhaps their most important function if they are to be an instrument to foster innovation and quality in public sector.
In conclusion, Total Quality Management is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organisation.

⇩ ***Ethic certification systems and "services charters"***

The third group of sources and references for quality implementation in employment services is composed by the ethic quality assurance systems.
There are basically four types:

⇩ CSR – Corporate Social Responsibility
⇩ SA 8000 – Social Accountability
⇩ AA-1000 : AccountAbility 1000
⇩ Services Charters

The basic moral requirements for quality achievement in service delivery are able to ensure a self-generating pattern of behaviours, which form gradually the expected quality indicators. The reason for such a result is connected with the integrated and holistic functioning of human beings: a "decision to be", a commitment to do, a map in the head, are expressions of the human essence with respect to the other living beings on earth. The human being is the only one who can refuse to be what he/she has to be. On the contrary, a decision to be what he/she knows and chooses to be (in our case: to be "responsible" in service of other people, no matter if unemployed or something else), the chain of behaviours generated and developed in a coherent way from this start point, will slowly, but surely, fit and conform to the expected features like:

- a cognitive approach oriented to day by day problem solving, innovation, creativity;
- a constant approach to "memory conservation", documentation and selection of all data concerning problems to be solved;
- a relation approach shaped by an assertive style, that considers the "other" (the client) like a peer, oriented to the "contents" to be achieved more than to the stress of the reciprocal "status";
- an emotional approach deeply supported by empathy and a balance between control of the relation and openness in caring;
- a focus on the most suitable "means", rapid and effective to join the goal and the expected responses of the demand: an unfeasible purpose is to be avoided;
- a discovery mentality to detect all the possible implied expectations of the demands and all the capabilities of the offers.

The considerations above listed are not exhaustive, but exemplary.

***Corporate Social Responsibility, Social Accountability 8000, AccountAbility 1000***

These forms of "ethic quality" are intimately connected with each other: they are also the most suitable tools to ensure a "specific" quality for the employment services, both public and private, taking into account their specific mission and strategy, focused on the commitment with one of the most considerable indicators of social inclusion, that's having a job, as already stressed in the 1st Chapter.

The basic principles are the same, their extent are different: CSR covers a very broad range of the organizational behaviours, from respect of the environment according to the sustainable development principles and guidelines, to the peer opportunities in favour of the social inclusion of women, disabled people, immigrants and other aspects. The core meaning of the CSR is: the organization is community oriented and adopts all the measures not only to reduce every negative impact of their settlement and activities (e.g. production, location etc.), but also to promote all the actions that can improve the interactions between the organizations and communities concerned. It also means that we must fulfil our social responsibility toward our stakeholders: customers, employees, shareholders, suppliers, network partners and so on. It could be very useful guidelines in performing the co-operation between the public and private employment services. The same diligence must be exercised with respect to our commitment to implement exemplary corporate governance standards and transparency and foster dialog between all the stakeholders involved.

SA 8000 and AccountAbility 1000 are CSR "complementary tools and they are focused on "specific" aspects of social responsibility. SA 8000 is an international certification standard on respect of workers' rights, according to the International Labour Organization conventions, United Nations Human Rights Declaration and United Nations Children Rights Declaration.
In the frame of the "ethic quality assurance", SA 8000 is the only document which includes a certification process and has great affinity with the ISO certification norms and guidelines. The certification Institute is SAI (Social Accountability International), which receives the accreditation from the CEPAA (Council on economic priorities). This system was founded in 1987, through an international forum promoted by Trades Unions, Employers' Organizations and NGOs, in order to define and promote international standards for the respect of human rights at work.
Particularly relevant is the Standard 9: Social Management System (SMS), which is the cornerstone (like in ISO 9000) of the ethic certification system.

Best practices in this field are the following:

- Ethical Trading Initiative: English initiative, supported by the British government, to establish uniform codes of enterprises, in order to protect Third World suppliers
- US Apparel Industry Partnership: network of textile factories, trade unions and NGOs, to avoid workers' exploitation (sweatshops) and to establish precise standards for health and safety at the workplace
- Institute of Social and Ethical Accountability, founded in 1995 (London), but active all over Europe, aims to evaluate the social impact of businesses (social balance, comparison on social performances, transparency of the data etc.)
- EBSNC: European Business Network for Social Cohesion, founded in 1996, under suggestion of Jacques Delors, in order to be a referral point for those enterprises that wish to develop socially responsible behaviours.

AccountAbility 1000 is a standard of ethic quality assurance proposed by ISEA (Institute of Social and Ethical Accountability). Its aim is to ensure a continuous improvement of social and ethic approach in the action[3].

The ethic and social auditing includes the following principles:

- Integrity
- Objectivity and independence
- Professional competency
- Professional behaviours ( rigour, judgement, meaningfulness, clearness in communication)
- Privacy

**Citizen's Charters**

It is perhaps the most friendly and diffused tool for quality assurance in the public and private services : a sort of "code" or contract between the public institutions and the citizens or between the private organizations and customers : the first one is more focused on the explicit acknowledgement of the "rights" of the citizens to have a correct, honest, even proactive service delivery from the state or the other public institutions, the second one is more focused on the correct, honest and user friendly behaviour of the private services providers in the market.
In the employment services this tool could be one of the best instruments to be adopted for quality assurance: it is easily applicable, easily communicated and understood, usually very clear and direct to all the stakeholders: they can find there either their rights or their duties. Services' charters draw the attention to the quality assurance from both sides of the relationship and underline the equilibrium of the assertive and reciprocal role.

| CUSTOMER SATISFACTION SURVEY |
| --- |
| ■ 96% of unhappy customers never complain about inefficient services<br>■ 90% of them will never return<br>■ Each of them will tell at least 9 more people about it, some as many as 20 or more |

**2.4. Approach to quality and the features of the services offer**

Taking into consideration the central role of services quality to generate the open society and its social capital, according to the guidelines mentioned, the correct approach to quality of services should ensure that a service or a service profile:

- **Be honest**: the quality of service implies that all relationships or transactions shaped in accordance with the one up/one down style or with the manipulative behaviours or cheating strategies (sadly so frequent both in politics and in business) should be carefully avoided, even hardly punished by law and by the social blame. The "promises", especially those connected to "sensitive" human needs or expectations like job, must be offered and communicated with honesty

[3] Concerning the specific sustainability approach, there are two more guidelines: GRI (Sustainability Reporting Guidelines) and ISO 14001: however they have less implications with our research for the employment services' quality.

- **Be realistic** and achievable: quality of services requires also its “feasibility” as a matter of fact. The unfeasible programmes or projects, without appropriate resources (technological, human, cultural and financial), risk to enhance the level of expectations and create much more disappointment than the former situation, that people wanted to improve. It is preferable to delay the start up of services delivery than to deliver services which generate disappointment: this can produce a worse equation between the quality received, the quality perceived and the quality expected. Sometimes it happens that the “reforms” of the old, inefficient, not effective institutions like the former employment services, consist more or less only in the “change“ of the name and their juridical rules, but they keep the former employees, without a real innovative empowerment: everything must change to let everything stay as before. If the “new” employment centres or services promise to be more effective, more able to deliver a just in time service or on line to match job demand and supply or other similar promises, it could be very disappointing for the customer to discover that all this is only a marketing strategy for image or brand promotion of the new entity;

- **Have citizens and communities involved**: since the Nineties, also public institutions and services are clearly aware that the world and the society were becoming too complicate, with new phenomena such as internationalisation, globalization, innovation etc. The traditional forms of the institutional architectures and the representative democracy were no longer so precise and predictable like it was preached by the “functionalism”. All the rules and the models of governance vs. government are rapidly changing: the “gap” between the citizens and the institutions enlarged day by day, the distance between formal leadership and the people was impressive and continues to be impressive up to now. This is the reason why new forms of “governance” have emerged, based on the participatory role of all stakeholders, especially of customers;

- **Be communicated and known by the people**: this requirement is linked with the success of the former statement concerning the degree of the citizen’s involvement. To involve people can be achieved through communication strategies and information equity;

- **Be specific and customized**: in many products or services, we have scale economies that provide a large quantity of goods, items, assurance policies, even “experiences”, emotions, travels etc. in standardized forms for thousands or millions of people with few customized details. Nevertheless, the satisfaction of those services is at any rate connected to the perception that we are considered “subjects”, not a “mass”. The most part of this effect is generated by the quality of the “personalities” who provide services, especially those who are in direct contact with the clients. Nevertheless, the “employment services” need to be much more customized than many other services, because of the deep relevance and meaning of the job and the role achievement therewith: to be as clear as possible is one of the most typical challenges of such a service. The “negotiation” with the client and the “co-makership” of the service in the employment domain have to be very attentive, proactive, well prepared, well followed in the “after visit or after meeting” approach;

- **Be cost effective** and time-related: the creation of institutions, agencies, NGOs, bureaucracies etc. to set up a mission “possible” for unemployed people or jobseekers, could be considered a “paradox” if the cost of these “machines” overcomes the results and if the image of those heavy “stores” is perceived as places where the only job creation ensured by them is the job of the employees themselves. Moreover, time is relevant to justify the machine: a service delivered too late in the employment services is more unacceptable than in other services;

- **Be improving quality of life**: as already emphasized in the paragraphs concerning social capital quality, the employment services, like services in general, are very strictly linked with the “well-being economy” and its vision. The right to happiness is written in the Independence Declaration of the United States of America and it is included in their Constitution: we know that this is an utopia, but nobody has the right to avoid the steps (gradual, little, but clear) to pave the way towards that goal or that benchmark. The sense of the European Union, of its creation and constitution, the sense of the constitutions of many other states, the sense of most Universal declarations, conventions, treaties, conferences etc. is to draw our attention and the attention of all the institutional, social, economic and cultural bodies to finalize exactly this utopia. A real balance of the wealth of the nations cannot be identified only with the traditional Gross Domestic Product, but also with the degree of well-being of citizens, families and communities, that is of the real human being in its "existence";

- **Be measured in their effects** through customers/citizens' satisfaction analysis and other performance measurement tools: quality must be measured, even if it is not easy. Without measurement, without a customer satisfaction analysis, we don't have any quality at all. We are not dealing with a simple philosophical principle to be announced, but rather with a benchmark of this principle to be joined. The quality is composed by many "true moments": all these moments correspond to the steps achieved, to the improvements performed, to the failures and errors prevented, according to the logical framework proposed by Deming and by the other fathers of the quality systems, since the forties'. Many of these fathers or pioneers of the quality systems were specialized in statistics: it was through the measurement of the processes and the evaluation of the outcomes (and the consequent discovery of the waste) that quality systems have been introduced in almost all the industry and services organizations.

### 2.5. The quality profile of service providers' organization:

The result of the adoption of a quality system, ethic quality included, is a profile of service providers with the following traits:

*A- Management indicators:*

- Make a detailed plan of objectives and strategy
- Make sure they are implemented
- Value their workforce and invest in training
- Employees are appraised on quality
- Everyone is responsible for quality in his or her job function
- Use technology to support staff performances

*B – Personnel indicators:*

- Improved productivity
- Reduced staff turnover
- Reduced absenteeism
- Improved management/staff relations
- More effective teamwork
- Better employee motivation
- Less direct supervision
- Increased personal development and training
- Increased job satisfaction (employee as "internal client")
- A role in the decision making process

*C – Benefits of being a quality organization:*

- Aims to prevent errors and defects before they arise
- Enhanced performance

- Better services design, production and delivery
- Better corporate image
- More positive attitude to change
- Increased levels of profitability (for private)
- More repeat business and customer "loyalty" (retention)
- Less waste (for both private and public) : waste has a nil value or is kept to a minimum
- Lower operating costs: it reduces costs by quality improvement (kaizen)
- Business growth: increased profits (for private providers) or citizens' trust and esteem towards the "state" (for public providers) as a result of customer satisfaction
- Security and safety

*D – Benefits for customers:*

- Higher levels of customer satisfaction
- Fewer complaints
- Better corporate image
- Perception of better value

### 2.6. Terms and definitions: some key words[4]

**Service**

The word comes from an Indo-European linguistic root: *swer* that means "to hold the eyes on something", to take care of someone, without any diversion, to focus on people who are the scope of my attention. The attention of this linguistic root is so high that a prevention of the needs or expectations of the targeted people is required.
From this root comes also the Sanskrit word "*varutà*" (protection), the Greek "*horàn*" (to see, to look at), the Latin "*servus*", "*servitium*", and also *servare* and *observare*. Even the word *verecundus* (respectful).
Therefore we have enough inspiration to state that services don't have anything to do with the usual meaning that we take in account: "servile" works, birth, feelings etc.
Services are already the most important content of the present economy worldwide, as already known. Employment services are one of the "hinges" of the sustainability and quality of the social capital and well-being.

**Quality**

Although there are many definitions offered for this term, two are of key importance. The first has to do with customer satisfaction and can be stated as: "Any product or service that continually delights the customer."
The second definition refers to the internal processes of an organization that serve customers: "Quality is the continual elimination of waste in, and improvement of, every process." It is only when Quality is understood in this latter sense that companies can deliver higher quality, lower cost, and on-time delivery simultaneously.

Therefore, according to the quality systems' fathers, the definition of quality is basically the following:
"Quality is to meet and then to exceed customer requirements and expectations (stated and implied) first time, every time, at the lower possible cost for the customer (either money saving or time saving), involving everyone in the organization in this process.

[4] We mean the fundamental words for our guidelines: the complete glossary of quality systems and its technicalities can be available in the ISO series.

The secret formula of quality is actually an equation between two values, not an absolute "value" to be achieved:

$$\frac{\text{PERCEPTIONS OF SERVICE EXPERIENCED}}{\text{CUSTOMER'S EXPECTATION OF SERVICE}} = \ ?$$

| | |
|---|---|
| Expectations not met | = Unacceptable quality/no quality |
| Expectations met | = Satisfactory quality |
| **Expectations exceeded** | **= Ideal quality** |

If the result of the equation is 1 (that is the perfect equivalence between the customer's expectations and the perceived quality of the service delivered), the break even point of quality is reached: quality begins exactly from this point forward.
If the result of the equation is less than 1, we have not reached "quality" yet: there is something to be improved or other indicators that show that our delivery has failed.
If the result of the equation is over, we are paving the excellence way in our performances.

The methodology adopted to detect the result of equation of quality, is the customer satisfaction analysis.

**Best practice**

***"A process to measure rigorously your performance versus the best-in-class companies and to use analysis to meet and surpass the best-in-class".***
An organisation that presents a Best Practice is not necessarily the best in each area; in reality, such an organisation does not exist. There follows the necessity and the usefulness of an exchange, someone that can show Best Practices in some given processes or performances and someone else in other processes or performances.
The European Union stimulates and promotes continuously the best practices exchanges between institutions, organizations and enterprises in Member States, in order to facilitate, to favour and to improve both public and private governance styles: as far as public institutions are concerned, the major interest of the EU is to introduce and ensure the democratic consistency and effectiveness of them with respect to citizens' well-being.

**Benchmarking**

The concept of 'Best Practices' comes from the benchmarking method, which is used by management sciences and quality systems.
Originally, the word benchmarking was used in topography to indicate a distinctive sign on a wall or a tree, a stone or a building which served as a reference point for the position or the height of an observer, with respect to relieves as well as tides, floods, roads, landscape architecture etc.
Today it is used as a synonym of 'comparison based on the Best Practices' in an organisation, a firm, a team: therefore, benchmarking is an improvement process in which an organization measures its performance against the best organizations in their field, it determines how those organizations achieved their performance levels, and it uses information to improve its own performance.
Benchmarking has become a management instrument as it supplies information which helps managers of a public or private organisation to know 'where they are' with respect to leader organisations or organisations which belong to their competitors' systems and which are more successful with their clients, customers, citizens, guests, visitors etc.

**SBA**

Strategic Business Area: it is the management area which represents the specific subject of benchmarking and of the Best Practices to adopt. In the case of our programme, it refers to the most innovative and effective models for a quality management of employment services (private and public) and for a type of co-operation and networking whose aim is to favour the best problem solution for jobseekers.

**PDCA or Deming Cycle**

W. Edwards Deming, an American, is considered one of the fathers of Quality Systems. One of his proposals - or concepts - is to offer managers and project leaders a methodology about how thinking must proceed to create continuous improvement (which is one of the pillars of Quality Systems). The PDCA is the acronym of 4 words: PLAN, DO, CHECK, ACT. This rule is usually visualized through a ‘loop’ as each stage influences the next and so on. Deming has recently re-termed them — Plan, Do, Investigate, and Adjust.

**Customer, External**

An external customer is an end-user who pays for the project or service delivered by a company, thus generating revenues for the company. The goal of world-class companies is to "continually delight" this customer, thus creating "an increasing affection" for its products and services.
In the case of employment services, the external customers are not only the individuals or jobseeker, but also families, communities, territory, economic sectors and society as a whole: they form the “client system”. Nevertheless, the “direct” client is the jobseeker, who should find in both public and private employment services an effective commitment for his/her needs, requirements and expectations: from public services as a “right” in his/her role of citizen, from the private services as customer of a demand/supply role player in the labour market.

**Customer, Internal**

The recipient (person, process, or department) of another person's or department's output (product, service or information) within an organization. The employees are considered as “customers or clients” of each other, in a value chain of internal supply: the more this “vision” is adopted, the more the organization is efficient/effective.

**Customer satisfaction analysis**

It is the manner usually used to test the degree of customer satisfaction with a given product or service. It can be carried out through questionnaires, interviews, focus groups, surveys in the field, complaints analysis.

**It is not enough that client be satisfied: he must be delighted**

**(Edwards Deming)**

**Kaizen**

A Japanese term that means "to change for better". Applied to business organizations, it implies continuing improvement involving everyone that does not cost much, if any money. This is particularly interesting for the “public” or no profit organizations or institutions. The “psychological” incentives are more effective than money, because experts have tested that job satisfaction is connected with “money” within a certain degree: after that point, there is no increase in satisfaction at all. On the contrary, the psychological factors have fewer constraints to increase.

**Kaizen culture**

An organizational culture based on the three super ordinate principles: Process and Results, Systemic Thinking, and Non-judgmental or Non-Blaming.

**Kaizen Strategy**

A strategy that begins with customers' needs concerning Quality, Cost, and Delivery, is founded on people-oriented culture, it is supported by an involved leadership, and consists of three integrated core elements: Principles and Concepts, Systems and Tools. Our Manual suggests that all these three components should be considered, as explained in the all three chapters.

**Standards**

A set of policies, rules, directives and procedures established by management and staff together for all major operations which serve as guidelines enabling all employees to perform their work in the best, easiest, healthiest and safest way currently known.

**Effectiveness**

It is simply the achievement of established objectives: it can be measured through the comparison between the expected results and the objectives achieved. The “gap” between these two measurements is an indicator of lack of effectiveness.

**Efficiency**

It is the level of resources used to achieve established objectives. Following these definitions for efficiency and effectiveness, it is clear that in good quality management systems, these two terms are to be used in conjunction. It is however important to discuss about achievement of objectives; it is good when an organization achieves planned objectives, but it has also to take into consideration how many resources were used for that. Achieving a small objective with high amounts of resources cannot lead the organization to good performance. Valuable organizations achieve important objectives managing needed resources in an intelligent manner. Nevertheless, effectiveness is not necessarily ensured by the high degree of efficiency, because the two concepts are distinguishable: sometimes it occurs that we have a very efficient organization, but without effectiveness at all. An example, quite widespread, especially in the public bureaucracy, is represented by those organizations which are “very” efficient to interdict someone or something from being effective.

**Quality Assurance**

It is part of the quality management system which is concerned with the supplying of full confidence that requirements related to quality will be achieved. As an example, the quality control intention is to determine whether a product is within specification limits or not.

**Conformity**

It is the fulfilment of the compliance with the requirements and standards of quality systems. It was the core concept in the first stage of the quality assurance philosophy.

**Non-conformance**

It is the non fulfilment of the compliance with the quality requirements.

**Corrective Action**

It is the action taken to eliminate the cause of the non-conformance that occurred.

**Preventive Action**

It is similar in concept with the corrective action but in this case is applied to potential non-conformance. Preventive action is applied to problems that might appear, in order to prevent them.

**Document**

It is the information along with its support, which may be a paper or an electronic form. Various documents are used daily. Examples of documents are: a manual of quality, a definition of standards, a diagram, a written procedure, an auditing report (internal or by third party).

**Record**

It is a document that states the achieved results. A good quality management system contains enough amounts of records which prove the conformance with stated requirements. This should not lead to an extended bureaucracy, however.

**Quality Policy**

It is the orientation of the organization regarding quality. Quality policy is decided by top management, in accordance with its "vision and mission".

**Quality Objectives**

They represent what is to be achieved within quality policy.

**QUALITY IS NOT ABOUT BEING 100% BETTER AT ONE THING**

**IT IS ABOUT BEING 1% BETTER AT 100 THINGS**

# Chapter 3 – The Quality Manual and guidelines towards the Employment Services quality: tools to be used.

## 3.1. Introduction

The tool proposed is the architecture of a Quality Manual, with all the basic components and conceptual frameworks to be implemented in a quality system focused on the "specific" mission of the institutions and organizations concerned (public and private ).
Therefore, the Manual proposed has the following characteristics:

3.1.1. It encompasses all the three perspectives that the Chapter 2 has taken into account for an effective and tailored creation of a quality achievement in the private and public employment services delivery:

- The Quality management of each "internal" organization involved in this field, considering the "excellence" as the final benchmark to be achieved, with the specific differences and requirements of the private and public organizations (from this point of view the differences are very few: quality systems can be applied to all types of organization, regardless their mission, because both have the same product, i.e. "services", and a mission quite similar, i.e. "public" *lato sensu*).The guidelines are applied for the development of quality management within one's own responsibility areas;
- The Ethic Quality, as core and central profile of this type of "services delivery", taking into account the target groups and beneficiaries of the service offered: they deal with one of the basic human rights and needs and they act as interface between intangible values of the well-being and the tangible values of the labour market, a very critical zone where the failure of a delivery is coinciding with the failure of "existences" in itself, not only the failure of a consumption or a travel or a meal ;
- The Co-operation and Networking quality, as strategy of a real, effective partnership between all the organizations involved in the employment services : the end of the public monopole in this field is due to the too rapid changes and innovation of the society and the insufficiencies and delays of the usual institutions devoted to this service must be only fulfilled by the creation of efficient and effective partnerships between all the actors and players, in order to ensure a large "web" of supporting structures, personnel, competencies, along the new requirements of the globalization and the new expectations of the job seekers.

3.1.2. It includes a series of "indicators" to be used by employment services organizations, involving everyone in the process and applying the basic architecture of the manual proposed to the different situations in the countries: the "harmonization" between European countries involved in the programme should be more focused on the methodologies than on other aspects of the services delivery, as already underlined in chapter 1. Questions like: more public or more private? More competition or co-operation between public and private employment services? And other similar "technicalities" are completely misleading our philosophy.

3.1.3. It represents a platform for a creative exercise for the staff: a Manual cannot fit anyway the real profile of organizations, if it comes through a top down process. Each organization is invited to "create" (to design, to test, to apply gradually, to check, to review etc.) its own "manual": training activities, workshops, briefings, meetings, assemblies, assessment sessions could be used for such a creative work.

### 3.2. Quality statements, indicators and the evaluation methodology

A Manual serves to document all the activities and processes adopted to implement the quality management of the organization in all its parts:

- Quality policy statement: The first documentation to be exposed and explicitly confirmed, communicated and shared by all the people concerned, is the statement of the Management for unconditioned commitment for quality. The Manual opens with such a statement.
- Indicators: they are useful to offer a professional answer to the question: how do customers measure services? How do organizations measure customer satisfaction?
- The evaluation: both the supplier and the client meet their common evaluation benchmark in the indicators.

Normally they are composed in clusters (groups of indicators concerning the same area of behaviors) and each cluster can be considered a “key factor “of quality.

Then, all the clusters should be detailed with specific “indicators” (traits of the behaviors): they form integrated groups of the most meaningful elements or components of the factors or clusters, which show their multiform features to permit a careful analysis of the quality processes and the way they are perceived by the auditing activities and finally by the customers. They permit the evaluation, mostly of qualitative type, with reference to the quality of objective evidence, consistency, effectiveness, usefulness etc. that an indicator implies, to be considered operational. The result coming from service delivery’s indicators, offers an analytical methodology to establish a comparative relationship between customers’ expectations and the actual performance, selecting the right quality measures and indicators, using the right assessment instrument, involving the right stakeholders. Moreover it is very useful to do a benchmarking evaluation between different actors or players in the same system. Quality measures have to be made operational with quality indicators.

Once the indicators are selected and applied, the measurement in quality systems is normally made with a Likert scale like this:

| | |
|---|---|
| *0* | *(no evidence at all of the indicator)* |
| *1* | *(some traces of objective evidence of the indicator, but largely insufficient)* |
| *2* | *(modest objective evidence, without sufficient precision and accuracy)* |
| *3* | *(good objective evidence of the indicator, with small gaps)* |
| *4* | *(excellent objective evidence of the indicator and available to be considered as best practice)* |

The definition of a set of quality measures is only a first step in the process of quality measurement.
Typically, quality indicators are categorised as quantitative versus qualitative and subjective versus objective.
Subjective quality indicators can always be quantified. They are usually based on some type of survey which measures the reactions or expectations of a group of respondents. Objective quality indicators, however, cannot always be convincingly quantified. For example, it may be hard to construct an objective quantitative indicator measuring the comfort of waiting rooms in public agencies. Even though quantitative indicators such as the room temperature, the number of seats and the size of the waiting area may give some hints about the basic conditions of the waiting room, more qualitative information on its cleanliness, level of noise, availability of more private areas, decorative state, and ‘atmosphere’ would be much more useful in allowing service providers to decide whether it embodied the appropriate quality level. Ideally, a sound set of quality indicators should include both quantitative and qualitative indicators.

In order for measurement to be meaningful, it is often suggested that performance indicators have to fulfil the criteria we have already exposed in the Chapter 2 (Approach to the quality and the features of the services offer).

### 3.3. The core dimensions of quality

There are five dimensions:

- *Tangibles: structures, equipment, personnel and communication tools, safety ;*
- *Reliability: competence, dependability, accountability, loyalty, honesty, protection of data ;*
- *Empathy: courtesy, high touch atmosphere, capacity to listen and understand the job seeker and his/her needs and expectations*
- *Communication: interpersonal communication (either verbal or not verbal), assertive relationship,*
- *Responsiveness: effectiveness, on time offers and proposals, accessibility.*

Since the search for such ideal dimensions is rather time-consuming and also requires experience and knowledge regarding which indicators support the purpose of an organisation, ready “off the peg” performance measurement systems have become quite popular in the private as well as in the public sector (with some time lag).
Many of these systems include a set of quality indicators which may be used to measure different dimensions of quality. Nevertheless, the arguments above suggest the need for caution in this area. Many aspects of quality can and should be measured, both by objective and subjective measures and by quantitative and qualitative data. However, we should not get trapped by the illusion that any of such sets of measures captures the essence of quality – they only provide a partial picture.
The basic objectives and structure of several of these quality assessment systems have been described briefly - the ISO 9000 series, citizen’s charters and quality excellence models. All of these instruments have become widespread and often used for the wrong purpose.
A critical assessment of their limitations must be considered as well.

### 3.4. The Manual architecture:

All the considerations above exposed, meet their goal to become operational and effective within the logical framework of the Manual. A Manual is not the definite solution for quality assurance: it is paving the way towards quality.

| **QUALITY MANUAL** |
|---|
| **CONTENTS:** |
| **SECTION A:**<br>**QUALITY ASSURANCE WITHIN THE EMPLOYMENT SERVICE ORGANIZATION** |
| **SECTION B:**<br>**THE ETHIC QUALITY** |
| **SECTION C:**<br>**THE CO-OPERATION AND NETWORKING QUALITY BETWEEN PES AND PRES** |

## SECTION A:
## QUALITY ASSURANCE WITHIN THE EMPLOYMENT SERVICE ORGANIZATION

## A. MANAGEMENT RESPONSIBILITY

### A.0. Quality Policy

**Statement:** Management of the employment services organization shall provide evidence of its commitment to the development and implementation of the quality system and continually improving its effectiveness.

**Indicators:**

- ⇨ to have a good preliminary knowledge of the quality system
- ⇨ to know the policies concerning the quality management and the pertinence of the decisions to be undertaken therein
- ⇨ to establish a policy statement, according to the mission strategy of the organizations: corporate goals are clearly defined and communicated to all staff
- ⇨ to motivate all the members of the organization about the importance of meeting customer as well as statutory and regulatory requirements
- ⇨ to conduct management review
- ⇨ to ensure the availability of resources

**Questions for self-auditing:**

For each indicator try, please, to answer the question: "In which degree do I believe that this indicator has objective evidence?"

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this cluster of quality indicators?

## EXERCISE N.1:

**Example of objective evidence of the indicator: "to establish a policy statement, according to the mission strategy of the organization"**

CORPORATE MISSION STATEMENT

As specialists in the employment services delivery, our mission is to be recognised as an organization which operates according to quality requirements, wherever it is located, and which is providing all the services it is able to supply. We will strive to satisfy the needs and aspirations of our customers to find solutions according to our customers' needs and expectations. We will provide a consistent quality and a uniquely customized, personalised style of service, thereby achieving customer loyalty.

(For PRES: we aim to achieve a fair and reasonable profit to ensure growth and prosperity for the organization and for the benefits of its people)...

We recognise the importance of a safe, healthy work environment, and promote strongly, personal development and training, thereby offering opportunities in career advancement. We promote participation by everyone in what we do, and support and recognise each individual's contribution.
Whilst striving at all times for the highest standards of efficiency, we will also promote and nurture good relationships with all co-workers. The rewards reaped, through personal and job satisfaction, and a sense of achievement by all, will engender a loyalty to and identity with the organization.
We aim to communicate effectively and motivate all team members so that they will portray our unique professional style to our customers.

To achieve this we require total involvement in, commitment to, and understanding of quality excellence by everyone in the organization

Standards and systems adopted reflect our commitment to quality. Our quality policy is based on a number of fundamental principles:

- the continuous development of people.
- the continuous measurement of Quality achievement
- the continuous review and improvement of system.

Date________________ Signed by the Board of Directors (or CEO)

**A.1. Responsibility, authority and communication:**

**Statement:** Management of the employment services organization shall ensure that responsibilities, authorities and duties are defined and communicated within the organization.

**Indicators:**

- General and specific responsibilities are defined for all personnel whose functions are bearing on service/product quality and the quality system.
- A Group Quality Co-ordinator is responsible for the co-ordination of the Quality System across the organization
- Appropriate communication processes are established within the organization
- Communication takes place regarding the effectiveness of the quality system and its application in the daily activities and operations
- An organisational chart showing structure, job description, responsibilities, duties and reporting relationships is visible, accessible to everyone (especially to the stakeholders) and widely circulated throughout the organisation
- There is a direct relationship between responsibility and accountability throughout the organisation
- Individual responsibilities for quality activities are documented for each of the services provided by the organization
- The internal value chain of the services delivery is well focused and object of systematic review and monitoring to ensure an integrated quality offer of all passages from one point to another
- A flow diagram is established and continually updated for the internal chain of services delivery
- An inter-functional matrix is used to define a project management methodology

**Questions for self-auditing:**

**For each indicator try, please, to answer the question: “In which degree do I believe that this indicator has objective evidence?”**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on best practices**: Have you some references and sources to be documented on best practices about this cluster of quality indicators?

**A.2. Management review:**

**Statement:** Management of the employment services organization shall review the organization quality system, at planned intervals, to ensure it is continuously suitable, adequate and effective.

**Indicators:**

- ⇨ To assess opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives
- ⇨ To evaluate the information on results of auditing actions (internal/external) and the non conformities of services and/or of processes
- ⇨ To consider carefully customers’ feedback and improvements of the services provided related to customer’s requirements
- ⇨ To introduce preventive or corrective actions
- ⇨ To communicate recommendations to the staff through personal and inter-personal briefings and written reports

**Questions for self-auditing:**

**For each indicator try, please, to answer the question: “In which degree do I believe that this indicator has objective evidence?”**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on best practices about this cluster of quality indicators?

**A.3. Quality of strategy and strategic behaviours**

**Statement** : Management of the employment services organization has a clear, up to date and competent strategy of the organization ( public or private ) , according to a deep knowledge of the normative, economic, social and cultural scenario, especially related to the labour market

**Indicators:**

- ⇨ compliance of the management and employment services delivery with the legislation and normative framework concerning the mission of the organization (International charters and European Union directives included)

- ⇨ pro-active ability to do proposals and improve the legislation framework and norms concerning the employment services, especially on the PES/PRES co-operation through a defined specificity
- ⇨ competent use of data on the labour market trends, changes and needs as “system client”, both at local and national/international level for their pertinence of the decisions to be undertaken in effective employment services delivery
- ⇨ Availability, traceability and degree of the up-to-date statistics on the labour market and the features of the target groups of the services (age, origin, competencies, location, impact of the employment crisis, career obsolescence….)
- ⇨ Relations with all the social, economic, cultural, educational and institutional actor , especially those who play the role of stakeholders of the organization, are systematic
- ⇨ There is a unit for the “marketing “ strategy and/or the external relations development
- ⇨ A steady networking with the stakeholders, other organizations (public and private) with similar mission

**Questions for self-auditing:**

**For each indicator try, please, to answer the question: “In which degree do I believe that this indicator has objective evidence?”**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

## B. RESOURCE MANAGEMENT

**B.0. Provision of resources:**

**Statement:** Management of the employment services organization shall determine and provide the resources needed for the appropriate and competitive offer. Organization must ensure that are provided adequate resources to enhance customer satisfaction and to implement the required processes and to improve them.

**Indicators:**

- ⇨ To assess opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives
- ⇨ To evaluate the information on results of auditing actions ( internal/external) and the non conformities of the services and/or the processes
- ⇨ To consider carefully the customers’ feedback and improvements of the services provided related to the customer requirements
- ⇨ To introduce preventive or corrective actions
- ⇨ To communicate recommendations to the staff through personal and inter-personal briefings and written reports

**Questions for self-auditing:**

For each indicator try, please, to put the question: “In which degree I believe that this indicator has objective evidence?”

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

**B.1. Human Resources:**

**Statement: Personnel performing work affecting services quality shall be competent on the basis of appropriate education, training, skills and experiences.**

**Indicators:**

- To plan and determine the necessary competencies for personnel performing work affecting services' quality
- To provide training or undertake other actions to satisfy the competencies needed and expected
- To evaluate the effectiveness of the actions undertaken
- To ensure that the personnel of the employment services is aware of the relevance and importance of their activities for the fundamental rights of the job seekers
- To create and document the personal port-folio of empowerment of the personnel
- To manage the human resources with motivating leadership and high contact
- To involve everyone in the quality management and in the processes
- Employees are appraised on quality
- Recruitment takes place on the basis of appropriate education, training, skills and competencies : all the recruitment systems on the basis of references more than competencies are avoided
- There are evidences of improved productivity
- There are evidences of reduced turn over,
- There are evidences of reduced absenteeism,
- There are evidences of improved management/staff relations
- There are evidences of more effective teamwork
- There are evidences of less direct supervision
- There are evidences of Increased job satisfaction ( employee as "internal client)
- Personnel plays a role in the decision making process
- To ensure that the organizational atmosphere is positive and facilitates the job run
- Regular meeting are held between management and staff
- The leadership style can be described as participative/consultative
- The quality groups have been formed and trained in problem solving techniques and meeting procedures
- Quality groups meet regularly in accordance with the agreed schedule

**Questions for self-auditing:**

For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

### B.2. Infrastructure and technical/technological resources & facilities:

**Statement:** Management of the employment services organization shall determine, provide and maintain the infrastructure, technical/technological resources and facilities needed to achieve conformity to services requirements.

**Indicators:**

- ⇨ To ensure a location and a state of the building that meets the accessibility needs of both the employees and customers
- ⇨ To ensure that the state of the building meets the safety and accessibility needs, especially for the disabled people or other weak target groups of customers
- ⇨ To plan the workplaces and workstations with the associated utilities
- ⇨ To plan the workplaces and workstation with the appropriate conditions (space, light, heating, connections…)
- ⇨ All the applicable technologies are adopted to help staff performances
- ⇨ The work environment is positive and conform with the eco-audit guidelines
- ⇨ To ensure that all the Hygiene Regulations are respected

**Questions for self-auditing:**

**For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

## C. EMPLOYMENT SERVICES DESIGN AND DELIVERY

### C.0. Planning and designing of employment services:

**Statement:** Management shall plan, design and develop the processes needed for the employment services realization and offer. Planning and designing shall be consistent with the requirements of the other processes of the quality management system and, if the case, when submitted to the survey of the public authorities, for the specificity of this services, shall be conform and consistent with the normative frame and rules (European, national and local) of this type of services.

**Indicators:**

- ⇨ To ensure the "capacity" of the organization to design and develop the employment services offer according to the customers and the stakeholders concerned requirements ( researches on the field)
- ⇨ To set up and carry out the processes, competencies, resources ( both human and technical) needed for a quality services delivery
- ⇨ To determine the necessary survey and pilot testing on the services planned and designed before their delivery, to prevent errors and review the designing processes
- ⇨ To modify and innovate the offer according to the changes of the labour market or the economic, social and cultural context in general and according to the priorities established by the European or national and regional bodies

- ⇨ To ensure the predictability of the professional profiles required by the labour market and do provisional programmes
- ⇨ To be pro-active and to use creativity for the emerging needs of the customers or the "client system"
- ⇨ To be available to introduce tailored and flexible combinations of the offer, taking into account the immigration flows, the multicultural context, the diversity management, the strong mobility, the tele-work, etc
- ⇨ There is congruity between labour market needs analysis and the offers purposed
- ⇨ The relationship between the responsible of the designing and the staff responsible of the services delivery is positive and permanent
- ⇨ The organization is able to do services design and proposals on demand
- ⇨ To document and record what the customer wants as component of the co-makership processes of the services
- ⇨ The offer is differentiate according to the different types of clients/customer
- ⇨ Employees know perfectly and on time all the characteristic and differentiation of the offer
- ⇨ Operational problems have been identified and classified and specific problems have been prioritised and targeted for elimination

**Questions for self-auditing:**

For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

**C.1. Employment services delivery and customer related processes**

**Statement:** Management of the employment services organization shall determine, provide and carry out the employment services delivery, according to the quality requirements in the processes and interactions with customers.

**Indicators:**

- ⇨ To determine and implement effective strategies and operations for communicating with customers in relation to the services
- ⇨ To manage every customer feedback ,including customer complaints
- ⇨ To do careful analysis of the requirements specified by the customers, also for post-delivery and follow up activities
- ⇨ To ensure that the relations of the employees with the customers have a good degree of empathy
- ⇨ To ensure that the communication and transactions styles of the employees with the customers are assertive
- ⇨ The information contents and the promises are honest, veracious and realistic in all the promotion and advertising materials
- ⇨ The use of the mass media, the participation to the fairs, conventions, congresses etc is consistent with the mission strategies, also for the "institutional marketing and communication" (for the public employment services)
- ⇨ The information on the employment services is complete
- ⇨ The communication and information on web is user friendly, clear and customer tailored
- ⇨ A creation of a networks on line, telematics forums, many to many communication systems etc. are fit for the mission strategy of the employment services

- ⇨ The information concerning the location of the organization (how to join it), transport, parking etc. Are provided
- ⇨ The architectural barriers of the building are removed
- ⇨ The internal disposition of the officers and workstations are clear and easy to identify
- ⇨ The front desk is particularly and carefully disposed with employees who have the skills and abilities needed for a welcoming processes
- ⇨ The communication styles of the organization contributes to the Self-esteem of the customer

  The communication tools in general contributes to a better corporate image

**Questions for self-auditing:**

**For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

## D. VERIFICATION, VALIDATION, DOCUMENTATION AND MONITORING OF THE EMPLOYMENT SERVICES DELIVERY

### D.0.Verification, validation and documentation of the services delivery

**Statement:** Management of the employment services organization shall establish and implement the inspection or other auditing activities necessary for ensuring that services delivery and offer meets specific customer needs and expectations.

**Indicators:**

- ⇨ There are specific and tested (validated) forms for monitoring and measuring the quality of the delivery processes of the services
- ⇨ To establish forms of internal auditing at planned intervals to determine whether the quality management system conforms to the planned objectives and benchmarks or standards
- ⇨ There are specific and tested ( validated) forms of monitoring and measuring the effects or results of the services in the customers
- ⇨ There is a good management of the lines and flows, to avoid time waste of the customers
- ⇨ The organization makes known and publishes data, information, periodical reports about the services delivered, the quantity and quality of the results achieved, the impact or effects of the activities on the social context and labour market
- ⇨ The monitoring and evaluation/verification activities are documented, kept and traceable
- ⇨ Preventive and corrective actions are made to eliminate the non conformances and to ensure the continuous improvement, according to the Total Quality Management principles
- ⇨ It is defined the criteria, scope, frequency of the audit and audit methods
- ⇨ Auditors should have needed competence to perform audits
- ⇨ Those responsible for managing the non-conformances found decide for the need of actions and implement in a diligent manner those ones

**Questions for self-auditing:**

**For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

**D.1.Customer satisfaction**

**Statement:** The organization shall monitor information relating to customer perception as to whether the organization has met customer requirements and expectations

**Indicators:**

- ⇨ To determine the methods for obtaining and using the customer satisfaction and customer perception of the employment services supplied
- ⇨ Systematic forms of customer satisfaction analysis are performed and their results are carefully examined and communicated to the staff
- ⇨ This feedback is an input for management review meetings with staff and focus groups with customers
- ⇨ A continual improvement is adopted according to the data and outputs of the customer satisfaction analysis
- ⇨ Nonconformities are under steady review

**Questions for self-auditing:**

**For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence?"**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

## SECTION B:
## THE ETHIC QUALITY

### E. CORPORATE SOCIAL RESPONSIBILITY IN THE EMPLOYMENT SERVICES DELIVERY

MAKING EUROPE A POLE OF EXCELLENCE ON CSR

Corporate social responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs. Through CSR, enterprises of all sizes, in cooperation with their stakeholders, can help to reconcile economic, social and environmental ambitions. As such, CSR has become an increasingly important concept both globally and within the EU, and is part of the debate about globalisation, competitiveness and sustainability. In Europe, the promotion of CSR reflects the need to defend common values and increase the sense of solidarity and cohesion.[5]

**E.0.Policy quality of employment services according to Corporate Social Responsibility: the vision and strategy**

**Statement:** The revised Lisbon strategy promotes growth and jobs in a manner that is fully consistent with sustainable development, which remains an overarching long term goal for the European Union. Enterprises, as the motor for economic growth, job creation, and innovation, are key actors in delivering the Lisbon and sustainable development objectives. Europe needs business to do what it does best: to provide products and services that add value for society and to deploy entrepreneurial spirit and creativity towards value and employment creation. However Europe does not need just business but socially responsible business that takes its share of responsibility for the state of European affairs. In its contribution to the March 2005 Spring Council, the Commission recognised that CSR "can play a key role in contributing to sustainable development while enhancing Europe's innovative potential and competitiveness". In the Social Agenda, the Commission announced that it would, in co-operation with Member States and stakeholders, present initiatives to further enhance the development and transparency of CSR. In the revised Sustainable Development Strategy, the Commission called "on the business leaders and other key stakeholders of Europe to engage in urgent reflection with political leaders on the medium- and long-term policies needed for sustainability and propose ambitious business responses which go beyond existing minimum legal requirements".
Therefore, corporate social responsibility means to behaviour in ethic and honest way, beyond the simple respect of the laws.

**Indicators:**

[5] Commission of the European Communities: Implementing the partnership for growth and jobs :making Europe a pole of excellence on Corporate Social Responsibility Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, Brussels, 22.3.2006, COM(2006)136 final

CSR practices are not a panacea and cannot on their own be expected to deliver these outcomes. They are not a substitute for public policy, but they can contribute to a number of public policy objectives, such as:

- ⇨ more integrated labour markets and higher levels of social inclusion, as enterprises actively seek to recruit more people from disadvantaged groups;
- ⇨ investment in skills development, life-long learning and employability, which are needed to remain competitive in the global knowledge economy and to cope with the ageing of the working population in Europe;
- ⇨ improvements in public health, as a result of voluntary initiatives by enterprises in areas such as the marketing and labeling of food and non-toxic chemicals;
- ⇨ better innovation performance, especially with regard to innovations that address societal problems, as a result of more intensive interaction with external stakeholders and the creation of working environments more conducive to innovation;
- ⇨ a more rational use of natural resources and reduced levels of pollution, notably thanks to investments in eco-innovation and to the voluntary adoption of environmental management systems and labeling;
- ⇨ a more positive image of business and entrepreneurs in society, potentially helping to cultivate more favourable attitudes towards entrepreneurship;
- ⇨ greater respect for human rights, environmental protection and core labour standards, especially in developing countries;
- ⇨ poverty reduction and progress towards the Millennium Development Goals.

**Questions for self-auditing:**

**For each indicator try, please, to put the question: "In which degree I believe that this indicator has objective evidence in the vision and strategy (table of values) of my organization?"**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about this quality cluster of indicators?

### E.1. Employment services planning and designing according to the Corporate Social Responsibility: the activities and priorities

**Statement:** Management of the employment services organization shall determine, provide and carry out the employment services delivery, according to the CSR requirements in the processes and interactions with customers, society and environment

**Indicators:**

- ⇨ To build our customers' trust through sincerity, enthusiasm, and creativity in all our corporate ( or institutional, for public employment services) endeavours
- ⇨ To strive for total innovation from a global perspective by conducting our mission rich in originality.
- ⇨ To conduct fair and open business operations while acknowledging our social responsibilities and aspiring for harmony with our global environment.
- ⇨ To create a positive working environment by maximizing our individual talents and strengths as a team
- ⇨ To enhance our corporate standing and promote the continual development of the organization through the exploration of new possibilities

- ⇨ Fostering innovation and entrepreneurship in sustainable technologies, products and services which address societal needs
- ⇨ Helping SMEs to flourish and grow
- ⇨ Assisting enterprises to integrate social and environmental considerations in their business operations, especially those in the supply chain with our organization or in network or in partenrship with our organization
- ⇨ Improving and developing skills for employability, especially for the disadvantaged people
- ⇨ To contribute to the local development programmes as active stakeholders of the territorial pacts, integrated territorial projects, industrial clusters and districts, agenda 21, and other local co-operation forms for development
- ⇨ Better responding to diversity and the challenge of equal opportunities taking into account the demographic changes alongside the rapid aging of the European population
- ⇨ Improving working conditions, also in cooperation with the stakeholders or the enterprises in partnership
- ⇨ Enhancing pro-active dialogue and engagement with all relevant stakeholders
- ⇨ Operating outside the borders of the European Union in a socially responsible way as companies do inside the European Union

**Questions for self-auditing:**

**For each indicator try, please, to put the question: In which degree I believe that this indicator has objective evidence in the planning and designing of employment services?**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about these social responsibility indicators?

**E.2.Employment services tools according to the Corporate Social Responsibility:**

**Statement:** Management of the employment services organization shall adopt the appropriate tools, in order to implement the organizational processes according to the CSR guidelines.

**Indicators:**

- ⇨ To create a positive work environment with adoption of the Social Accountability 8000
- ⇨ To do every years the "Social Balance" through the Social AccountAbility 1000 guidelines
- ⇨ To use for the customer guarantee and rights the "Services' Charter"
- ⇨ To determine an internal code of behaviours with the customer, the stakeholders and the referents of the networking and partnerships actions and programmes
- ⇨ To elaborate a "values compass or table" as benchmark for the "ethic" vision of the organization in the society

**Questions for self-auditing:**

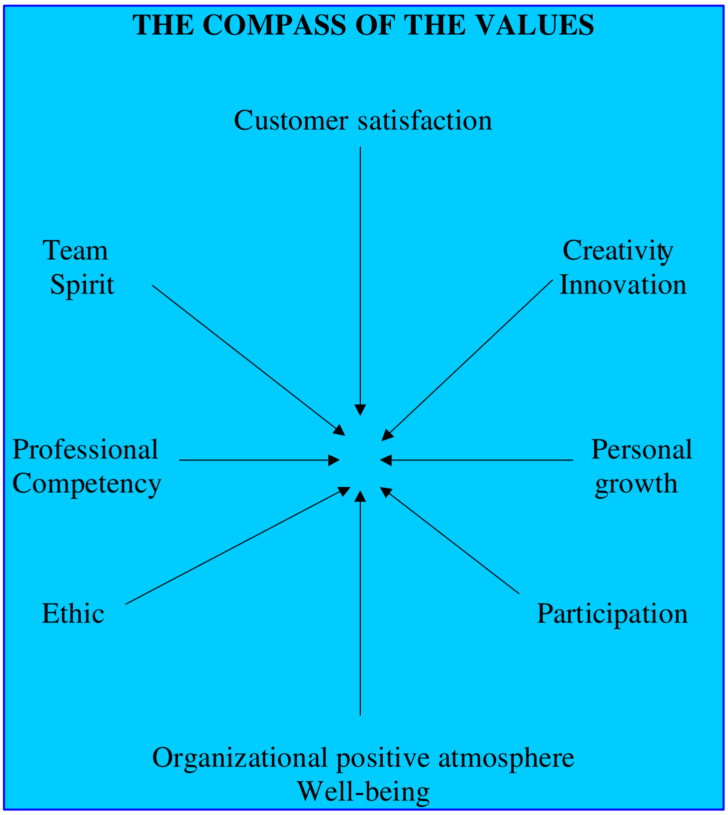
**For each indicator try, please, to put the question: In which degree I believe that this tools of ethic priorities have objective evidence in the organisation of the employment services?**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about these social responsibility indicators?

## EXERCISE N.1:

**Example of visual presentation of the "values compass or table" of the organization**

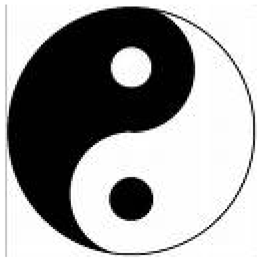



## EXERCISE N.2:

The indicators of the Corporate Social Responsibility according to the Ministry of Labour & Welfare – Italy, traceable in: http://www.welfare.gov.it/csr_cd/html/social_stat.html

# SECTION C:
# THE CO-OPERATION AND NETWORKING QUALITY BETWEEN PES AND PRES

YOU ARE NOT OBLIGED TO DO IT: SURVIVING IS NOT A DUTY



Competition and co-operation became the ying and the yang of the global market. The idea that a central government – a huge mainframe – is the most important component of the policies system, is obsolete. The networking between cultural, social and professional organizations is becoming more and more important…What is happening is, basically, a change of the power models: from the state to the subjects, from the vertical to the horizontal, from the hierarchies to the networks, from the pyramids to the lenses.
*(Free comment on the John Naisbitt considerations in: "The global paradox")*

*K. Lewin: "The striving commitment of two or more subjects who work together for a common goal is more than the addition of their single efforts"*

## F. AGREEMENT ON THE VALUES, MISSIONS, STRATEGIES AND ROLES

### F.0. Agreement on the values to be respected and adopted in the private and public employment services policies:

**Statement:** Co-operation and networking should be deeply founded and rooted on the same ground values about the democracy, citizen's rights' fulfilment, solidarity and other values connected with the job and employment policies.

**Indicators:**
- ⇨ To introduce in the mission strategies and organizational policies statements the same values, in order to build a solid basis for the co-operation between private and public employment services
- ⇨ To share the " vision" related to the job as one of the basic premises for the full citizenship and social, economic and professional inclusion of people
- ⇨ To adopt the quality assurance systems and ethic quality guidelines to make comparable and consistent the dialog between all the partners of the co-operative issue and networking
- ⇨ To do a large use of benchmarking programmes and actions to test the common vision of values and the common indicators of efficiency in the processes and the common indicators of effectiveness in the outcomes and expected results
- ⇨ To experiment frequently the project management forms and pilot projects to prove and re-prove the co-operation feasibility in short, medium and long term
- ⇨ To develop forms of exchanges not only of the best practices but also of the personnel for temporary internships to optimise the collaborative actions
- ⇨ To participate together to all the local development programmes and job creation projects, set up and carried out by the territorial networks like territorial pacts, integrated territorial projects, European structural funds applications , especially European Social Fund, employers and trade unions co-operation programmes in the vocational training and career guidance

**Questions for self-auditing:**

**For each indicator try, please, to put the question: In which degree I believe that this tools of ethic priorities have objective evidence in the organisation of the employment services?**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about these social responsibility indicators?

**F.1. Agreement on the distinction of the functions and roles, of the reciprocal roles expectations:**

**Statement**: A co-operation will be so effective and durable as the roles and the reciprocal roles expectations will be clear, submitted to periodical review according to the changes of the labour market requirements and the evolution of the normative frame of reference.

**Indicators:**

- ⇨ To introduce the same distinction adopted by the Quality System between the Organizations which release the "accreditation" or "certification" and Organizations which are accredited and certified : between the organizations which release the licensing and those which receive a formal licensing to provide employment services in the labour market, there must be no "confusion" or "fusion" or "intersection" or "interest conflict"
- ⇨ To reckon the role of the "public employment services" accreditation of the private actors and auditing and inspection for the conformities to the norms and legislation
- ⇨ Every interest conflict between accreditation bodies and executive bodies should be carefully avoided
- ⇨ To establish clearly and in progress the reciprocal role expectations and distinguish them in compulsory, preferential and optional without commixture
- ⇨ To focus all the efforts on the contents and objectives of the relation and co-operation and not on the status and social desirability, visibility and reputation
- ⇨ To recognize explicitly (e.g. in the reports or other objective evidence) the contribution of the partners in the action purposed, in the results achieved, in the success obtained
- ⇨ To reckon the project leadership of the "public employment services" in the employment policies priorities
- ⇨ To reckon an appropriate rotation of the project leadership in all the programmes and actions concerning all the services provided, excepted the specific roles of the public services and authorities above mentioned

**Questions for self-auditing:**

For each indicator try, please, to put the question: In which degree I believe that this tools of ethic priorities have objective evidence in the organisation of the employment services?

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| | | | | | |

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about these social responsibility indicators?

**F.2. Agreement on the reciprocal supply chain services delivery and the appraisal of the value chain performed:**

**Statement: To agree with the relevant roles is a premise for an agreement about quality services delivery and performances, so well that customer comes to perceive a providing parity power [6]**

**Indicators:**

- ⇨ To establish agreements for a mutual auditing action of second part when applicable for the qualitative measurement and evaluation of the effective value produced for each other to implement and/or improve the employment services delivery to the customer
- ⇨ To be able to enlarge in all flexible possible forms the networks and partnerships, involving all the stakeholders, to join better or more rapidly (on time) the customer (job seekers) needs and expectations
- ⇨ A long-term relationship between the partners and the knots of the network is characterized by teamwork, mutual confidence, and common goals regarding customer satisfaction.
- ⇨ The supplier implements quality assurance processes and auditing of first part (internal) to limit or eliminate incoming inspection by the second part[7]
- ⇨ They create common telematics platforms and database and favour all the opportunities offered by the information and net technologies to ensure a permanent on line inter-connection, availability and access
- ⇨ They devote every effort to create an inter-operability of the systems to set up an integrated management of the matching demand and offer of employment
- ⇨ Each partner becomes suppliers of the others and dispose the interactions processes so that costs are lowered and offers are improve
- ⇨ The recruitment and selection of the members of the network are made according to the consistency and congruity of the quality of the services provided and the efficiency, responsiveness and competence of the performances
- ⇨ Quality of the communication strategies of the network as a whole and the channels or tools used for information to the customer (e.g. advertising campaigns, fairs, meetings…)
- ⇨ Advertising and diffusion of the information in appropriate places (e.g. info-points, portals on the web etc.)
- ⇨ The existence of One-stop-shops for services to the special targets groups (e.g. immigrants, disable people etc.)

**Questions for self-auditing:**

**For each indicator try, please, to put the question: In which degree I believe that this tools of ethic priorities have objective evidence in the organisation of the employment services?**

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|

**References and proofs on the best practices**: Have you some references and sources to be documented on the best practices about these social responsibility indicators?

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[6] The "providing parity power" could be a very similar benchmark to the "purchasing parity power" (PPP), that's used in all the economic performances' comparisons at international level.

[7] The auditing action in the quality systems (e.g. ISO 9000 series) is: first part, if the auditing is internal, that's carried out by an internal inspector about the quality conformities; second part, if the auditing is made by the client about the quality conformities of his supplier; third part, if the auditing is made by an independent organization, whose inspection is carried out by certified auditors. More the internal auditing (first part) is accurate, more the second part and third part auditing will be positive.

### F.3. Evaluation of the quality traits of the interactions "rituals" and patterns:

| | *0* | *1* | *2* | *3* | *4* |
|---|---|---|---|---|---|
| Reciprocity | | | | | |
| Cohesion | | | | | |
| Consistency | | | | | |
| Complementary support | | | | | |
| Integration/System paradigm | | | | | |
| Durability | | | | | |
| Loyalty/trust | | | | | |
| Value sharing/vision | | | | | |
| Dependability/confidence | | | | | |
| Diversity management/complexity management | | | | | |
| Customer oriented management | | | | | |
| * Other traits ………………………………………… | | | | | |

** To be completed by each organization according to the agreements of the networks*

**Final degree (Mean):**

0-1 = very weak partnership and network (neither capability nor positioning in the competitive system)

> 1 to 2 = modest partnership and network (sufficient capability and poor positioning in the competitive system)

> 2 to 3 = good partnership and network (positive capability and good positioning in the competitive system)

> 3 to 4 = excellent partnership and network (great capability and high positioning in the competitive system)

**References and proofs on the best practices** : The governance models concerning the employment services and employment policies actions have been steady adopted by the

**RULE N.1 TO ESTABLISH AN AGREEMENT:**
**TO AGREE TO AGREE**

European Union since the beginning of the nineties (from the White Book by Delors to the Summit of Lisbon), with positive impacts on the problem solving approach of the concerned policies.
Therefore, all the positive experiences on this field could suggest and consolidate good practices, especially for the adoption of the bottom up methodologies and the respect of the subsidiarity principle. That's the original and winning asset of the European Union positioning in the competitive system of the globalization, as integrated philosophy between the market and the welfare, the centralized and decentralized powers, inclusion policies and value creation.

**3.5. Conclusions:**

The present guidelines for employment services quality assurance are only the methodology for starting up: methodology means "μετα την οδον ", that's to look for the truth on the road.
Such a "manual" does not yet exist in literature : all the partners involved in this programme are asked to continue their creative work and to "shape" this guidelines according to their own reality, institutional and social conditions, the different stage where they are, without "copy" or "imitate" the others countries, but looking for the "harmonization" in the diversity : the integration is a result of a "process" ( generally slow and gradual ): paving a way to the integration becomes possible only through the "subjective" key of the behaviours and attitudes above mentioned.
The governance style of the European Union requires this multi-facet approach: there is no country no region, no population who has perceived the process of "unification" as something imposed.
The new Europe considers the cultural differences as an asset: the delay of some aspects concerning the institutional or economic or social organizations of the member states should not be considered as something to be erased, but to be changed gradually and through dialog, benchmarking, work in progress etc. Europe becomes the great lab where all can be citizens of the world and the integration policies are coherent with its identity and mission.

**A SWARM OF BEES, A UNIQUE FLIGHT**

*(Ortega y Gasset about the Europe)*

The same paradigm inspires also the team work of the different European networks, like the present project, the different networks of the employment services providers (public and private) in each country, the organizational atmosphere of team spirit within every single provider: a style which is specific and typical of our millennium.

## ANNEX 1 – INTRODUCTORY SPEECH ON THE OCCASION OF THE KICK OFF MEETING IN BRUSSELS ABOUT THE PES/PRES PROGRAMME[8]

**EUROPEAN COMMISSION**

Project VP/2005/008

**PUBLIC AND PRIVATE SERVICES: TOWARDS A QUALITY ASSURANCE SYSTEM**

Brussels

June $15^{th}$ –$16^{th}$, 2006

**Title of the Official Opening Speech:**

Which quality assurance scheme and which specific methodologies can be adopted to manage evaluation processes of potential providers in a "quasi-market" approach (qualitative and quantitative indicators)?

*by Mr. Romano Toppan, Chair of "Human Resources Development and Management"- University of Verona*

### Introduction:

As consumer, we use services every day. But also as citizens, even as simple human beings. For example, all the relations based on the exchange of tangible or mostly intangible transactions, are a form of service.

Service comes from an Indo-European linguistic root: *swer*, that means "to hold the eyes on something", to take care of someone, without any diversion, to focus on people who are the scope of my attention. The attention of this linguistic root is so high that a prevention of the needs or expectations of the targeted people is required. From this root comes also the Sanskrit word "*varutà*" (protection), the greek "*horàn*" (to see, to look at) and "*aretè*" (excellence), the latin "*servus*", "*servitium*", and also *servare* and *observare*. Even the words *veritas* and *verecundus* (respectful).

Therefore we have enough inspiration to state that services don't have anything to do with the usual meaning we consider: "servile" works, birth, feelings etc.

### De la servitude au service: from slavery to delivery

The most important change in the history of the civilization has been the transition from the society founded on the "servile consciousness" (as Hegel said) to the society founded on the "service responsibility": with democracy and the rights of the man and citizen, according to the great revolutions in the United States of America and in France at the end of the XVIII century, finally begins the era of the services and the economy of the competitiveness , against the era of the slavery and the economy of the privilege and situation rent.
This is the essence of all the principles, concepts, vision and methodologies of the services' quality.

[8] Some elements of this "first" speech have been adopted also in the final report of the Manual: nevertheless, I have preferred to keep the original text of the speech, to draw the attention to the "evolution" of the contents and proposals during the path of the research.

### The experience of the services and the social capital

The first consideration that I would like to stress in this seminar, is that services quality has a close connection with the quality of the social capital. The “servile consciousness” quoted above is the fruit of the “unhappy consciousness”: the complete lack of self-esteem as human being and the perception of the lack of meaning in our existence. On the contrary, the molecular experience of the “services”, from the State as organisation that ensures the rights of the citizens as equal in front of the constitution and legislation, to the local institutions, the firms, the schools, the banks, the assurances, the enterprises, the shops, the hotels etc.: all these form the immense “pedagogical province” which generates the social capital of a community, a region, a state, even a union of states like the European Union or the Council of Europe or the World Bank, the United Nations etc. If the quality of the services is low or does not exist, the quality of the social capital should be also low or not existing at all.

The actions concerning the quality of the services are urgent nowadays, because the social capital is vanishing day by day.
Social capital is composed by the competencies of the people and the quality of their relations and interactions (especially through the “trust” indicators): these elements are more intangible than tangible: **the social capital and its quality**, intensity and dynamics, is the premise of every effective outcome in all the strategies for improving the society as a whole.

A community, or a region or a state with poor territorial capital could become prosperous with a good social capital: with poor social capital there is no way that they can become prosperous, even if endowed with a good territorial capital. We have many examples of that and the battle for the maintenance of the social capital will be very hard in the next future, because of the gradual impoverishment of the social capital also in countries which were the hinge of that vision, like the United States. If Alexis de Tocqueville travelled today to United States, I believe that it should be very difficult for him to recognize the same country he visited in the Thirties of the XVIII century. His bad appraisal of the old Europe, with its conservative aristocracy and its slowness in the track of the democracy, could be perhaps a little better at present.

The social capital is fragile: we need much time to create it, but only a few years, a decade or so, are enough to destroy it almost definitively.
The World Bank defines social capital as "the institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions (World Bank, 2000)." Social capital is explicitly relational. It cannot be produced by individuals acting in isolation from one another. In sum, social capital reflects the value of cooperative social activity.
Families, communities and nations differ in their endowments of social capital. In some, the social networks that give rise to social capital are dense and efficiently organized. In others, levels of quality are low and the stock of social capital is meagre. Recent theory suggests that communities possessing relatively high levels of social capital will experience higher levels of economic performance and social welfare (other things being equal).

The machine that generates the most part of the social capital is the “quality of the services”: from the services provided by the families, based on gratuity, to the educational services, from the post offices to the bank and assurances, from transportation, communications and utilities to retail trade, from the government bureaucracy to the hospitals, from the hotels to the restaurants, museums, events, concerts etc. More than 50% of the GDP all over the world is made up by services.
The “access era” (Rifkin) and the “economy of the experiences” (Pine & Gilmore), the network society (Castells) and globalization (Giddens), the happiness economy beyond the money (Kahneman & Diener) and the sustainability programs (UNEP) are the objective evidence that we are building a society where man doesn’t produce objects anymore, but rather “relations”, no longer items, but rather himself, no longer GDP, but rather HDP.

### Approach to the quality

Taking into consideration the central role of the quality of the services to generate the open society and its social capital, source of the all other forms of development, growth, wealth and well-being, the correct approach to the quality of the services should ensure that a service or a services' set:
Taking into consideration the central role of the quality of the services to generate the open society and its social capital, source of the all other forms of development, growth, wealth and well-being, the correct approach to the quality of the services should ensure that a service or a services' set:

- **Be embodied into the social capital** of the society and its value table: without a moral premise, which establishes that the quality is meeting, then exceeding citizens' needs, requirements and expectations, stated and implied, at the lower possible cost and a continual (not only a continuous) improvement of the performances, we could have a good stage where all the details and decorations are perfect, but the effectiveness is absent;
- **Be honest**: the quality of the service implies that all the relationships or transactions shaped in accordance with the one up/one down style or with the manipulative behaviours or cheating strategies (sadly so frequent both in politics and in business) should be carefully avoided, even hardly punished by law and by the social blame. The "promises", especially those connected to a "sensitive" human need or expectation like job, must be offered and communicated with honesty: e.g. the experiences of many ESF courses have been and are very often "not honest" and a form of exploitation of the state of necessity. The congruity is easily perceived by the customers, more than people usually imagine.
- **Be realistic**: quality of the service requires also its "feasibility" as matter of fact. The unfeasible programmes or projects, without appropriate resources (technological, human, cultural and financial), risk to enhance the level of the expectations and create much more disappointment than the former situation, that people wanted to improve. It is preferable to delay the start-up of the services delivery than to deliver the services which generate disappointment: this can produce a worse equation between the quality received, the quality perceived and the quality expected. Sometimes it happens that the "reforms" of the old, inefficient, not effective institutions like the Employment Services, consist more or less only in the "change" of the name and their juridical rules, but they keep the former employees, without a real innovative empowerment : everything must change to let everything stay as before. If the "new" centres or services for employment promise to be more effective, more able to deliver a service just in time or on line to match the demand and offer or other similar promises, it could very disappointing experience for the customer to discover that all this is only a marketing strategy for the politicians and/or for the bosses of the bureaucracy ;
- Have citizens and communities involved: since the nineties, also the public institutions and services are clearly aware that the world and the society were becoming too complicate, with the internationalisation, globalization, innovation etc. The traditional forms of the institutional architectures and the representative democracy was no longer so precise and predictable like it was preached by the "functionalism". All the rules and the models of governance vs. government are rapidly changing: the "gap" between the citizens and the institutions enlarged day by day, the distance between the formal leaderships and people was impressive and continues to be impressive up to now (Rifkin).
- **Be communicated and known by the people**: this requirements is linked with the success of the former statement concerning the degree of the citizen's involvement. To involve people can be achieved through the communication strategies and information equity(Joseph Stieglitz) ;
- **Be specific** : in many products or services, we have the "scale economies "that provide a large quantity of goods, items, assurance policies, even "experiences", emotions, travels etc. in standardized forms for thousands or millions of people with few customized details. Nevertheless, the satisfaction of those services are at any rate connected to the perception that we are considered "subjects", not a "mass". The most part of this effect is generated by the quality of the "personalities" who provide services, especially those who are in direct contact with the clients. Nevertheless, the "employment services" need to be much more customized than many other services, because of the deep relevance and meaning of the job and the role achievement therewith: to be so specific as possible is one of the most typical challenges of such a service. The "negotiation" with the client and the co-makership of the service in the employment domain have to be very attentive, proactive, well prepared, well followed in the "after visit or after meeting" approach (Robert Solow and John Rawls).
- **Be saving cost effective**: the creation of institutions, agencies, NGOs, bureaucracies etc. to set up a mission "possible" for the unemployed people or the job seekers, could be considered a "paradox" if the cost of this "machines" overcomes the results and if the image of those heavy "stores" is perceived as places where the only job creation ensured by them is the job of the employees themselves. Even worse, if the salaries and the opportunities of the employees have visible incongruity with respect to the poverty and lack of opportunities of the customers. It is not so rare that many people, not always according to their merits, enjoy a "good" and generous social status of job thanks to those who don't get it. This is the reason why the most liberal countries (where democracy is quite effective) have already abolished the "public" monopoly of the employment services, to avoid both the high costs of the bureaucracies and the high incongruity of the brand and image to the eyes of the clients or beneficiaries. Nevertheless, we have also examples of countries where the fall of the public monopoly has not lowered the costs of the former institutions involved ( they have changed their "name" and the juridical forms, not the budget and the number of the

employees) and additionally many other organizations, both public and private, both national and local, are created ad hoc, giving a great impression of liberalism and diversification of structures, but without reducing the global costs, so that the correlation between the amount of the costs and the quality of the effects or outcomes is becoming worse than before;

- **Be improving quality of life**: as already emphasized in the paragraphs concerning the social capital quality, the employment services, so as the services in general, are very strictly linked with the "well-being economy" and its vision. To have the right to the happiness is written in the Independence Declaration of the United States of America and included in their Constitution: we know that this is an utopia, but nobody has the right to avoid the paces ( gradual, little, but clear ) paving the way towards that goal or that benchmark. The sense of the European Union, of its creation and constitution, the sense of the constitutions of many other states, the sense of the most part of the Universal declarations, conventions, treaties, conferences etc. is there to draw our attention and the attention of all the institutional, social, economic and cultural bodies to finalize exactly this utopia. A real balance of the wealth of the Nations cannot be identified only with the traditional Gross Domestic Product , but also with the degree of well-being of the citizens, families and communities, that's of the real human being in its "sitz im Leben"(Layard);
- **Be monitored in their effects** through customer/citizens satisfaction analysis and other performance measurement tools: quality must be measured. Without measurement, without a customer satisfaction analysis, we don't have any quality at all. We are not dealing with a simple philosophical principle to be announced, rather a benchmark of this principle to be joined. *Verum est factum*,said the ancient thinkers. The quality is composed by many "truth moments": all these moments correspond to the steps achieved, to the improvements performed, to the failures and errors prevented, according to the logical framework proposed by Deming and by the other fathers of the quality systems, since the forties'. Many of these fathers or pioneers of the quality systems were specialized in statistics: it was through the measurement of the processes and the evaluation of the outcomes (and the consequent discovery of the waste) that the quality systems have been introduced in almost all the industry and services organizations.

**The benchmarking as strategy for continual improvement:**

The most important tool to implement a strategy for improvement is the benchmarking. However, we have some considerations to do on this subject and draw the attention of the experts to the limitations of the benchmarking programs.

We could summarize these limitations to the following aspects:

- Relativity
- Transferability
- Reversibility

Usually we define the services for their features of intangibility, heterogeneity (or variability), perishability of the output, simultaneity of production and consumption, but not enough the features of relativity and reversibility.
The relativity is implied in the concept of benchmarking: however we must consider a supplementary aspect of the relativity, that is the differences of the services performances in the perception of the beneficiaries, not only in their delivery processes and in the benchmark or standard therein.

For example, the delivery of cars number-plates in Germany needs 2 hours, in Italy 60 days. Or to get a tax refund needs a couple of days in Germany, a couple of years in Italy. So it is not correct to do a benchmarking on the simple performances, because the quality of the services processes are not comparable and the use of the "best in the class" performance as benchmark is not honest. From the citizens' point of view, i.e. from the customer satisfaction measurement, to reduce the time from 60 days to 30 could be perceived much more exciting for an Italian citizen, while to get the number-plates in 4 hours instead of the usual 2, could cause heavy dissatisfaction in the German citizens.

The same consideration should be made for the "**transferability**": it is easier to transfer processes concerning the production of the industry than the processes of the services, because of the elements of creativity or other skills which cannot be reproduced out of their milieu or social capital. It is impossible to transfer the fine arts attitudes of the craftsmen, or the special competencies in the negotiation of the Neapolitan people.

Moreover, the "**relativity"** is also diachronic: some benchmarks of services quality were much better in the past than in the present, like the postal service efficiency of the ancient Romans, which was the best practice until the XX century. The layers of the houses and the thermal services are other examples of the benchmarks not yet overcome. Until now.

As far as the "**reversibility**" is concerned, the examples just quoted are eloquent: we can have a society, an organization, an institution, a state, a corporation etc. that are excellent providers of the services now but not after a certain period. Reversibility and instability are embedded. We are forcing now the comparison of the services quality providers in Europe: but the methodological approach cannot ignore how many differences there are and how much we must adopt the so called "diversity management".

**Providing Parity Power: to be honest**

To be more careful in the measurement of the economy and wealth of the different countries in the world, the experts introduced the **Purchasing Parity Power**: e.g. the usual measurement of the GDP, United States is the first, but according to this new approach, China overcomes the United States and Brazil overcomes Italy.
I believe that such an approach could be adopted also in the benchmarking of the services providers, because the adoption of a unique standard or benchmark could create distortion in the quality measurement, disappointment of the people, inferiority complex in the nations, and other effects that could undermine the cohesion and the social capital of a community of the states, regions or other actors.

**Paradoxes**

We are experiencing in these days many dangers for the dependability of the quality services programmes and policies. The paradoxes on this field are increasing day by day: it seems that the correlation between the number of banks, assurances, corporations etc. certified in accordance with the quality systems, the Corporate Social Responsibility codes, the Ethic charters, the Social Accountability 8000 and so on, and the real, actual quality delivery of the services are opposite of what should be expected.
The Potemkin effect could be a strong temptation: to avoid it, we have to set up very independent authorities, with effective interventions both in the States and in the European Union.

**Paradigms**

A correct approach implies also the attitude to the falsification of the paradigms adopted. I teach psychology and I was surprised, two years ago, for an interesting case of falsification, just in the quality services measurement.
The treatment of the dementia or Alzheimer disease in the aged people was normally based on the paradigm of the so called ROT, that's Re-Orienting Therapy: all efforts are made to sustain the capacity of the aged people, from the beginning of the dementia, to maintain or keep the orientation to the reality, reinforcing their sense of the time, of the facts, of the events and so on. In spite of the fact that this therapy did not succeed so much, all the professionals adopted it and established the quality of the services provided to the aged people according to the processes of this paradigm: they can be saved from their collapsing personality through the continuous exercise of the objective perception of themselves and of the reality around them. Some years ago, a new paradigm was introduced: the aged people look for a not existing reality, because the objective reality is so poor and miserable, the self-perception is so bad, that their survival tendency favours the creation of a not existing world. But, when we listen to a child, who is talking with a not existing person, we are delighted for his genial performance and consider that fact as sign of creativity. Why not the same for an aged people? The Validation Therapy[9] has been introduced and is considered much better than the former paradigm: we have to respect the aged people as they are, not as we would like them to be.
All the efforts must be made to change the criteria of the service quality and the processes therein.

**Networking and the quality of the value chain: the fractals of Mandelbrot**

We usually consider the networking of public and private services as one of the most strategic challenge for the new forms of governance: this is correct, but the methodology of the approach to do this and to choose

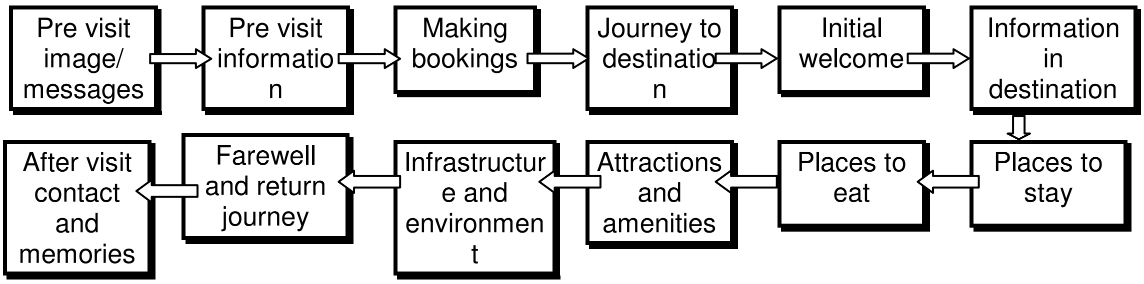
9 Naomi Feil, The Validation Breakthrough: Simple Techniques for Communicating with People with "Alzheimer's-Type Dementia" (Revised by: Vicki De Klerk-Rubin), Health Professions Press, 2002; Naomi Feil (with Evelyn Sutton, Frances Johnson), *Trainingsprogramm Validation*. Reinhardt, München 2001

the appropriate form of measurement of the services quality provided by a value chain of providers connected with each other, is the **paradigm of the fractals**, elaborated by Mandelbrot to try to make all forms of chaos understandable.

Services Quality is very difficult to design, to plan, to apply, to check and to improve in all single units of supply chain: we can hardly imagine how complicate is to ensure the equivalent quality of the services in a network of suppliers. The success can be achieved only through a continual, steady and very creative work in progress, towards the approximation, in accordance exactly with the Mandelbrot formula and the empirical pragmatism of the problem solver. The best practice in this field is only the "*excellence of the imperfection*". As a writer said: "It is not difficult to understand the curve of Gauss. The real difficulty is to understand Gauss' wife".
Zygmunt Bauman, the old wise sociologist, quoting Kafka, states that our way out is to consider Europe as a lab where we all have to run through the corridors, to open all the doors, to climb the ladders changing the floors to infinity.
**The example of the value chain of the tourist services** shows how complicate is the networking between public and private services and how complicate is to ensure the equivalent quality in every step of the chain. Besides, the final perception of quality for the customer is not separated.

**Flow Chart N.1**

**The value chain of the tourist services: public and private**




**Flow Chart N.2**

**The processes for quality in Tourist Services**

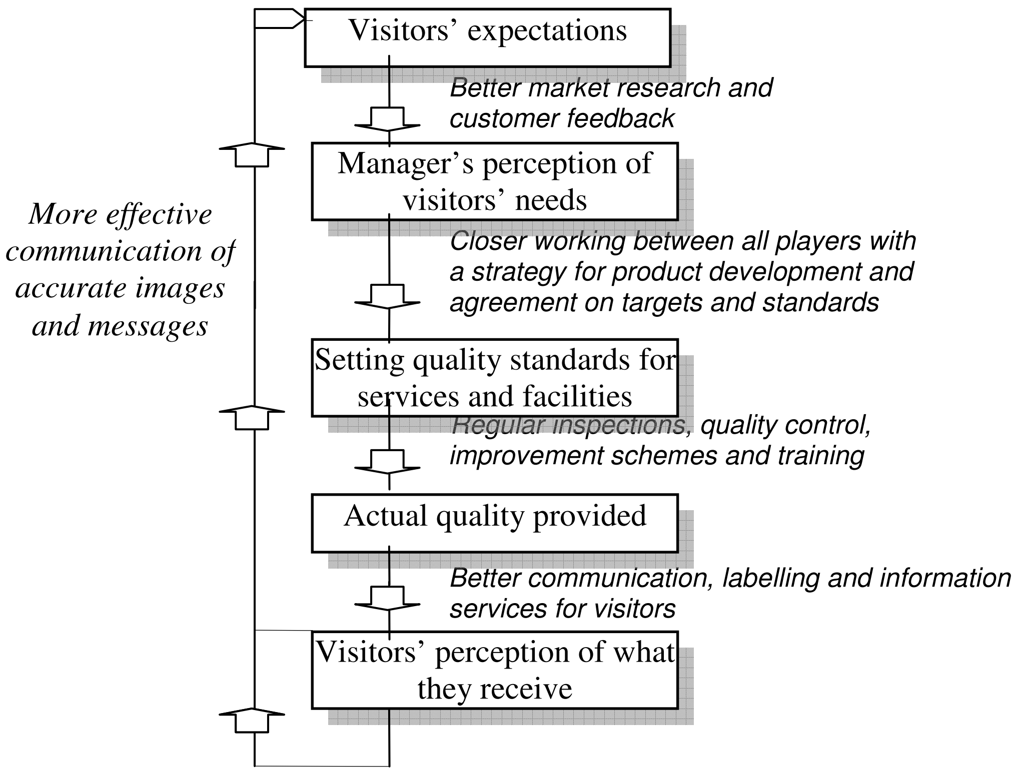
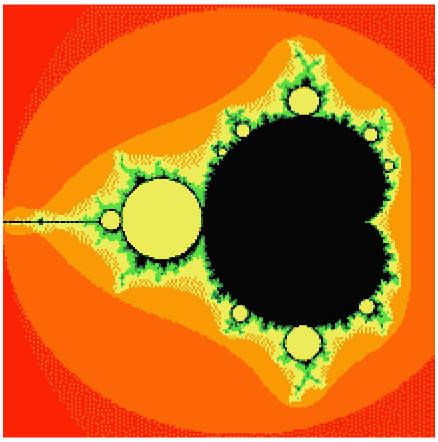


**Fig. N.1**

**The Mandelbrot fractal: the appropriate approach**



### Kaizen or Kairyo?

The guidelines for the services quality are basically in these two Japanese words, used by Masaaki Imai, one of the fathers of the quality systems.
The Kaizen approach and the Kairyo approach are compared according to their differences in the components of the activity concerned: the application to the services is evident, and we can choose the fitting approach in accordance with citizens', clients', customers' expectations.
If a service is provided in certain sectors, the expected quality is focused on safety more than on other features or outcomes, e.g. a flight of the airplane. Normally we state that the participation of the customers or the consumers to the quality of the performance should be always guaranteed. Nevertheless, services quality and customer satisfaction are often more likely ensured by a directive action by service providers, without any participation or involvement of the clients. It is evident that an unemployed young or worker is less interested to the smiles, the warm reception, the clean offices and the gentle behaviours of the officers, than to the opportunity to get a job. He/she prefers an actual job even offered with scarce empathy, than a great empathy without any job. To provide the services implies to satisfy the most important expectations, before than the supplementary elements of the relationship.
Moreover, the mode of the co-makership as compulsory for the quality of the services is false. This is true in most cases and activities, but not as a dogma of the faith.

**Tab. N. 1: Comparison between Kaizen and Kairyo**

| ACTIVITY | KAIZEN: slow improvement | KAIRYO: re-engineering |
|---|---|---|
| *Level of the change* | *Gradual & continual* | *Radical, sudden and not steady* |
| *Starting point* | *Existing processes* | *Zero point* |
| *Frequency of the change* | *Continuous* | *Once* |
| *Speed* | *By little degrees* | *By great strides* |
| *Timing* | *Continuous and in progress* | *Intermittent* |
| *Involvement* | *All* | *Few and selected* |
| *Participation* | *Bottom up* | *Top down* |
| *Approach* | *Collective, team working* | *Individuals efforts* |
| *Style* | *Consent* | *Directive* |
| *Risk* | *Moderate* | *High* |
| *Rules* | *Adaptation and evolution* | *Conflicts and discussions* |
| *Forms of action* | *Maintaining and improvement* | *Dismantling and building* |
| *Evaluation criteria* | *Process and striving for the best practices* | *Results and profits* |

**Final Considerations**

*Consideration n.1.*

I draw your attention to the forms of action: Masaaki Imai says that in most cases the quality improvement can be reached through the Kaizen methodology, but sometimes it is necessary and compulsory to adopt the Kairyo methodology. The experience is that usually people do **exactly the opposite choice**: dismantling what is good, maintaining what is bad. The bad organizations have normally a longer life than the good ones. Moreover, all the presents here can swear that every time one tries to improve or renew an organisation or a process, his life becomes immediately worse.

Reengineering normally refers to a drastic, dramatic process improvement in certain areas of management utilizing computer technologies. However, reengineering addresses only a limited area of problems in the company and brings about limited improvement, no matter how dramatic. Reengineering probably will always have its place as an organizational change process. But it is relevant in limited circumstances because, ultimately, it produces short-term and static results. Reengineering is like innovation: We expect innovation to occur all the time, yet we know it doesn't happen. It's unrealistic to expect reengineering to be applicable all the time. That would cause chaos. *Kaizen* is a more lasting improvement process.

*Consideration n.2*

Kaizen has a great impact on the costs of the services. To ensure the quality is not so **automatically friendly** with the customers, clients, citizens, beneficiaries etc. without a commitment for the lower possible costs.

The Baumol law is clear: the services are not so easily flexible for the downsizing of prices. On the contrary, the services are the economic area where the bubbles are well covered and the cheating strategies are spread. In the public services, for example, the employees are paid according to their costs, not according to their value. Some research we are setting up at the University of Verona on the gap between the costs and the value creation in the public services show that a percentage of circa 60% of the costs for the personnel are simply without any value creation. In other words, we pay 100, what is worth of profitability 40. Waste is very high: quality system implies (as intrinsic requirement) to reduce the waste to nil value. Sadly, the most part of services delivery, and not only in the public institutions, is submitted to the bubbles and black holes of waste: Dentists, Lowers, Medicine Doctors, Architects, Psychologists etc. are involved in this “waste”, asking to be paid much more than their real merit. In spite of the many services, provided by professionals in forms of full “routine”, they want to be paid the last routine service at the same price of the first ones, for ever. A decreasing value of their performances is not considered and evaluated: the prices according to the “market demand” and average of the tariffs are out of the Quality Principles and are a truffle. We should establish a more correct principle for evaluating the value performed, differentiating very carefully what is actually implied in the innovation and problem solving, through an exercise of competencies, and what is made as banal routine: asking 200 $ for each ten minutes of counseling, without relation to the real content of the competencies involved, is a behavior more typical of Feudalism and its fiscal system, founded on the rental position and power, more than on modern capitalism set up by Adam Smith, as economy and wealth based on the value creation and not on the value position.

From this point of view, the introduction of the quality in the services domain needs as first action to clean and delete all these bubbles: the effect would be positive for customers, clients, citizens, because they get more services at the same prices, more quality in the same service, less prices or less time or less painful troubles in the services experienced. The low cost flights are an example: why do low cost companies achieve higher profits lowering the prices, while the high cost companies have great losses raising the prices?

The mystery is the use of the kaizen methodology. ALITALIA failed three years ago and is failing again, in spite of the huge support of billions of Euros, for a very simple reason: the enormous waste in the organization, the exaggerated bonus of the incompetent Managers. There was, a couple of years ago, a Chief Executive Officer of Alitalia, who received a bonus of 5 Millions of Euro when he gave up his chair, after the bankruptcy: an unworthy Bonus[10], without any correlation with the real perfornances of his duty. Similar examples are thousand and thousand in Italy, from the wages for the Politicians, National and Regional, who receive an average of 20.000,00 Euros/Month, together with a great number of privileges, discounts, benefits, irrespective of any form of evaluation of their performance, so that an incompetent and stupid politician, or a robber open to bribery and corruption, receives exactly the same of a very competent and committed politician. This profile of the Italian Society is much more near to the Feudalism than the modern and "open"society.

Most companies still subscribe to the old paradigm which says that better quality costs more money. The real challenge to management is to improve quality while reducing cost because that is what today customers want it.
Improving quality while reducing cost is the only option for survival. Often, managers take cost reduction to be synonymous with cost cutting. Cost reduction should come as a result of better cost management. The key point is how to build a management system that can reduce cost while achieving good quality.
Management has been too focused on results and not on the process of what achieves or delivers those results. They have avoided looking at the core process of the business, the one that delivers added value. Instead, they have focused on peripheral elements such as financial management, marketing, R&D and engineering which, while they are important to any business, are not the *gemba*, the value-added portion of the business.

Finally, it is a question of greater balance between process and result. The stock market places great emphasis on short-term results, which drives executive management behavior to demand results in the short term, hence the focus on finance.
We can say that 99.9 percent of all the companies in the world today are obsessed with a growth mentality. These are the companies that can make profits only when the market is growing. In real life, market demand always fluctuates. The only companies that will survive into the next millennium will be the ones that have the flexibility to produce according to fluctuating demand.

**The weaknesses of the services quality in the experiences on the field**

According to the empirical applications of many programs for services' quality improvement, there are three elements of the quality requirements that are usually weak: the **responsibility of the managers** (the wishful thinking or the painful thinking: weak strategic thinking), the **poor empowerment of human resources**, the **poor attention to the voice of clients**.

This result is often repeated in many experiences: about the lack of managers' responsibility and strategic thinking, it is not necessary to quote the laws of Murphy, but rather the statements of Edwards Deming, the

[10] The cases concerning the incredible "bonus" of many Chief Executive Officers in the Corporations, Companies, Banks, Insurances etc. were and are still one of the most undignified and scandalous events of the last twenty years: in the fifties' a CEO had an income (average) of max 25 or 30 times the salary of the employees, while in the last two decades the gap between the income of the High Managers (especially the Chief Executive Officers) joined even 400-500 times average income of their employees, without taking into account their bonus when leaved or gave up (also when they were responsible of the failures or bankruptcy). Switzerland approved a Referendum, which abolished this type of bonus for the Top Managers: Daniel Vasella, former Chairman of the Board of Novartis, had to receive 58,5 millions of Euro as final bonus of his duty: luckily he did not receive anything of that amount. For us, experts in Quality Systems applications and evaluation, it is a very heavy, severe nonconformity: we are so scrupulous and careful in the application of the "zero defects" (Crosby), continual improvement (Deming) or Kaizen (Masaaki Imai), when Company's Management establishes the targets for the workers and employees and the inspections of the Norms ISO 9001 note every light or heavy nonconformity, obliging them to review their performances, to prevent errors, to modify their behaviours etc. but we (the evaluators and inspectors) rarely apply the same intransigence and stringent approach to the behaviour, commitment and responsibility of the Top Managers, although the first requirement of the Norms ISO 9001 is precisely referred to them and in spite of the famous statement of Deming, who wrote that " 96% of the errors in a company are due, without any doubt, to the Managers". Moreover, we cannot forget on of the most famous principles of Pareto: 20% of the employees, produce 80% of the value. We (evaluators and Advisers of the Quality Systems) have not to limit our inspections on the "objective evidences" of the processes of the employees, but much more on the "objective evidences" of the employers and Top Managers. To do this, we need much more independence and ethical solidity than usually. Or are we afraid to lose our "golden eggs"? Another paradox is that all the employees are involved in Training, but rarely we see Top Managers and Employers in the seminars and assessment sessions, with independent evaluators. In many times, people who must control the, are nominated (and paid) by them, to ensure their bad or short sight.

greatest father of quality systems: “More than 90% of all the errors, nonconformity and bad performances in the organization are generated by the management”.

Also Masaaki Imai has the same opinion, when he explains the concept of *Gemba*.
*Gemba* means the place where real actions take place. It usually refers to the place where manufacturing activities are conducted in a factory as well as the place where employees have direct contact with customers in the service sectors. *Gemba* can be a hotel dining room, a car dealer's service department, a doctor's examination room. One place that is not *gemba* is a manager's desk. Managers often avoid going to *gemba* because they don't want to be embarrassed by their ignorance. They are afraid that in *gemba*, they will expose the fact that they don't know what is going on there, and often don't even know the right questions to ask. Add to that the traditional view which says that being assigned to *gemba* is a dead-end for career development. Perceptions about status and class, fear of unions, the glamour of the front office and the excitement of R&D and marketing are also probable reasons.

**Conclusion:**

The services area is a very fragile domain: a real *Glasperlenspiel*, just to quote Hermann Hesse. But they are also the “pedagogical province” where we (the *knechten*) build all the processes (molecular, day by day) of the social capital, of people’s self-esteem, who perceive through the services quality their dignity as citizens, clients, customers.
I would like to conclude by quoting the theory by Pine and Gilmore: “the citizen, the customer, the client has become “guest” nowadays, into the continuum Hostility-Hospitality”. We are guests and the services world is the host organization where we feel this important benefit to be someone, to be target of cure and care, even if I have to present as endorsement my pure human being, even without other assets. This is the utopia that Bauman considers the challenge of the European model of society, so fragile to be kept, so essential to be saved. At all costs.