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A System for Evaluating Employment Programs in Hungary

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**A System for Evaluating
Employment Programs in Hungary**

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Christopher J. O'Leary

January, 1994

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A System for Evaluating Employment Programs in Hungary

Final report on activity B.2 in the project to provide technical assistance to improve labor market analyses in Hungary, under the agreement between the United States Department of Labor and the Hungarian Ministry of Labor.

January, 1994

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EXECUTIVE SUMMARY

INTRODUCTION

In August, 1990 the W. E. Upjohn Institute for Employment Research submitted to the Hungarian Ministry of Labor a comprehensive plan entitled *Evaluation Criteria and Planning Guidelines for Employment Fund Programs in the Republic of Hungary*. This plan, based on two months of study in Hungary, proposed a practical system for the coordinated assessment and planning of Employment Fund programs. In March of 1991 a new Employment Law was enacted in Hungary. The new law changed the collection of programs for labor market support in Hungary and the relationship between the local employment centers, the county employment centers, and the Ministry of Labor.

The current project involved a revision of performance indicators for active labor market programs, development of a data system to consistently report on performance indicators in all counties on a regular basis, and implementation of the system. The system is intended to support evaluation, planning and budgeting of programs supported by the Hungarian Employment Fund. Three main principles guided work on the performance indicators system: (1) the system produced should provide useful information about program performance so as to assist effective management of programs (2) the system should be as easy as possible for counties to implement in a consistent way, and (3) the performance indicators and methodologies for monitoring and analysis should be natural extensions of existing procedures and information systems.

ACTIVE LABOR MARKET SUPPORT PROGRAMS IN HUNGARY

The system of performance indicators developed in this project was designed to provide assessment of activity in the following eight active labor market programs:

1. Retraining
2. Self Employment Assistance
3. Wage Subsidy for Hiring Long Term Unemployed
4. Public Service Employment
5. Job Creation Investments
6. Part-time Employment
7. Early Retirement Subsidy
8. Employment Exchange

THE CONCEPT OF PERFORMANCE INDICATORS

The approach to monitoring the effectiveness of Employment Fund programs focuses on timely measures which can be readily implemented and may become a natural part of the management system. The process centers on what are called performance indicators.

Performance indicators (PI) allow standardized assessment of performance across programs and counties not provided by other methods of evaluation. Furthermore, the

information from the PI system is timely so that results may be used in the annual planning and budget allocation process.

Among the evaluation methods available, which also include experimental, quasi-experimental, and econometric approaches, the monitoring approach using PI was chosen as being particularly practical at the early stage of program development. The monitoring approach to evaluation which uses PI has been endorsed by senior officials in the Hungarian Ministry of Labor, the National Labor Center in Hungary, and the Labor Research Institute of the Hungarian Ministry of Labor.

DEVELOPMENT OF THE EVALUATION SYSTEM

Since May of 1992, work to revise and implement a system for monitoring the cost effectiveness of Employment Fund programs has been under way. Under the supervision of the Ministry of Labor and the National Labor Office in Hungary, the W.E. Upjohn Institute for Employment Research worked with representatives from Borsod-Abauj-Zemplen, Hajdú-Bihar, and Somogy counties to develop and pilot test a practical system of PI. In October of 1993 nation wide training in how to conduct surveys, record data, and compute performance indicators was carried out. Nation wide implementation of the system is scheduled to begin in January, 1994.

Work on the project was accomplished during a series of visits by Dr. Christopher J. O'Leary of the W.E. Upjohn Institute for Employment Research to Hungary along with several study tours by Hungarian representatives to the United States, Canada, the United Kingdom, Ireland, the Netherlands, and Denmark. O'Leary spent more than four months in Hungary working on the project. Month long work visits to Hungary took place in May and October 1992 and during the Spring and Fall of 1993. Brief work visits to Budapest were also made in January and March, 1993. During the fellowship study tour to Washington, DC, in addition to seminars on program design and evaluation methods, work sessions on performance indicators were held.

The lengthy process resulted in a significant degree of consensus on the criteria, and a sense of participation and ownership by those who will ultimately use the system for planning and evaluation. On Thursday October 22, 1992 a grand meeting was held in Miskolc, Hungary. The meeting was attended by representatives of all groups who contributed to the development of the PI and will be working with the PI system. Representatives were from: Ministry of Labor, National Labor Center, Labor Research Institute of the Ministry of Labor, Somogy County Labor Center, Hajdú-Bihar County Labor Center, Borsod County Labor Center, and the W.E. Upjohn Institute for Employment Research. Final agreement was reached on the list of PI to be used, and the means for computing the PI.

DESIGNING THE DATABASE FOR PERFORMANCE INDICATORS

Once the list of performance indicators was finalized, specification of the data elements needed in the supporting data base began. The objective was to make the information system adequate to perform the immediate function of computing performance indicators, yet flexible enough to serve broader functions of management and evaluation. It was also recognized that the best pathway to a rich and reliable data base should exploit existing information and impose the minimum added burden on labor center staff.

Proper assessment of the effectiveness of labor market programs requires person level data on a variety of characteristics of individual program participants. Person level data on characteristics allows examination of program results by group. It also allows the development of a methodology for adjusting performance indicators targets, and may allow quasi-experimental net impact evaluations of programs. Therefore, the data base was designed to include information on: demographic characteristics, prior labor market experience, program participation information, and follow-up survey information. The data base also includes data on enterprises which run projects and provide training, and characteristics of training courses and special projects like investments or public works.

Computer experts in Borsod-Abaúj-Zemplén county, primarily Zoltan Bende and Norbert Molnar, developed computer programs to accept entry of follow-up and cost data for computing performance indicators and storage in a data base separate from the one for administration. This system is intended to be a temporary solution and a model for future software development.

NATION-WIDE TRAINING IN THE EVALUATION SYSTEM

In October, 1993 nation-wide training in use of the performance indicators system was conducted. Two large seminars were conducted to train representatives from all 20 county labor offices in the theory, survey, and data processing techniques needed to implement the evaluation part of the system. Seminars were conducted at Balatonföldvár and Malyi with over 50 persons involved in each seminar. The main aim of the training was to provide hands on practical experience in computing performance indicators.

Each of the training seminars was two days long. Training began with introductory remarks by András Vladiszavlyev, director of the National Labor Center, who encouraged training participants to be attentive since the material to be covered would be valuable in efficiently managing labor market programs.

THE SYSTEM OF PERFORMANCE INDICATORS

The principal goal of all labor market programs is to achieve reemployment of unemployed persons. Achievement of this goal is measured by the rate of reemployment and cost of reemployment experienced by program participants. The programs also attempt to

provide transitional services between unemployment and reemployment; the cost of achieving this goal is measured by support costs. There is a great variety of other goals necessitating a diversity of programs and other types of performance measures. Table A lists the PI proposed for eight active labor market programs.

AN ADJUSTMENT METHODOLOGY FOR PERFORMANCE INDICATORS

For the following three reasons, an adjustment methodology is proposed to be part of the system of performance indicators: (1) to assess the effectiveness of programs in each county considering the specific reemployment difficulties faced in the county, (2) to reduce "creaming" when counties work to meet performance targets¹, and (3) to provide incentives for targeting services to certain special groups.

Values of the performance indicators computed with county data for a calendar year may be used to establish national standards called performance targets for the following year. County performance on each program may then be compared to the performance targets annually. The performance targets can be updated annually to reflect national trends.

Using data on client characteristics and some regional economic information, it will be possible to design an adjustment methodology to adapt national standards to local conditions and provide incentives for directing services to special target groups. The Ministry of Labor may choose to designate certain groups for special attention in reemployment services (perhaps persons with eight or less years of schooling, persons not covered by unemployment compensation, the physically handicapped, and long term unemployed might be targeted for services). If this is done, methods for adjusting the performance targets by service to these target groups could be incorporated into the adjustment methodology to provide an incentive for providing service to these groups.

USING PERFORMANCE INDICATORS

While the planning and evaluation methods developed for labor market programs in Hungary will also have many unanticipated uses for management, it is expected that the five principal uses will be:

¹Creaming refers to the practice of program administrators selecting the most qualified candidates for program participation so as to increase the likelihood of program success. The analogy is to milk where the best part, the cream, floats to the top and can be skimmed off. Creaming is an issue in operating labor market programs because if only the most qualified people get assistance then the benefit to society of the programs is not as great as it might be otherwise. Highly qualified program entrants have a good chance of becoming reemployed even without the services offered in the program, while for less qualified applicants the program services might be the only realistic path to employment.

- (1) To preserve decentralized decision making about allocation of funds to various programs and service providers.
- (2) To promote superior performance by counties, local offices, and service providers through positive incentives.
- (3) To help identify and correct poor performance through technical assistance and/or sanctions.
- (4) To contribute information on performance to the funding allocation process used by the tri-partite National Labor Market Committee to allocate funds to the counties.
- (5) To ensure compliance with legal requirements of programs.

The emphasis among these uses is on positive incentives rather than punitive action.

METHODS FOR SUMMARIZING PERFORMANCE INDICATORS

For comparison of average performance across counties a summary indicator may be formed from separate measurements which are all of a similar type. For example the PI category "Cost of Reemployment" might combine information on reemployment cost from six of the separate programs. While the measure for each program is slightly different all of these PI measure the average cost of final program success: reemployment. Adding up the percentage deviations from adjusted standards and dividing by the number of PI involved yields a simple average measure of performance for a county across programs for that PI category.

A second summary approach which could directly aid counties in making their budget allocation decisions would be to compute the weighted average cost of achieving a final outcome across alternative programs, where the weights are the fraction of the total client population served by the various programs. The result of this computation is the weighted mean cost across programs. This summary measure can be used to directly guide the counties in the optimal allocation of their county Employment Fund budget across programs, because reallocating participation to lower cost programs will lower the weighted mean cost and increase overall cost effectiveness of programs.

A third approach involves transforming the quantitative information in the PI system into qualitative information for management purposes and is summarized graphically in Figure A. This diagram assumes that the values of PI vary across counties so that there is some distribution of PI values. Within the distribution for each PI it will be possible to set up ranges of critical values and allow the computerized management information system produce a report suggesting management action based on a county labor center value of a PI. An example depicted in Figure A suggests that PI values close to the national mean value

would indicate performance classified as "normal" with the suggested management action to provide the average budget increase. PI values in the "success" range would yield X percent budget increase, while those in the "excellent" range would yield a Y percent budget increase. PI values in the "Conflict" range would result in an X percent budget decrease, while a PI value in the "crisis" range would result in management assistance being sent from the NLC.

Another summary measure of performance is a simple "score" measure. The score for a given year might be the number of performance indicator measures which exceed target values on all or a given subset of performance indicators. An appeal of a score measure is that it is easy to apply. A caution about the score method and any other summary measure is to base the summary on a sufficiently broad collection of measures. The temptation to base decisions on one or a few performance indicators should be resisted, as it may result in unintended incentives.

ALLOCATION OF FUNDS

The decentralized part of the Employment Fund is allocated by a formula approved by the National Labor Market Committee (NLMC). In 1991 the formula for allocating the decentralized Employment Fund had six factors. In 1992 the budget allocation formula was reduced to have only four factors--one prime factor and three supporting factors. The prime factor was county share of the nation's economically active population, i.e. in the labor force. The supporting factors (with weights in parentheses) were: the county share of total registered unemployed in Hungary (3/5), the county share of long term unemployed in Hungary--long term unemployed means registered 6 months or more as unemployed (1/5), and the county share of school leavers in Hungary (1/5). These three secondary factors were combined and applied to the primary factor. For 1993 the only change in the algorithm for allocation of the decentralized employment fund which was made from 1992 was to change the factor "county share of the nation's school leavers" to the factor "county share of the nation's unemployed school leavers."

If the NLMC were to incorporate one or two summary measures of PI into the algorithm for allocation of the decentralized Employment Fund, it is likely to have a significant influence on the efficient operation of labor market programs. All together the performance indicators based factors need be assigned a weight no greater than (1/10) in the overall scheme. Such an action will focus attention on program performance as measured by the PI system. With even just 10 percent of the decentralized Employment Fund allocation depending on measures of program performance a great positive incentive for efficiency will be created. To give stability to the planning process for counties, the NLMC might consider a budget allocation process for the decentralized Employment Fund whereby the funding for each county begins at a level not less than about 85 percent of the previous year's allocation, with the selected algorithm used to distribute only the remainder of the decentralized Employment Fund.

FUTURE WORK ON THE SYSTEM FOR EVALUATION AND PLANNING

It is recommended that the performance indicators system be integrated into a regular evaluation and planning cycle. The system may operate according to "master plans" established by the county labor administrations and the Ministry of Labor and include annual plans.

A master plan serves as the long-term guide on basic matters of operations, management, and evaluation of labor market programs. The plan would include details about how performance indicators information would be gathered and used. Once there is mutual agreement about master plans between counties and the Ministry of Labor, they would be in effect indefinitely and updated only as important details change.

Annual plans would state intentions for operation of specific Employment Fund programs in the coming year. Annual plans give details concerning program management and monitoring. They also present reports on program activity and performance indicators. The annual plan establishes an activity forecast which is a prediction concerning the volume of clients to be served. The annual plans also set performance targets, and give a forecast of direct costs for each program. The annual plan presents a unified financial plan which considers the direct costs of all active labor market programs as well as related administrative costs. This financial plan also includes a unified budget estimate and a funding request for the coming year. After county and Ministry master plans are in place. The evaluation and planning process is done each year using only annual plans.

Table A
Performance Indicators for Active Labor Market Programs

1. Retraining

Retraining of Unemployed

Average cost per course completer employed at follow-up
Proportion of course completers who are employed at follow-up
Average cost per training program entrant
Proportion of entrants who successfully complete training courses
Average monthly earnings of course completers employed at follow-up
Proportion of employed course completers working in occupation of training at follow-up

Retraining of Employed

Average cost per course completer employed at follow-up
Average cost per course completer still employed at firm of training at follow-up
Proportion of course completers who are employed at follow-up
Proportion of course completers still employed at firm of training at follow-up
Average cost per training program entrant
Proportion of entrants who complete training courses
Average monthly earnings of course completers employed at follow-up
Proportion of course completers working in occupation of training
at follow-up

2. Self Employment

Average sum of assistance per person still self-employed at follow-up
Proportion of persons still self employed at follow-up
Average subsidy per subsidized self-employed
Average added employment resulting from self employment assistance at follow-up

3. Wage Subsidy for Hiring Long Term Unemployed

Subsidy per worker in regular employment at follow-up
Proportion of subsidized workers who are in regular employment at follow-up
Average monthly cost of wage subsidy per subsidized employee
Average duration of subsidy per subsidized employee

Table A--Continued

4. Public Service Employment

Average PSE cost per worker in regular work at program exit
Proportion of PSE workers in regular work at program exit
Average monthly cost per PSE worker
Average monthly earnings of PSE workers in regular work at program exit
Average duration of PSE employment for program leavers
Average duration of PSE employment for program leavers who gain regular employment

5. Job Creation Investments

Average cost of subsidies per new job created
Proportion of placements still employed at follow-up
Among jobs promised the proportion actually created
Among jobs created the proportion filled by persons from target groups

6. Part-time Employment

Average cost per job saved
Proportion of jobs at risk which are saved
Average cost per job at risk
Average number of months employees are subsidized

7. Early Retirement Subsidy

Average cost per person entering early retirement
Average monthly early retirement subsidy per person
Employment fund share of early retirement commitments made in the calendar year
Average months until regular retirement

8. Employment Exchange

Average number of referrals per job placement
Average number of days until reemployment
Average cost per employment exchange visit
Average cost per employment exchange registrant
Average number of days until vacancies are filled

Figure A
Management Response to Performance Indicator Values

Acknowledgements

Dr. János Simkó, deputy director of labor programs in Borsod-Abaúj-Zemplén county, made the ideas for an evaluation system a practical reality. The contribution that János made to this project cannot be over stated. In May, 1992 Borsod was designated as the leader of the three counties assigned to develop and pilot test an evaluation system. Since that time Dr. Simkó has worked tirelessly to resolve conflicts and bring together the resources needed to establish a comprehensive system for the unified monitoring of labor market program effectiveness. Some of the others in Borsod county who made substantive contributions to the project were: Director of Labor Programs Dr. László Szegedi, Erika Kálmán, Erszebet Kokai, András Peter, Zoltan Bende, and Norbert Molnar.

The county labor director in Somogy, István Rózsavölgyi, was a steady contributor and supporter of this project. Since he was a key figure in a similar project done in 1990 by the W.E. Upjohn Institute for Employment Research, he helped maintain continuity with earlier work. György Kiss, director of the Hajdú-Bihar County Labor Center, brought vigor and ingenuity to the project. He organized many of the first practical trials of new methods.

In Budapest the project received support and guidance from many national labor programs experts. Dr. György Lázár, Director of Statistics for the National Labor Center, Dr. Béla Váradi, Deputy Director of Employment Policy in the Ministry of Labor, and Sandor Szarvas, Deputy Director of the National Labor Center provided regular guidance, assistance, and feedback throughout the project. Also contributing materially to the final system were Dr. Gyula Nagy of the Budapest University of Economics and Dr. Maria Frey of the Labor Research Institute. Dr. Martin Godfrey of the International Labor Office provided counsel and supported related research which furthered the aims of this project.

At the U.S. Department of Labor the project was guided by Dr. Don Dunkle, Dr. Lenelle Perry, William Clatanoff and John Ferch in the Bureau of International Labor Affairs. Karen Green, Steve Aaronson, and Valerie Lloyd of the Office of Strategic Policy and Planning made substantive contributions to the effort.

Strong support and guidance for the project was provided by Dr. Gyula Pulay, Secretary of State for Administration in the Ministry of Labor. Dr. Pulay was a principal in the earlier evaluation project done in 1990. His influence opened many doors and minds during the course of this project. Toward the end of work on the evaluation project András Vladiszavlyev, was appointed the new director of the National Labor Center. He helped guide national training in the system and is expected to be the central figure supporting national implementation and use.

I thank my colleagues here at the Upjohn Institute and all others not named who contributed to the success of the project. Finally, as author of this report, I accept responsibility for the shortcomings of my attempt to document the evaluation system.

Christopher J. O'Leary
Kalamazoo, Michigan

A SYSTEM FOR EVALUATING EMPLOYMENT PROGRAMS IN HUNGARY

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1. Introduction

In the Spring of 1992, the United States Department of Labor entered into an agreement with the Hungarian Ministry of Labor to provide technical assistance to improve labor market analyses in Hungary. The United States Department of Labor sub-contracted with the W. E. Upjohn Institute for Employment Research to provide services under activity B.2 of the project. The project is being paid for with money from a World Bank loan to the Hungarian Ministry of Labor, and by supplementary funding from the United States Department of Labor. Services provided under this contract were coordinated by the Bureau of International Labor Affairs in the United States Department of Labor.

1.1 Objective

The W. E. Upjohn Institute for Employment Research worked to revise and implement a system to provide information to measure the cost-effective utilization of the Employment Fund in Hungary. The system is intended to support evaluation, planning and budgeting of programs supported by the Hungarian Employment Fund.

1.2 Background

In August, 1990 the W. E. Upjohn Institute for Employment Research submitted to the Hungarian Ministry of Labor a comprehensive plan entitled *Evaluation Criteria and Planning Guidelines for Employment Fund Programs in the Republic of Hungary*. This plan, based on two months of study in Hungary, proposed a practical system for the coordinated assessment and planning of Employment Fund programs. In March of 1991 a new Employment Law was enacted in Hungary.² The new law changed the collection of programs for labor market support in Hungary and the relationship between the local employment centers, the county employment centers, and the Ministry of Labor.

The 1991 Employment Law established a new labor market organization which operates at three levels with 186 local employment centers, 20 county employment centers, and the National Labor Center.³ Administrative expenses for all centers in the organization are paid for from a federal budget. Prior to the new law, costs of the local and county employment centers were paid for with money from the local and county self governments. Naturally, these self governments also controlled the activities of the labor centers with result that the Employment Fund programs were operated in an extremely decentralized way.

The new employment act also added another decision making and supervisory level to the employment policy system. Tri-partite labor market committees were established at the

²A concise statement of the subjects covered by the Employment Act of 1991 is given as Appendix A to this report.

³There are 20 administrative districts in Hungary which include 19 counties and the federal district of Budapest. In this report the 20 are referred to simply as counties.

national and county levels. These committees have representatives from business, labor, and government, and are responsible for budget allocation and general supervision of the administration of labor market programs.

1.3 Labor Market Support Programs in Hungary

Prior to March, 1991 all labor market programs, both active and passive, were paid for out of the Employment Fund. The new employment act created two separate groups of programs. The programs to be paid for out of the Employment Fund are strictly active and largely discretionary. Other programs, which may be termed entitlements including unemployment compensation and costs of the employment exchange, are to be paid for out of a new separate fund called the Solidarity Fund. The Solidarity Fund also pays for the costs of the new labor market organization. The Solidarity Fund was to be financed by taxes on the total wages paid by enterprises and earned by workers. The original tax rates were 5 percent for employers and 1 percent for workers, these rates have since been raised to 7 percent and 2 percent. Revenues from these taxes still cover only about half of the Solidarity Fund expenses, with the balance being paid out of the national budget. The active labor market programs (ALPs) under the Employment Fund are funded from the national budget. Table 1 lists the programs which operated prior to the Employment Act of 1991 (the Act), and those programs operating now.

Table 1
Employment Fund Programs in Hungary

<u>Prior to March, 1991</u>	<u>Since March, 1991**</u>
Unemployment Compensation*	
Retraining	Retraining (Article 14)
Self Employment Grants	Self Employment Assistance (Article 15)***
Wage Subsidy for Hiring	Wage Subsidy for Hiring Long Term
Long Term Unemployed	Unemployed (Article 16)
Public Serve Employment	Public Service Employment (Article 16)
Job Creation Investments	Job Creation Investments (Article 17)
Early Retirement Subsidy	Early Retirement Subsidy (Article 19)
Employment Exchange*	
Jobs for New Graduates	
	Part-time Employment (Work Sharing) (Article 18)****

* Administered from the Solidarity Fund since March, 1991).

** The article number listed in parentheses after the program name is the article number from the Employment Act of 1991.

*** Significant changes in the program since March, 1991.

**** A new program in March, 1991.

Table 1 also indicates which programs are new and which programs were changed substantially. No longer in operation is a special program for new graduates. Services to unemployed recent graduates are available through some of the new programs. The following are brief descriptions of the ALPs currently operating under the Employment Fund:

Retraining - Article 14 of the Act provides for the possibility of training for persons who are either unemployed, expected to become unemployed, or currently involved in public service employment (PSE). Certain provisions are also made for recent school leavers who are unemployed. The support for training may include a supplement to earnings or a benefit in lieu of earnings, and reimbursement of direct training expenses. The benefit in lieu of earnings is equal to 110 percent of the unemployment compensation otherwise payable.

Self Employment Assistance - Article 15 of the Act provides for self employment assistance for persons who are eligible for unemployment compensation. The support may amount to 6 monthly payments of unemployment compensation beyond the basic one year eligibility. Support may also include reimbursement of up to 50 percent of the cost of professional entrepreneurial counseling services, and 50 percent of the cost of any training courses required for engaging in the entrepreneurial activity. A little used provision allows for payment of up to 50 percent of one year's premium on loan insurance for funds borrowed to start the enterprise.⁴

Wage Subsidy for Hiring Long Term Unemployed - Article 16 of the Act provides for up to a 50 percent subsidy for up to one year of total labor costs for hiring persons unemployed for more than 6 months (3 months for school leavers), provided the employer has not laid off anyone involved in the same line of work in the previous 6 months and does not lay off anyone during the subsequent 3 months.

Public Service Employment - Article 16 of the Act also provides that in the case of hiring for public works the wage subsidy may be up to 70 percent provided that no payment from another agency or under other provisions is available.

Job Creation Investments - Article 17 of the Act provides that aid may be granted to enterprises for the implementation of programs intended to facilitate the employment of persons displaced from the labor market continuously.

Part-time Employment (Work Sharing) - Article 18 of the Act provides that in cases where an employer employs all or some of his full-time workers on a part-time basis in order to

⁴The model now in place with monthly payments is similar to that tested in Massachusetts, it replaces what was essentially a lump sum grant system in place prior to the 1991 Act which was similar to the model tested in Washington state. For a discussion of the American experiments see Wandner (1992).

avoid layoffs, and hours are reduced by at least one-third of the full working time, up to 50 percent of the personal basic wages lost due to the hours reduction may be provided to employers who pay their workers for the lost hours of work. Such payment may be made for up to one year provided the employer does not resort to a layoff, in which case the amount of any aid granted shall be repaid by the employer.

Early Retirement Subsidy - Article 19 of the Act provides that an employer may apply for payment from the Employment Fund of some of the money payable by him as a consequence of early retirement of his workers.⁵ The amount may be up to 50 percent if a considerable layoff was involved and no profit was realized or a loss was made during the previous year, or 100 percent if the enterprise goes out of existence or is liquidated without a successor in title. A layoff is deemed considerable if at least 25 percent of the average staff of the year before or not less than 300 workers are released. Early retirement pension cost supplements shall be suspended prior to normal retirement age if gainful employment for wages at least equal to the minimum wage is obtained.

1.4 The Concept of Performance Indicators

The approach to monitoring the effectiveness of Employment Fund programs developed during this project focuses on timely measures which can be readily implemented and may become a natural part of the management system. The process centers on what are called performance indicators.

Performance indicators (PI) allow standardized assessment of performance across programs and counties not provided by other methods of evaluation. Furthermore, the information from the PI system is timely so that results may be used in the annual planning and budget allocation process. A beneficial side effect of the PI system is that a computerized management information system will be developed in the process of full implementation. By organizing a variety of relevant information, this management information system will also provide a basis for unanticipated planning and management functions which can be adapted over time should the programs or the PI change. The management information system developed will also offer the possibility of even more detailed monitoring of administrative compliance in program administration.

Among the evaluation methods available, which also include experimental, quasi-experimental, and econometric approaches, the monitoring approach using PI was chosen as being particularly practical at the early stage of program development.⁶ The

⁵The cost of early integration into the national retirement pension system, and an employers obligation, is covered under a separate act.

⁶Frey (1992) surveyed evaluation methods used around the world and concluded that the monitoring approach is best for labor market programs in Hungary.

monitoring approach to evaluation which uses PI has been endorsed by senior officials in the Hungarian Ministry of Labor, the National Labor Center in Hungary, and the Labor Research Institute of the Hungarian Ministry of Labor.

Values of the performance indicators computed with county data for a calendar year may be used to establish national standards called performance targets for the following year. County performance on each program may then be compared to the performance targets annually. The performance targets can be updated annually to reflect national trends.

Using data on client characteristics and some regional economic information, it will be possible to design an adjustment methodology to adapt national standards to local conditions and provide incentives for directing services to special target groups. The Ministry of Labor may choose to designate certain groups for special attention in reemployment services (perhaps persons with eight or less years of schooling, persons not covered by unemployment compensation, the physically handicapped, and long term unemployed might be targeted for services). If this is done, methods for adjusting the performance targets by service to these target groups could be incorporated into the adjustment methodology to provide an incentive for providing service to these groups.

The performance indicators system represents real innovation in public management in two important ways: (1) it is an application of designing results oriented government based on performance indicators as advocated recently by Osborne and Gaebler (1992), and (2) among all nations it represents the first comprehensive attempt to manage active labor market programs in a unified way which will clearly reveal the tradeoffs involved in policy decisions.

1.5 Scope of the Project

This project involved the definition of performance indicators for active labor market programs, and development of a data system to consistently report on performance indicators in all counties on a regular basis. The data system developed included specification of information to be collected on program participants and contract recipients and explicit procedures for recording the data and computing performance indicators. Training was also provided to representatives from each of the counties in methods to gather, record, and compile information for performance indicators.

1.6 Principles Guiding the Work

Three main principles guided work on the performance indicators system: (1) the system produced should provide useful information about program performance so as to assist effective management of programs (2) the system should be as easy as possible for counties to implement in a consistent way, and (3) the performance indicators and methodologies for monitoring and analysis should be natural extensions of existing procedures and information systems.

2. Development of the Evaluation System

Since May of 1992, work to revise and implement a system for monitoring the cost effectiveness of Employment Fund programs has been under way. Under the supervision of the Ministry of Labor and the National Labor Office in Hungary, the W.E. Upjohn Institute for Employment Research worked with representatives from Borsod-Abaúj-Zemplén, Hajdú-Bihar, and Somogy counties to develop and pilot test a practical system of PI. In October of 1993 nation wide training in how to conduct surveys, record data, and compute performance indicators was carried out. Nation wide implementation of the system is scheduled to begin in January, 1994.

Work on the project was accomplished during a series of visits by Dr. Christopher J. O'Leary of the Upjohn Institute to Hungary along with several study tours by Hungarian representatives to the United States, Canada, the United Kingdom, Ireland, the Netherlands, and Denmark. O'Leary spent more than four months in Hungary working on the project. Month long work visits to Hungary took place in May and October 1992 and during the Spring and Fall of 1993. Brief work visits to Budapest were also made in January and March, 1993. During the fellowship study tour to Washington, DC, in addition to seminars on program design and evaluation methods, work sessions on performance indicators were held. Interim project reports by O'Leary (1992a, 1992c, 1993b) and Simko (1993) report on the details of work completed during the visits and fellowships.

2.1 Revising the Performance Indicators

The first step in the project was to revise the list of performance indicators (PI) to be monitored. To develop useful performance indicators the goals of Employment Fund programs must be clearly understood. Depending on particular county goals, certain of the performance indicators will be more important than others. The underlying aim of all programs paid for with money from the Employment Fund is to get program participants employed in regular jobs which are not supported by the Employment Fund.

There were three important steps involved in reaching a consensus on performance indicators (PI) in Hungary: (1) setting program goals, (2) developing performance indicators consistent with program goals, and (3) consensus building. While a separate task in itself, the last of these three influenced the other two.

While there was some change in the number, type, and rules of the ALPs in Hungary between 1990 and 1992, many of the goals for ALPs enunciated by the MOL program directors in 1990 were still applicable for the renewed effort. In 1992 the principle goals stated by representatives of the MOL, the National Labor Center, and the county labor administrations in the three project pilot counties were: (1) reemployment in regular (not subsidized) jobs, (2) at good wages. While the adequacy of income replacement is frequently an issue in the evaluation of passive labor market programs, among ALPs it might be an important goal only for public service employment.

Reaching agreement on the list of performance indicators took much longer than planned, however, from the perspective of the long term success of the project the result was worth the price. The lengthy process resulted in a significant degree of consensus on the criteria, and a sense of participation and ownership by those who will ultimately use the system for planning and evaluation.

On Thursday October 22, 1992 a grand meeting was held in Miskolc, Hungary. The meeting was attended by representatives of all groups who contributed to the development of the PI and will be working with the PI system. Representatives were from: Ministry of Labor, National Labor Center, Labor Research Institute of the Ministry of Labor, Somogy County Labor Center, Hajdú-Bihar County Labor Center, Borsod County Labor Center, and the Upjohn Institute for Employment Research. Final agreement was reached on the list of PI to be used, and the means for computing the PI.

The next step in building a consensus about the PI happened on Thursday October 29, 1992 when a talk was given to a meeting of the 20 Directors of the County Labor Administrations. The talk happened at a conference called the Foglalkoztatás '92-93 in Szeged, Hungary. In addition to the directors the others in attendance were the Director General of the National Labor Center, the Chief of Audit in the MOL, the Chief of Employment Policy in MOL, a representative from the Labor Research Institute, and the Deputy Chief of the Training Department in the MOL.

The presentation in Szeged began by noting work on the system was done in cooperation with three different counties and that implementation was still more than a year away so that it would be useful if the other county director generals could offer comment to help shape the system. The substance of the talk was an overview of the management and planning system envisioned and concrete examples of PI on which the system is based. It was stated that the system would be a management tool to aid counties in effectively using Employment Fund money. It was emphasized that the system of PI, management, and planning did not represent a return to the past days of excessive central planning, but rather that it was an approach to maintain decentralized decision making and the greatest possible degree of autonomy for county labor administrations.

The following other points were also made in Szeged. The performance indicators system should be viewed as an unobtrusive means for the MOL and the National Labor Center to monitor activity. The system excludes day to day involvement of the National Labor Center and MOL in operation of active labor market programs, but allows unobtrusive monitoring of performance. An adjustment methodology whereby targets for PI can be set on a county by county basis, which recognizes the relative differences in counties in terms of the severity of the unemployment problem and the characteristics of the population served by the programs was explained. Regarding the use of PI for management, it was asserted that the emphasis should be positive reinforcement of good performance and management assistance where programs could be improved.

The talk at Szeged concluded with an appeal for resources to support development of the computer software for the planning and evaluation system.⁷ Shortly after the meeting a commitment was made by the National Labor Center to ensure coordination of resources to produce a software solution to support the implementation of the PI system.

2.2 Designing the Database for Performance Indicators

The data system which evolved for Employment Fund programs in Hungary through the early 1990s was intended to guarantee payment of benefits, it was not designed to yield adequate information for assessing program effectiveness. Indeed, during the beginning of this decade reliable administration of programs was the main objective so as to ensure social stability and confidence during a period of great economic uncertainty. At the beginning of 1994 the rate of growth in unemployment is declining, and the demands on the central budget are pressing the limits on deficits monitored by the International Monetary Fund. To form rational labor market policy, it is therefore necessary to have reliable information on the degree of effectiveness of labor market programs.

Once the list of performance indicators was finalized, specification of the data elements needed in the supporting data base began. The objective was to make the information system adequate to perform the immediate function of computing performance indicators, yet flexible enough to serve broader functions of management and evaluation. It was also recognized that the best pathway to a rich and reliable data base should exploit existing information and impose the minimum added burden on labor center staff.

Proper assessment of the effectiveness of labor market programs requires person level data on a variety of characteristics of individual program participants. Person level data on characteristics allows examination of program results by group. It also allows the development of a methodology for adjusting performance indicators targets, and may allow quasi-experimental net impact evaluations of programs. Therefore, the data base was designed to include information on: demographic characteristics, prior labor market experience, program participation information, and follow-up survey information. The data base also includes data on enterprises which run projects and provide training, and characteristics of training courses and special projects like investments or public works.

Since the majority of Employment Fund programs are entered after registration with the employment exchange, information from that record provides core information for the performance indicators data base. Other information is gathered from existing administrative records on unemployment compensation and retraining courses. New data gathering instruments and computer software has been developed to record the remainder of the relevant information.

⁷Text of the talk at Szeged appears as Appendix B.

Appendix C to this report presents the detailed contents of the data system to support computation of performance indicators. The appendix includes nine sections. A separate section for each of the following labor market programs: retraining of unemployed, retraining of employed, self employment assistance, wage subsidy for hiring long term unemployed, public service employment, job creation investments, part-time employment (work sharing), early retirement subsidy, and the employment exchange. For each of these programs two types of information is presented in the appendix. First a list of basic information is given, this defines the data to be gathered. Second, a summary of potential analysis is stated, the main purpose of the analysis section is to demonstrate that the performance indicators may be computed from the basic information listed. A variety of other ways of summarizing the program and follow-up data is also given.

2.3 Sources of Follow-up Information

For some labor market programs (retraining of unemployed and self-employment) follow-up information is gathered by a simple mail questionnaire. For other programs (retraining of employed, job creation investments, etc.) employer reports will be used. For public service employment, reemployment job information (or out of the labor force status) will be gathered at the time a client leaves Employment Fund program services. Sources of follow-up information for all programs are summarized in Table 2. Appendix D to this report presents copies of the actual instruments which were tested for gathering program participant follow-up information in Borsod county. These are prototypes for national implementation. The instruments are given in Hungarian and are presented to make this final report complete.

Green and Aaronson (1992) provide evidence that follow-up information gathered three months after program completion is the most useful predictor of long term labor market success. To start the performance indicators system in Hungary it is recommended that follow-up information be gathered at three months after program completion.

For many programs the most reliable and economic way to gather information is for the enterprise receiving a subsidy to submit a periodic report. Submission of the report can be made a condition for continued funding. As indicated in Table 2, information is to be gathered in this way for: retraining of employed, wage subsidy for hiring long term unemployed, job creation investments, and part-time employment (work sharing). For these programs it is intended that information will be provided 3 months after individuals complete programs. While monitoring information is not gathered exactly 3 months after program start for the early retirement subsidy program, follow-up information is to be gathered by regular employer reports.

The most obvious exception to the 3 month rule is for public service employment. It was decided for practical reasons to examine labor market success for public service employment participants at project completion rather than waiting 3 months, because participants are particularly difficult to locate after leaving the program.

Table 2
Sources of Follow-up Information for Labor Market Programs

1. Retraining of Unemployed

Mail survey with in person follow-up for non-respondents.

Retraining of Employed

A report filed by the employer.

2. Self Employment Assistance

Mail survey with in person follow-up for non-respondents.

3. Wage Subsidy for Hiring Long Term Unemployed

Five reports filed by the employer.

4. Public Service Employment

Three reports filed by the employer

5. Job Creation Investments

Two reports to be filed by companies receiving assistance.

6. Part-time Employment (Work Sharing)

Five reports to be filed by companies receiving assistance.

7. Early Retirement Subsidy

One report to be filed by companies participating in the program.

8. Employment Exchange

Returned job referral slips.

Another exception to the 3 month rule is the employment exchange. Performance indicators for this program focus on immediate results. Indeed the instrument for gathering follow-up information on this program does not appear in Appendix D. The plan for this program is to use an existing mechanism called the "job referral slip." The hope is to increase the rate at which the job referral slip is returned by employers who accept placement interviews. The slip reports the result of the interview.

Gathering of follow-up information on retraining of the unemployed and self employment assistance both involve follow-up surveys. Both of these surveys are designed to be done with a simple mail questionnaire which is accompanied by a stamped return envelope, and a brief cover letter requesting the assistance of former program participants in evaluation. In the future program participants will be informed at program entry that they will be required to complete and submit a follow-up survey 3 months after leaving the program. Surveys will be mailed to program participants three months after their most recent Employment Fund program contact. The questionnaire will involve only about ten questions and mainly attempt to get information on: (1) current employment status, (2) the level of earnings if employed, and for skill training recipients (3) the occupation if employed--to check the occupational relevance of training.

The questions which constitute the follow-up surveys for retraining and self-employment are given in English in Appendix C to this report and in Hungarian in Appendix D. While an attempt has been made to keep the surveys extremely brief so that there will be a high response rate when they are distributed by mail, the survey for each program also includes a subjective question or two asking for an opinion about the usefulness of the services provided. These subjective questions are not directly used in computing PI, but they will provide useful information about consumer reaction.⁸

Following returns of mail surveys there will be an attempt to contact those who do not respond by mail. When the response rate is unacceptably low, final survey results may be adjusted in an attempt to correct for non-response bias.⁹ Pilot tests of the mail follow-up surveys in Hajdú-Bihar county had response rates of about fifty percent--in person contacts of non-responders will be attempted by staff of local employment centers. A November 1992 survey of labor market program participants sponsored by the International Labor Office in Borsod, Hajdú, and Somogy counties which was done in person experienced a response rate in excess of ninety percent.¹⁰ It is recognized that in person surveys conducted by staff of

⁸This type of survey question is recommended as very useful for helping to inform policy in Chapter 5: "Consumer Driven Government" of Osborne and Gaebler (1992).

⁹A discussion of the weighting procedure to adjust for survey non-response is given in Chapter 14 of Hussmanns, Mehran and Verma (1992).

¹⁰For a discussion of this survey see Godfrey, Lazar, and O'Leary (1993).

the labor organization may elicit biased responses. In the future it is possible that surveys of labor market program participants will be conducted by third party survey organizations.

2.4 Developing Computer Software

Computer experts in Borsod-Abaúj-Zemplén county, primarily Zoltan Bende and Norbert Molnar, developed computer programs to accept entry of follow-up and cost data for computing performance indicators and storage in a data base separate from the one for administration. This system is intended to be a temporary solution and a model for future software development.

Following specification of data base for performance indicators analysis in March, 1993 work on the software solution began. This work was carried out at the same time that the pilot counties were conducting follow-up surveys of program participants who finished their contact with labor market programs three months earlier. In May and June computer software developed was tested using the follow-up and other data available. Continued refinement of these systems continued right up to the nation wide training which was conducted in October, 1993.

The system developed in Borsod was designed to use existing computerized data and supplement that data with the minimum additional required. The primary existing files were based on the employment exchange registration, unemployment insurance application, and training program records. The prototype system simply accesses this data without affecting the regular administrative use of the data. The software development also involved creation of seven new data entry screens to receive data not previously recorded on computer. The software matches, merges, and compiles all required reports. To provide a glimpse of this system, Appendix E presents English versions of the seven newly developed data entry computer screens. Following the first new screen for retraining of the unemployed, a copy of the code list for data entry is given. Similar code lists apply to the other screens, they are not presented so as to save space. For completeness, also given in Appendix E are English versions of the employment exchange registration form and code list, and the unemployment compensation application and code list.

A unified data base for labor market programs based on the Oracle relational data base management software is being developed by the National Labor Center. A relational data base system may economize storage requirements by recording basic demographic data only once, for example at the time of employment exchange registration, and using it in several different applications. To support work on the Oracle application the National Labor Center has issued instructions for standardized administration of labor market programs, so that consistent information will be available from all counties on contracts for all programs administered. The software developed in Borsod county to support the computation of performance indicators may be used to guide part of the Oracle software application. It is anticipated that as the new comprehensive relational data base is developed separate fields (places in tables) for follow-up and program cost information will be reserved.

2.5 Nation-wide Training in the Evaluation System

In October, 1993 nation-wide training in use of the performance indicators system was conducted. Two large seminars were conducted to train representatives from all 20 county labor offices in the theory, survey, and data processing techniques needed to implement the evaluation part of the system. Seminars were conducted at Balatonföldvár and Malyi with over 50 persons involved in each seminar. The main aim of the training was to provide hands on practical experience in computing performance indicators. Extensive materials were developed for the training sessions. A summary of this material is provided as Appendix F.

Each of the training seminars was two days long. Training began with introductory remarks by András Vladiszavlyev, director of the National Labor Center, who encouraged training participants to be attentive since the material to be covered would be extremely valuable in efficiently managing labor market programs. He emphasized that the counties should not fear the performance indicators as a means of centralized control, but rather should view them as a tool to help improve decentralized decision making.

The second presentation in the training seminar covered general theory and background for performance indicators. The talk was given by Chris O'Leary and János Simkó; it answered the following seven questions:

1. What is a Performance Indicators system?
2. Why was the system developed?
3. How was the system developed?
4. What are the parts of the system?
5. How will the system be used?
6. What are the goals of this training seminar?
7. What is the schedule for implementation of the system?

The third presentation at the training was given by György Kiss, Director, Hajdú-Bihar County Labor Center and István Rózsavölgyi, Director, Somogy County Labor Center. The speakers, being the directors of labor administration in pilot counties for the project shared insights gained through practical experience involved in developing the performance indicators system. The presentation by the directors was followed by an open question and answer period, which was followed by lunch.

The afternoon of the first day at each training session involved presentation of all details relating to gathering and compiling information for performance indicators on a single sample program. The wage subsidy for hiring long term unemployed was chosen as the sample program because the steps involved in producing performance indicators for this

program offered the most varied possibilities. This session was conducted by János Simkó and András Peter of the Borsod County Labor Center. The following were covered:

1. What kind of PI can we develop?
2. Where can we gather data?
3. Examples of getting basic information.
4. Identification codes.
5. Organization of surveys, basic formulas.
6. Code system for computing data.
7. The process of computing.
8. The meaning of the output system.
9. Opportunities for further analysis.

The afternoon session included two parts. The first part covered the theoretical questions of gathering data and rules for computing performance indicators, the second part was conducted in a computer lab and involved actual computer entry of data and computer generation of performance indicators measures. The afternoon session relied heavily on material provided in a comprehensive performance indicators manual which was compiled by staff of the Borsod County Labor Center. The table of contents of this manual is given along with other documentation on the training seminars in Appendix F.

The second day of training followed the model of the afternoon of the first day. The practical details of gathering, recording, and summarizing data for the remaining labor market programs was covered. The presentation and exercises were done quite quickly. Emphasis was on developing skill in using the comprehensive performance indicators training manual. The training seminars concluded with brief summary remarks and lunch. Counties were encouraged to be thorough and consistent in producing performance indicators, and to telephone the pilot counties for guidance about any details which are unclear.

3. The System of Performance Indicators

Performance indicators are a widely accepted tool for managing public programs. Green and Aaronson (1992) discuss the PI used in managing training and education in 39 programs which are administered by 7 departments of the U.S. federal government. Osborne and Gaebler (1992) provide documentation of innumerable cases where PI are used by state and local governmental units in the U.S. Overseas there are extensive systems of PI used in England and Sweden for labor market programs. This section discusses the principles, politics of selection, and some steps in the process of implementation of an integrated system of PI for active labor market programs in Hungary.

3.1 Principles Guiding Specification of Performance Indicators

Naturally, the set of performance indicators (PI) should be set to guide program operations toward the goals of the programs, but the most fundamental principle governing the development of performance indicators is that outcomes rather than process is emphasized. This is particularly important to bear in mind when instituting such a system within government agencies where planning and building of organizations was up until recently the main objective.

3.1.1 A Small Number of Performance Indicators

Particularly during the present period of rapidly rising unemployment it is important that the system for monitoring cost effectiveness of Employment Fund programs not impose an excessive administrative burden on county and local employment centers where the first priority must be service to clients. The list of PI proposed suggests no more than eight measures for any program. The associated follow-up surveys ask no more than about a dozen questions of any program user. By limiting performance measurement to a small number of indicators, the follow-up surveys may also remain simple. This will increase the reliability of data gathered, increase the response rate, and increase the likelihood that the system will survive over time thereby yielding valuable information on how programs perform over time.

3.1.2 Allow Comparison Across Programs and Counties

A basic objective of evaluating Employment Fund programs is to compare their relative cost effectiveness. Indeed many of the PI to be used in Hungary are cost-effectiveness measures in the sense of Garber and Phelps (1992). They are all constructed so as to measure output per unit input.

The ultimate success of any of any Employment Fund program occurs when a program participant either gains regular employment or avoids unemployment with the assistance provided. The average expenditure to achieve this result is the basic measure for comparing effectiveness across programs. It is anticipated that results of monitoring the PI will feed directly into the planning process and help determine the budget allocation. This is part of the process which may result in an optimal mix of programs.

Since the counties vary in their industrial mix and economic strength and the programs vary in their duration and scale, most PI proposed are stated in relative terms. The sole exception are PI for earnings.

The data for computing PI is to be collected and organized at the individual person level. In addition to regional characteristics such as the unemployment rate, individual records will also include demographic characteristics such as age, gender, education level, skill level, and information on any special barriers to employment such as recent school leaver, long term unemployed, or degree of physical handicap. Using this data county

targets for PI can be adjusted to reflect the regional and demographic characteristics of the population served. This leveling of the playing field is an important aspect of the PI system for comparing performance across counties and programs. It should also be noted that this system can be set up to encourage service to the hard to employ by giving extra weight for service to target groups with specified barriers to employment.

3.1.3 Incentive Compatibility

In specifying PI for Employment Fund programs it is important that the intermediate goals which result from the PI are consistent with the broad objectives of securing appropriate regular employment and maintaining adequate income support. High performance as measured by the PI should not have unintended negative side effects. The issue of incentive compatibility of PI with larger aims has received quite extensive attention in the research literature; important papers are: Barnow (1992), Dickinson et al. (1988), and Singer (1986).

3.2 A Hierarchy of Goals for Labor Market Programs

To give a systematic overview of the goals of labor market programs and to guide the specification of PI which support these goals, Figure 1 is provided below. The left hand side of Figure 1 is presented as a pyramid to reflect the fact that there is a hierarchy in the goals for labor market programs. The right hand side of Figure 1 gives a translation of the three levels in the pyramid into categories of PI.

The over-riding goal of the collection of labor market programs is to achieve reemployment of unemployed persons. This goal is represented at the top of the pyramid in Figure 1. Two categories of performance indicator measure the success in achieving this goal: r - rate of reemployment, and c - cost of reemployment. The second level in the pyramid summarizes the goal of providing transitional services which ease the transition from unemployment to reemployment. The category of performance indicator measuring cost of achieving this goal is: s - support cost. In the pyramid of Figure 1 the bottom category, or foundation of the pyramid, is the variety of program specific goals, PI for this category are labeled p - program specific goals. This is the foundation of the pyramid because it is the diversity in the array of programs which supports having a collection. The diversity is necessary because it is impossible to serve all needs with a single program.

Another part of the strategy in developing PI is to specify them so that comparisons across programs are possible. Certain of the PI across programs should be similar enough to allow this. The most comparable measure across programs falls under the category cost of reemployment, c. In the PI this is usually based on measurement of employment at follow-up. All programs, except Early Retirement, have a measure of the program cost of reemployment measured in Hungarian forints. Other categories of PI such as the rate of reemployment, r, and the support cost, s, also allow for comparison across programs, but the

PI formulae for measurement across programs are less similar due to the differences in program design.

3.3 The Performance Indicators in Hungary

Table 3 which appears on the next two pages lists the PI proposed for seven active labor market programs paid for out of the Employment Fund, plus the employment exchange. While the employment exchange is paid for out of the Solidarity Fund, it is considered to be an active labor market measure. In Table 3 the article of the Employment Law which gives the rules for use of each program is specified in parentheses.

Reviewing the list of performance indicators (PI) for each program given in Table 3 we can see that the PI specified allow monitoring of how well the hierarchy of program goals are met. A matrix describing this coverage is given as Figure 2. The matrix shows that all labor market programs except Early Retirement can be compared using PI in terms of "rate of reemployment" (r) and all programs except Early Retirement and Employment Exchange can be compared in terms of "cost of reemployment" (c). All programs can be compared in terms of "support cost" (s) except the Employment Exchange and Job Creation Investments

Table 3
Performance Indicators for Active Labor Market Programs

1. Retraining (Article 14)

Retraining of Unemployed

Average cost per course completer employed at follow-up (c)
Proportion of course completers who are employed at follow-up (r)
Average cost per training program entrant (s)
Proportion of entrants who successfully complete training courses (p)
Average monthly earnings of course completers employed at follow-up (p)
Proportion of employed course completers working in occupation of training at follow-up (p)

Retraining of Employed

Average cost per course completer employed at follow-up (c)
Average cost per course completer still employed at firm of training at follow-up (c)
Proportion of course completers who are employed at follow-up (r)
Proportion of course completers still employed at firm of training at follow-up (r)
Average cost per training program entrant (s)
Proportion of entrants who complete training courses (p)
Average monthly earnings of course completers employed at follow-up (p)
Proportion of course completers working in occupation of training
at follow-up (p)

2. Self Employment (Article 15)

Average sum of assistance per person still self-employed at follow-up (c)
Proportion of persons still self employed at follow-up (r)
Average subsidy per subsidized self-employed (s)
Average added employment resulting from self employment assistance at follow-up (p)

3. Wage Subsidy for Hiring Long Term Unemployed (Article 16)

Subsidy per worker in regular employment at follow-up (c)
Proportion of subsidized workers who are in regular employment at follow-up (r)
Average monthly cost of wage subsidy per subsidized employee (s)
Average duration of subsidy per subsidized employee (p)

Table 3--Continued

4. Public Service Employment (Article 17)

Average PSE cost per worker in regular work at program exit (c)

Proportion of PSE workers in regular work at program exit (r)

Average monthly cost per PSE worker (s)

Average monthly earnings of PSE workers in regular work at program exit (p)

Average duration of PSE employment for program leavers (p)

Average duration of PSE employment for program leavers who gain regular employment (p)

5. Job Creation Investments (Article 17)

Average cost of subsidies per new job created (c)

Proportion of placements still employed at follow-up (r)

Among jobs promised the proportion actually created (p)

Among jobs created the proportion filled by persons from target groups (p)

6. Part-time Employment (Work Sharing) (Article 18)

Average cost per job saved (c)

Proportion of jobs at risk which are saved (r)

Average cost per job at risk (s)

Average number of months employees are subsidized (p)

7. Early Retirement Subsidy (Article 19)

Average cost per person entering early retirement (s)

Average monthly early retirement subsidy per person (s)

Employment fund share of early retirement commitments made in the calendar year (p)

Average months until regular retirement (p)

8. Employment Exchange (Article 47-53)

Average number of referrals per job placement (r)

Average number of days until reemployment (p)

Average cost per employment exchange visit (p)

Average cost per employment exchange registrant (p)

Average number of days until vacancies are filled (p)

Figure 2
Classification of Performance Indicators
for Labor Market Programs

Program Name	Categories			
	c	r	s	p
1. Retraining	x	x	x	x
2. Self Employment	x	x	x	x
3. Subsidy for Long Term Unemployed	x	x	x	x
4. Public Service Employment	x	x	x	x
5. Job Creation Investments	x	x		x
6. Part-time Employment	x	x	x	x
7. Early Retirement			x	x
8. Employment Exchange		x		x

Categories of Performance

c - Cost of Reemployment
r - Rate of Reemployment
s - Support Cost
p - Program Specific Goals

where no income support payment is involved. Finally, because there are unique goals of each program which cannot be achieved using other programs, performance indicators of "program specific goals" (p) are included for each program.

3.4 Computing Performance Indicators

To give an example of how PI are to be computed, a review of each of the PI listed in Table 3 for retraining of unemployed is now given. Just as in Table 3 the category of performance measured by the indicator is indicated by a letter after the name of the indicator. All four categories of performance are measured with the six indicators for assessing retraining of unemployed. Following the name of each indicator there is a

statement of the rule for computation and some brief comments about special data gathering considerations.¹¹ There are two sources of data for computing the PI: administrative records and follow-up surveys. In formulae listed for computation, the source of data for each concept is indicated by capital letters in parentheses with (A) for administrative records and (F) for follow-up surveys. Each of the PI are to be computed using data which covers a single calendar year of program activity. For example, counties may be required to report by July 1 on activity completed in the previous calendar year. This should allow sufficient time to complete all follow-up surveys which are to be done 3 months after program completion. Once the system is working, it is planned that there will be additional follow-up at 1 year. This schedule of follow-up is proposed for all programs.

Average cost per course completer employed at follow-up (c)
= [total cost for completed courses (A)] /
[number of course completers employed at follow-up (F)]

Figures for this PI should be compiled for each course completed during the previous year (individual training should be treated as a single course), and averaged over all courses completed in the previous year. The denominator is the number of trainees from courses completed in the previous calendar year who are employed at the date of follow-up.

Proportion of course completers who are employed at follow-up (r)
= [number of course completers employed at follow-up (F)] /
[number of trainees who successfully finished courses (A)]

This PI is computed as a fraction of all persons who completed training. Some persons who leave training early may do so to become immediately employed because of a job offer which may be related to the training.

Average cost per training program entrant (s)
= [total cost for completed courses (A)]/
[number of persons entering training courses (A)]

This PI is computed using data from courses completed during the calendar year. The data should be compiled around the time of course completion. These figures may be compiled for each course, or module, completed during the year (individual training should be treated as a single course), and averaged over all courses completed during the calendar year.

¹¹Appendix C presents explicit formulae for all of the performance indicators for all programs. Included there also is a statement of the data requirements for computation.

Proportion of entrants who successfully complete training courses (p)
= [number who finish training courses (A)]/
[number who entered training courses (A)]

This PI will be computed for all training completed in each county in the year. However, with person level data this could also be computed on a course by course (or module) basis for internal county management purposes. It will be compiled two weeks after a course ends, after all participants have had at least two chances to pass the final examination.

Average monthly earnings of course completers working at follow-up (p)
= [sum of average monthly earnings of course completers at follow-up (F)]/
[number of course completers employed at follow-up (F)]

This measure of earnings should be average monthly earnings before bonuses are added or taxes are deducted. It should be averaged across only those training course completers who are employed at the time of the follow-up survey.

Proportion of employed course completers working in occupation of training at follow-up (p)
= [number of course completers working in occupation of training (F)]/
[number of course completers employed at follow-up (F)]

Training may or may not provide explicit occupational skills. This measure should be averaged across only those training course completers who received occupational training, and are employed at the time of the follow-up survey.

4. AN ADJUSTMENT METHODOLOGY FOR PERFORMANCE INDICATORS

For the following three reasons, an adjustment methodology is proposed to be part of the system of performance indicators: (1) to assess the effectiveness of programs in each county considering the specific reemployment difficulties faced in the county, (2) to reduce "creaming" when counties work to meet performance targets,¹² and (3) to provide incentives for targeting services to certain special groups.

¹²Creaming refers to the practice of program administrators selecting the most qualified candidates for program participation so as to increase the likelihood of program success. The analogy is to milk where the best part, the cream, floats to the top and can be skimmed off. Creaming is an issue in operating labor market programs because if only the most qualified people get assistance then the benefit to society of the programs is not as great as it might be otherwise. Highly qualified program entrants have a good chance of becoming reemployed even without the services offered in the program, while for less qualified applicants the program services might be the only realistic path to employment.

4.1 A Simple Example

Figure 3 is an example of the work sheet which may be used by a county to adjust the national performance target and determine its own performance target for a particular performance indicator (PI). The example given in Figure 3 is for the PI: "cost per training program completer employed at follow-up."

The national performance targets are simply the unadjusted means of the PI realized across the nation. In Figure 3, the values under the heading "weights" are the amounts by which deviations in county values of PI from national average PI values change the county performance targets from the national performance targets. The weights in Figure 3 are based on hypothetical data. The example given shows a case where it is typical in the nation for a one percent increase in the percent of training participants who are aged 45 or over to decrease the average cost per employed trainee at follow-up by HUF 18,210 (monetary units--Hungarian Forints). Increases in the other factors--percent of trainees with 8 or fewer years of schooling, percent of trainees who are recent graduates, and the unemployment rate in the county--all tend to increase the average cost per employed trainee at follow-up.

Since the PI concerns average cost, in this example a lowering of the performance targets is a tightening of the target, and a raising of the performance targets means the target is relaxed. In the example, since Borsod county involved 0.36 percentage points more persons over 45 years of age in their training program than the national mean, and since that factor tends to decrease costs, the performance target for Borsod county is lowered by HUF 6,560. For the school achievement factor Borsod exceeded the national mean, and since that factor tends to increase costs the cost standard was slightly relaxed. For the percent of new graduates in the program, since Borsod was below the national mean in service to this group, and since this factor tends to raise costs Borsod's target average cost is lowered. For the fourth factor, since the unemployment rate in Borsod county exceeds the national average by a significant margin, and since a high unemployment rate tends to raise the average cost per employed trainee at follow-up the performance target is significantly relaxed for this factor.

4.2 Development of the Adjustment Weights

The weights used in the performance indicators adjustment method work sheet are simply coefficients from estimation by ordinary least squares (OLS) of a multivariate regression model of the following type:

$$(1) \quad y_i = b_0 + b_1x_{1i} + b_2x_{2i} + b_3x_{3i} + b_4x_{4i} + u_i,$$

where, x_1 to x_4 represent the four adjustment factors used to compute the weights which appear in Figure 3. The four factors are: percent of training participants aged 45 years and over (x_1), the percent of training participants who had 8 or fewer years of formal education (x_2), the percent of training participants who are recent graduates (x_3), and the county unemployment rate in percentage terms (x_4). Following is the result of estimating equation

Figure 3
Sample Performance Indicators Adjustment Worksheet

PERFORMANCE INDICATORS WORKSHEET			A. COUNTY NAME Borsod-Abauj-Zemplen		B. COUNTY NUMBER #5	
C. PERFORMANCE PERIOD Calendar Year 1992	D. DATE CALCULATED 6/15/93	E. PERFORMANCE INDICATOR Average Cost Per Training Course Completer Employed Follow-Up				
F. COUNTY FACTORS	G. COUNTY FACTOR VALUES	H. NATIONAL AVERAGES	I. DIFFERENCE (G minus H)	J. WEIGHTS	K. EFFECT OF COUNTY FACTORS ON PERFORMANCE INDICATORS (I times J)	
1. % AGE 45+ (RT14)	4.9	4.54	0.36	-18.21	-6.55	
2. % SCHOOL ≤ 8 (RT15)	25.4	19.16	6.24	.139	0.87	
3. % NEW GRADS (RT16)	7.3	8.35	-1.05	9.60	-10.07	
4. % UNEMP RATE (III)	17.9	12.17	5.74	8.59	49.28	
L. TOTAL					33.53	
M. NATIONAL AVERAGE PERFORMANCE INDICATOR					256.85	
N. MODEL-ADJUSTED PERFORMANCE INDICATOR (L + M)					290.38	
O. ACTUAL PERFORMANCE LEVEL					241.1	
P. % DEVIATION OF ACTUAL FROM MODEL ADJUSTED PERFORMANCE LEVEL ((O-N)/N)*100)					-16.97	

(1) on hypothetical data provided by the Borsod County Labor Center for the 20 Hungarian counties:

$$(2) \quad y_i = 152.3 - 18.2x_{1i} + 0.1x_{2i} + 9.6x_{3i} + 8.6x_{4i}.$$

(116.6) (17.3) (2.3) (12.2) (2.8)

Figures in parentheses are standard errors, the coefficient of determination was 0.52. The F-statistic for joint significance of all parameters estimated of 4.06, indicated that taken together the parameters are non-zero in a test at the 95 percent confidence level.

4.3 Refinement of the Adjustment Methodology

There are obvious problems with the adjustment methodology as presented. Clearly a sample size of 20 is too small on which to base such an important management method. Furthermore, before adjusting the performance targets, the OLS regression parameters will automatically place half of the counties above the national mean performance targets and the other half below.

It is being recommended that an adjustment methodology only be attempted after the first year of data collection which includes gathering of follow-up surveys. From these surveys large random samples may be taken with the PI being calibrated using micro data.¹³ This procedure will involve linking unit costs to programs. In the future as the system matures, the adjustment factors used will change depending on changes in policy targets, and the methodology used for computing adjustment weights will be refined.¹⁴

5. USING PERFORMANCE INDICATORS

The system of PI described in this paper for active labor market programs in Hungary is quite similar to that used for the Job Training Partnership Act (JTPA) programs in the United States. There are excellent detailed manuals for managing with the system of PI developed for JTPA, and these would be good guides for methods in Hungary; examples are: Laventhol and Horvath (1988), and Ryan and Kauder (1990). The main principles guiding the mechanics of these methods are summarized in Osborne and Gaebler's (1992)

¹³A good discussion of methods for refining performance indicators is given in Richard W. West (1992), Development of Adjustment Models for PY 92 JTPA Performance Standards for Titles II-A and III, Menlo Park, CA: Social Policy Research Associates (June).

¹⁴A good guide on setting performance indicators was produced by the Office of Strategic Planning and Policy Development (1989) in the U.S. Department of Labor. It is called a Guide for Setting JTPA Title II-A and Title III (EDWAA) Performance Standards for PY 89.

Reinventing Government, the closely read manual for analysts working on Vice President Al Gore's committee to improve the efficiency of the American federal government.

5.1 Incentives: Rewards and Management Assistance

While the planning and evaluation methods developed for labor market programs in Hungary will also have many unanticipated uses for management, it is expected that the five principal uses will be:

- (1) To preserve decentralized decision making about allocation of funds to various programs and service providers.
- (2) To promote superior performance by counties, local offices, and service providers through positive incentives.
- (3) To help identify and correct poor performance through technical assistance and/or sanctions.
- (4) To contribute information on performance to the funding allocation process used by the tri-partite National Labor Market Committee to allocate funds to the counties.
- (5) To ensure compliance with legal requirements of programs.

The emphasis among these uses is on positive incentives rather than punitive action.

5.2 Summarizing Performance Indicators

Table 4 presents a summary of some results of using PI for three hypothetical counties--A, B, and C. The table lists the percentage deviation from the regression adjusted performance target for each county. Hypothetical values are included for all the PI listed Table 3 except for retraining of the employed. The presentation in Table 4 provides a convenient way to examine the various dimensions of performance for each separate program. The table also allows comparison across programs using PI with similar units of measure. It is possible to use the PI information in various ways to suit particular uses. In this section we briefly review four possibilities.

Following the guide provided by Figure 2, a summary indicator for the PI category "Cost of Reemployment" could combine information from six of the separate programs for which PI are listed in Table 3 using the following PI:

1. Average cost per course completer employed at follow-up (c)
2. Average sum of assistance per person still self employed at follow-up (c)
3. Subsidy per worker in regular employment at follow-up (c)
4. Average PSE cost per worker in regular work at follow-up (c)

5. Average cost of subsidies per new job created (c)
6. Average cost per job saved (c)

While each measure is slightly different all of these PI measure the average cost of final program success: reemployment. Adding up the percentage deviations from adjusted standards from Table 4 and dividing by six, the number of PI involved, yields the following summary average cost indicators: -4.0 percent for County-A, 17.5 percent for County-B, and -4.3 percent for County-C. It is reasonable to average these cost indicators because the objective is to have each separate measure negative. Therefore the goal is to have the overall average negative. In the example counties A and C were in the acceptable range for cost effectiveness while county B significantly exceeded its cost target. A natural next step would be to investigate the particular programs which contributed most to the high average cost for County C. A problem with this method is that programs operated at very high average cost for achieving outcomes could be offset by others which are operated very cost effectively.

A second summary approach which could directly aid counties in making their budget allocation decisions would be to compute the weighted average cost of achieving a final outcome across alternative programs, where the weights are the fraction of the total client population served by the various programs. The result of this computation is the weighted mean cost across programs. This summary measure can be used to directly guide the counties in the optimal allocation of their county Employment Fund budget across programs, because reallocating participation to lower cost programs will lower the weighted mean cost and increase overall cost effectiveness of programs.

A third approach to transforming the quantitative information in the PI system into qualitative information for management purposes is summarized graphically in Figure 4. This diagram assumes that the values of PI vary across counties so that there is some distribution of PI values. Within the distribution for each PI it will be possible to set up ranges of critical values and allow a computerized management information system produce a report suggesting management action based on a county labor center value of a PI. The example depicted in Figure 4 suggests that PI values close to the national mean value would indicate performance classified as "normal" with the suggested management action to provide the average budget increase. PI values in the "success" range would yield X percent budget increase, while those in the "excellent" range would yield a Y percent budget increase. PI values in the "Conflict" range would result in an X percent budget decrease, while a PI value in the "crisis" range would result in management assistance being sent from the NLC. This suggestion represents a qualitative approach to budget allocation.

Another summary measure of performance is a simple "score" measure. The score for a given year might be the number of performance indicator measures which exceed target values on all or a given subset of performance indicators. An appeal of a score measure is

TABLE 4: PERCENTAGE DEVIATION OF ACTUAL VALUES OF COUNTY
PERFORMANCE INDICATORS FROM THE ADJUSTED STANDARDS

PERFORMANCE INDICATORS	MEASUREMENT	COUNTY-A	COUNTY-B	COUNTY-C
1. RETRAINING				
AVG COST PER COURSE COMP. (CC) EMP AT FOLLOW-UP (c)	%	-17.0	-8.8	-3.6
PROP OF CC WHO ARE EMPLOYED AT FOLLOW-UP (r)	%	7.7	-12.2	2.1
AVG COST PER TRAINING PROGRAM ENTRANT (s)	%	-10.1	-13.4	4.5
PROPORTION OF ENTRANTS WHO COMPLETE TRAINING (p)	%	1.6	3.8	0.3
AVG MO. EARNINGS CC EMPLOYED AT FOLLOW-UP (p)	%	4.0	4.1	2.9
PROP OF EMP CC WRK IN OCC. OF TRN AT FOLLOW-UP (p)	%	5.4	-4.2	-2.9
2. SELF-EMPLOYMENT				
AVG SUM-ASSIST PER PERS SELF-EMP AT FOLLOW-UP (c)	%	-9.5	12.3	-9.6
PROP OF PERSONS STILL SELF-EMPLOYED AT FOLLOW-UP (r)	%	12.2	-22.9	13.4
AVERAGE SUBSIDY PER SUBSIDIZED SELF EMPLOYED (s)	%	1.3	-10.8	7.3
AVG ADDED EMPLOY FROM SELF-EMP ASST AT FOLLOW-UP (p)	%	-30.4	20.9	-38.5
3. WAGE SUBSIDY FOR HIRING LONG TERM UNEMPLOYED				
SUBSIDY PER WORKER IN REG EMPLOY AT FOLLOW-UP (c)	%	-1.9	60.6	20.2
PROP SUBSIDIZED WKRS IN REG EMP AT FOLLOW-UP (r)	%	20.9	-31.1	-12.8
AVG MO COST-WAGE SUBSIDY PER SUBSIDIZED EMPLOYEE (s)	%	1.4	2.7	-6.0
AVG DURATION-SUBSIDY PER SUBSIDIZED EMPLOYEE (p)	%	7.1	-3.7	12.6
4. PUBLIC SERVICE EMPLOYMENT				
AVG PSE COST PER WORKER IN REG WORK AT PRGM EXIT (c)	%	-2.9	0.4	-23.7
PROP PSE WORKERS IN REG WORK AT PRGM EXIT (r)	%	25.9	1.7	8.3
AVG MONTHLY COST PER PSE WORKER (s)	%	0.8	8.8	-7.3
AVG MO EARN OF PSE WKRS IN REG WORK-PRGM EXIT (p)	%	-2.6	10.6	-14.4
AVG DURATION PSE EMPLOYMENT FOR PROGRAM LEAVERS (p)	%	-10.4	9.4	-9.6
AVG DUR. PSE EMPLOYMENT FOR PRGM LVRS IN REG WRK (p)	%	-1.1	-15.8	-12.8
5. JOB CREATION INVESTMENTS				
AVERAGE COST-SUBSIDIES PER NEW JOB CREATED (c)	%	-6.9	-9.1	16.9
PROP OF PLACEMENTS STILL EMPLOYED AT FOLLOW-UP (r)	%	4.0	0.2	2.6
AMONG JOBS PROMISED-PROP ACTUALLY CREATED (p)	%	-1.6	3.1	-13.3
AMONG JOB CREATED-PROP FILL BY PRSN FRM TRGT GRP (p)	%	-13.2	9.6	8.3
6. WORK SHARING				
AVERAGE COST PER JOB SAVED (c)	%	14.2	49.6	-26.1
PROPORTION OF JOBS AT RISK WHICH ARE SAVED (r)	%	-20.9	-38.3	-2.8
AVERAGE COST PER JOB AT RISK (s)	%	8.1	9.3	-20.1
AVG NUMBER OF MONTHS EMPLOYEES ARE SUBSIDIZED (p)	%	-13.5	-4.2	33.7
7. EARLY RETIREMENT SUBSIDY				
AVG COST PER PERS ENTERING EARLY RETIREMENT (s)	%	-4.7	3.5	12.9
AVG MONTHLY EARLY RETIRE SUBSIDY PER PERSON (s)	%	-3.3	1.3	6.7
EMPLOY FUND SHARE-EARLY RETIRE COMMIT IN CAL YR (p)	%	1.6	-1.5	7.2
AVERAGE MONTHS UNTIL REGULAR RETIREMENT (p)	%	2.2	-1.0	10.7
8. EMPLOYMENT EXCHANGE				
AVERAGE NUMBER OF REFERRALS PER JOB PLACEMENT (r)	%	-9.4	-13.3	-13.4
AVERAGE NUMBER OF DAYS UNTIL REEMPLOYMENT (p)	%	4.5	-6.3	-0.6
AVERAGE COST PER EMPLOYMENT EXCHANGE VISIT (p)	%	2.0	-0.2	-3.2
AVERAGE COST PER EMPLOYMENT EXCHANGE REGISTRANT (p)	%	-6.9	10.4	-2.5
AVG NUMBER OF DAYS UNTIL VACANCIES ARE FILLED (p)	%	-0.5	9.4	-3.3

Figure 4
Management Response to Performance Indicator Values

that it is easy to apply. A caution about the score method and any other summary measure is to base the summary on a sufficiently broad collection of measures. The temptation to base decisions on one or a few performance indicators should be resisted, as it may result in unintended incentives.

5.3 Allocation of Funds

The Employment Fund has two principal parts: the decentralized part--about 60% of the total in 1993--and the centralized part. The centralized part is reserved for special projects funded at the discretion of the Ministry of Labor, these include: the industrial adjustment service, job clubs, and special measures for high unemployment regions like

employment companies. The decentralized part of the Employment Fund is allocated by a formula approved by the National Labor Market Committee (NLMC). It is expected that the NLMC will approve incorporation into the algorithm for allocation of the decentralized Employment Fund information about performance in operating programs as summarized by PI.

In 1991 the formula for allocating the decentralized Employment Fund had the following six factors (the weight for each factor is in parentheses): the county share of total registered unemployed in Hungary (9/20), the county share of total population in Hungary (1/10), the county share of school leavers in Hungary (1/10), the county share of registered unemployed who are unskilled in Hungary (1/20), the county share of registered unemployed who had worked in declining industries in Hungary (3/20), and the previous distribution of Employment Fund money (3/20).

In 1992 the budget allocation formula was reduced to have only four factors--one prime factor and three supporting factors. The prime factor was county share of the nation's economically active population, i.e. in the labor force. The supporting factors (with weights in parentheses) were: the county share of total registered unemployed in Hungary (3/5), the county share of long term unemployed in Hungary--long term unemployed means registered 6 months or more as unemployed (1/5), and the county share of school leavers in Hungary (1/5). These three secondary factors were combined and applied to the primary factor.

For 1993 the only change in the algorithm for allocation of the decentralized employment fund which was made from 1992 was to change the factor "county share of the nation's school leavers" to the factor "county share of the nation's unemployed school leavers."

It is expected that one or two summary measures of PI of the type suggested above in Section 8.2 will be added to the algorithm for allocation of the decentralized Employment Fund. Together these factors will be assigned a weight no greater than 10 percent. It is imperative that this be done to give importance to the PI system. If even just 10 percent of the decentralized Employment Fund allocation depends on measures of program performance a great positive incentive for efficiency will be created. Finally, to give stability to the planning process for counties, it will be proposed to the NLMC that the budget allocation process for the decentralized Employment Fund automatically fund each county at level not less than about 85 percent of the previous year's allocation, with the selected algorithm used to distribute only the remainder of the decentralized Employment Fund.

6. Future Work on the System for Evaluation and Planning

It is recommended that the performance indicators systems be integrated into a regular evaluation and planning cycle. The system may operate according to "master plans"

established by the county labor administrations and the Ministry of Labor and include annual plans.

6.1 The County Employment Fund Master Plan

A master plan serves as the long-term guide on basic matters of operations, management, and evaluation of labor market programs. The plan would include details about how performance indicators information would be gathered and used. Once there is mutual agreement about master plans between counties and the Ministry of Labor, they would be in effect indefinitely and updated only as important details change.

The County Employment Fund Master Plan serves as the long-term agreement between the Ministry of Labor and a county on basic matters of operations, management, and evaluation. Once there is agreement between a county and the Ministry of Labor on a Master Plan, it would be in effect indefinitely. However, it should be updated periodically as important details change.

The master plan fosters a unified view of Employment Fund programs and allows a minimum of redundancy in the annual plan which covers individual Employment Fund programs. The master plan establishes procedures for things which are relevant to several different Employment Fund programs. Since the master plan identifies goals for Employment Fund programs, the substance of the master plan is to be determined before an attempt is made to finalize the content of the annual plan. That is to say, a clear statement of general Employment Fund goals must be made before specific short term targets can be specified for individual Employment Fund program activities.

6.2 The County Employment Fund Annual Plan

The Employment Fund Annual Plan serves as the official agreement between the County and the Ministry of Labor on how the specific Employment Fund programs will be operated in the coming year.

The annual plan gives details concerning program management and monitoring. It also presents annual reports on program activity and PI. The annual plan establishes an activity forecast which is a prediction concerning the volume of clients to be served. The annual plan also sets county performance targets, and provides a forecast of direct costs for each program.

The annual plan presents a unified financial plan which considers the direct costs of all ALPs as well as related administrative costs. This financial plan also includes a unified budget estimate and a funding request for the coming year.

6.3 The County Quarterly Reports

Counties should be required to file reports on activity in each Employment Fund funded program on a quarterly basis. These reports would be brief including mainly summary statistics on the volume of program activity. A brief narrative describing employment conditions in the county will be prepared by the counties and included in the quarterly report.

6.4 The Ministry of Labor Employment Fund Master Plan

The Ministry of Labor Employment Fund Master Plan will start with a statement of the relevant laws and ministerial decrees governing Employment Fund programs. This will be followed by a clear statement of Ministry Employment Fund program goals. The nature of the relationship between county and local employment center offices will also be clearly stated. In addition to laws and decrees governing Employment Fund programs, the Ministry Employment Fund Master Plan should specify all other labor laws to be explicitly observed by parties using Employment Fund money.

Just as for the county master plan, the Ministry's Employment Fund Master Plan must cover matters of operations, management, evaluation, and finance--including the algorithm to be recommended to the National Labor Market Committee for the annual budget allocation process.¹⁵ Since the Ministry wishes the counties to consider the collection of Employment Fund programs as a unified set of services which should be used collectively to address program goals in a cost effective fashion, the Ministry must administer Employment Fund programs to the counties in a consistent and uniform way. The Ministry Employment Fund Master Plan should detail the processes for review of the County Employment Fund Master Plans and modifications, the County Employment Fund Annual Plans, and the County Employment Fund Quarterly Reports.

The importance of clearly specifying authority for Employment Fund program decisions, and the processes for review of Employment Fund materials from the counties cannot be overemphasized. For the county and local employment centers to operate efficiently and consistently, they must receive efficient and consistent treatment in their interactions with the Ministry of Labor on Employment Fund matters.

The Ministry Employment Fund Master Plan should also specify procedures for making announcements to the county and district employment center offices about changes in

¹⁵The National Labor Market Committee is a tri-partite body with representatives from business, labor, and government which makes general recommendations regarding the direction of labor market policy, and which also annually approves the formula for allocation of the decentralized Employment Fund budget to the counties. For 1993 about 60 percent of the Employment Fund was allocated as decentralized.

legal statutes affecting the operation or funding of Employment Fund programs. Dates should be set for filing of reports and plans by the county and response from MOL. The calendar of these dates should be specified and the schedule should be strictly maintained.

6.5 The Ministry of Labor Employment Fund Annual Plan

The Ministry of Labor Employment Fund Annual Plan must cover three important matters. First, procedures for review of county annual plans. Second, revision of Employment Fund program performance indicators (PI) and performance targets. And third, development of the annual decentralized Employment Fund budget allocation algorithm to be recommended to the National Labor Market Committee.

The calendar for preparing and reviewing the county annual plans is established in the Ministry of Labor Employment Fund Master Plan, the details of the review process should be specified in the Ministry of Labor Employment Fund Annual Plan. This plan should also include a description of the procedures for reviewing achievement of performance targets by the counties for the previous year.

In the annual plans submitted by each county a unified financial plan is presented. These should be evaluated and used in preparing the Employment Fund annual financial plan which is the basis for (1) budget requests from parliament, and (2) budget allocation of the decentralized Employment Fund among the counties.

6.6 Implementation of the Planning and Evaluation Process

The following are the sequential steps in the unified evaluation and planning process:

(1) Starting from the Employment Fund program rules, the Ministry of Labor (MOL), in consultation with the National Labor Market Committee, specifies Employment Fund programs goals. These goals are included in the Ministry of Labor Employment Fund Master Plan, and are announced to the counties in the Guidelines for Preparing a County Employment Fund Master Plan.

(2) After considering the Employment Fund program rules and MOL goals, county labor administrations set their Employment Fund program goals in consultation with their County Labor Market Committee.¹⁶ The county goals for Employment Fund programs are stated in the County Employment Fund Master Plan, which also details

¹⁶The County Labor Market Committee is a tri-partite body with representatives from business, labor, and government which makes general recommendations regarding the direction of county labor market policy, and which also annually approves the formula for allocation of the decentralized MOIL appropriation received to the various MOIL programs operated in the county.

the relationship between the county and the MOL on Employment Fund program matters.¹⁷

(3) MOL in cooperation with the National Labor Center estimates the "Number of job seekers who actively use the employment exchange" for the planning year for each county. The estimate on job seekers is the county basis for estimates of activity in other Employment Fund programs. These items are communicated to the counties in the Guidelines for Preparing a County Employment Fund Annual Plan.

(4) The County Employment Fund Annual Plan summarizes program activity and achievement of performance targets. It describes the management, monitoring, and planning procedures used in the county. Counties consider the National Labor Center estimate on the "Number of job seekers who actively use the employment exchange," and other details of their economic situation and specify performance targets for each Employment Fund program for the coming year. Counties also prepare a financial forecast of the cost associated with planned activities. All of this is included in the County Employment Fund Annual Plan submitted to the MOL.

(5) The methodology department in the National Labor Center reviews the annual plans submitted by the counties and prepares a summary report for the MOL which, in addition to a summary of the county reports, includes the National Labor Center estimate for the coming year. The Employment Fund planning department in the MOL receives and reviews the annual plans from the counties and the summary report from the National Labor Center and prepares a MOL Employment Fund Annual Plan which is the basis for the Employment Fund budget request from Parliament and recommendations for allocation of the decentralized Employment Fund by the National Labor Market Committee.

(6) MOL reviews county performance on the previous year's PI and specifies national performance targets and adjustment weights for the coming program year. The MOL informs the county about funding available for their Employment Fund programs for the coming year.

(7) The counties solicit retraining, PSE, and job creation investment proposals and prepare for the process of proposal review and project award.

(8) The counties submit reports to MOL on program activity quarterly.

¹⁷A one day conference or seminar will be held annually with the planning representative from each county in attendance to review the Guidelines for Preparing a County MOIL Master Plan.

This sequence is appropriate for the first year of planning and evaluation under the new system. After county master plans are in place, only steps three through eight would be repeated annually. Any revisions to county Employment Fund master plans are to be agreed on by the MOL and the counties as circumstances change.

7. SUMMARY

This report documents the development and contents of a system to monitor the effectiveness of active labor market programs in Hungary. The report begins by summarizing the important features of the Hungarian active labor market programs and it then describes the system developed to assess the effectiveness of active labor market programs. This system, which is now being implemented in Hungary, is an example of "reinventing government" in the sense of Osborne and Gaebler (1992). The report lists performance indicators (PI) to be used for each program, and explains how they are to be computed using administrative and follow-up data. The system of PI is designed to monitor performance while allowing decentralized decision making and avoiding adverse incentives. The system is intended to promote superior performance through positive incentives, and to help identify poor performance which may be corrected through technical assistance and/or sanctions. The paper shows how the PI allow a standardized assessment of program performance across the 20 administrative districts in Hungary. An example is also given which shows how demographic data on clients and indicators of regional unemployment are used to adjust national standards for local conditions. Finally, the report explains how information from the performance assessment could be used in the annual planning and budget allocation process for Employment Fund programs.

APPENDIX A

Summary of the New Employment Law in Hungary

Act IV of 1991

AS AMENDED,

ON EMPLOYMENT PROMOTION FOR THE UNEMPLOYED

Appendix A

Summary of the New Employment Law in Hungary

Act IV of 1991

AS AMENDED

ON EMPLOYMENT PROMOTION FOR THE UNEMPLOYED

Constitutional guarantee of free choice of employment and profession. To promote this right, ease strains of unemployment and provide for unemployed people the following passed parliament:

Chapter I

1. The government shall seek to promote employment, prevent unemployment and lessen its adverse effects.
2. Laws apply regardless of sex, age, race, social origin, national extraction, religion, political opinion, or union membership.
3. Establishes nationwide public organization to provide labor market services: Labor Market Organization (LMO) having central and local offices.
4. Services available to all free of charge.
5. First aim is to promote employment.
6. Local offices are required to provide statistical reports on activity of providing services.
7. Services will be provided only to citizens and foreigners holding employment permits.
8. Support services regulated by parliament. Ministry of Labor (MOL) entrusted with monitoring employment situation and designing programs.

Chapter II

9. Establishes Labor Market Committee (LMC) with worker, employer, and government representatives. Also establishes a National Training Council (NTC) with similar structure.

10. LMC activities: decides on allocation of Employment Fund (EF) and any surplus in the Solidarity Fund.
- 10a. NTC activities: determines use of funds for training allocated by the LMC from the EF.
11. County labor councils: tripartite organization which directs use of EF money at the county level.
12. Specifies formation of County Labor Councils.
13. Specifies activities of County Labor Councils.

Chapter III

Schemes of Support for Employment Promotion

14. Support for retraining is described.
15. Unemployed small business start-up support is described.
16. Aid for employment promotion (wage subsidy) of long term unemployed is described.
17. Aid for job creation program is described.
18. Part-time employment (Work sharing) provisions.
19. Early retirement provisions are described.
20. Common rules for programs are stated.
21. Amount and duration of programs will be determined by agreement between the head of the labor center and the employer.
22. Early notice provisions for mass layoffs are stated.
23. Early notice provisions continued.
24. Unemployment benefit, preliminary pension, school leavers' unemployment benefit, and reimbursement of expenses.
25. Unemployment compensation eligibility conditions.

26. Rate of the unemployment compensation benefit.
27. Duration of unemployment compensation (UC) benefit.
28. Suspension of UC benefits.
29. Suspension of UC benefits continued.
30. Preliminary pension program for individuals described.
31. Reimbursement of expenses--job search costs paid.
32. School leavers UC benefit described.
33. Rules for determining amount of school leavers UC benefit.
34. Conditions for suspension of school leavers UC benefit.
35. Rules for partial payment of school leavers job search expenses.
36. Uniform rules for services and benefits to the unemployed.
37. Repayment for erroneous payments.
38. Repayment for erroneous payments.
39. Financing of programs for the unemployed.
40. Employers contribution to the Solidarity Fund.
41. Workers contribution to the Solidarity Fund.
42. Requirement to pay taxes to support the Solidarity Fund and penalty for not paying.
43. Uses of the Solidarity Fund: unemployment compensation, preliminary pension, unemployment compensation for school leavers, the retraining stipend for persons eligible for unemployment compensation, and the cost of developing and operating the national network of employment centers.
44. Source and use of the Employment Fund. Parliament annually allocates a portion of the national budget to the Employment Fund (EF) which is used to pay for active labor market programs which include: retraining, small business start-up, wage subsidy for long term unemployed, public service employment, investments for job

creation, part-time employment (work sharing), early retirement, and the employment exchange.

- 45. Special allocations are set aside from the EF for the counties to use on a matching funds basis for paying the cost of MOL and LMC approved projects.
- 46. Uses prohibited for funds: any activity not authorized by law, the LMC, or government decree.

Chapter VII

- 47. The structure and responsibilities of the nationwide labor market organization is described.
- 48. The functions of the National Labor Center (NLC) are described.
- 49. The appointment and responsibilities of the director general of the NLC is described.
- 50. The County Labor Centers are described.
- 51. Activities of the County Labor Centers are described.
- 52. Appointment and rights of the director of a county labor center.
- 53. Local offices of the Labor Center which actually provide services to unemployed persons are described.
- 54a. A national system of Manpower Development Training Centers is called for to provide professional training and counselling.
- 54. Procedural rules and final provisions.
- 55. Defines jurisdictions of labor center offices.
- 56. Procedures for appeals of local labor center decisions.
- 57. Appeal of final decisions of the National Labor Center must be taken up in the judicial system.
- 58. The act is effective on 1 March 1991.

APPENDIX B

**A System for Planning and Evaluation of
Active Labor Market Programs in Hungary**

**Remarks to an assembly of
County Labor Director Generals**

October 29, 1992 - Szeged, Hungary

APPENDIX B

A System for Planning and Evaluation of Active Labor Market Programs in Hungary

Remarks to an assembly of
County Labor Director Generals

October 29, 1992 - Szeged, Hungary

Jó napot, kívánok. Köszönöm szépen, for having me here today to speak to you about the system for planning and evaluation of active labor market programs which is being developed for your use. I want to keep my remarks brief so that our session is no more than an hour long including time for a question and answer period. I will give a brief overview, and then my counterpart Dr. János Simkó speak to you (in Hungarian) about some of the details of our project.

When we say active labor market programs, we mean the seven programs paid for by the Employment Fund (Retraining, Public Service Employment, Wage Subsidy for Hiring Long Term Unemployed, Small Business Start-up Assistance, Job Creation Investments, Part-time Employment (Work Sharing), Early Retirement Subsidy) plus the Employment Exchange (funded by Solidarity Fund which holds revenues collected through the unemployment insurance tax).

As you know this project is operating on money loaned from the World Bank; you may not know that it is a sequel to my 1990 project. The report on that project was entitled Evaluation Criteria and Planning Guidelines for Employment Fund Programs in the Republic of Hungary. That plan, delivered in August, 1990 was widely accepted throughout Hungary as a practical and workable system. However, since then the system of programs for labor market support as well as the relationship between the local employment centers, the county employment centers, the National Labor Center (NLC), and the Ministry of Labor (MOL) have all changed dramatically. The present project adopts the general approach recommended in the 1990 report, but seeks to revise the list of effectiveness criteria (now called performance indicators) to be monitored, pilot test the system for evaluation and planning in three counties, and implement the system nation wide. The earlier project was conducted in cooperation with Hajdú-Bihar and Somogy counties. For the current project the county of Borsod has been added. I have been fortunate to work very closely with Dr. János Simkó, deputy director of labor programs in Borsod county. His energy, attention to detail, knowledge of the existing management information system (MIS), and practical approach assure us success in our efforts. We are also fortunate to have the labor director generals László Szegedi of Borsod county, György Kiss of Hajdú-Bihar county, and István Rószavölgyi of Somogy county taking an active part in our work.

We hope to have a system ready for your use as a management tool by January 1, 1994. Training for your county staff in use of the system is planned to begin about one year from now in October, 1993.

Once the planning and evaluation MIS is developed, I think you will find many unanticipated uses of the information for management, but let me now list what I think the five principal uses will be:

1. To preserve decentralized decision making about allocation of funds to various programs and service providers.
2. To promote superior performance by counties, local offices, and service providers through positive incentives.
3. To help identify and correct poor performance through technical assistance and/or sanctions.
4. To contribute information on performance to the funding allocation process used by the tri-partite National Labor Market Committee to allocate funds to the counties.
5. To ensure compliance with legal requirements of programs.

The planning and evaluation system is based on a set of "performance indicators" (PI) used to measure program effectiveness. The planning and evaluation system excludes day to day involvement of the NLC and MOL in operation of active labor market programs, but allows unobtrusive monitoring of performance. Targets for PI will be set on a county by county basis, which recognizes the relative differences in counties in terms of the severity of the unemployment problem and the characteristics of the population served by the programs. Recall that the principle county involved in developing this system is Borsod county, which is a mining and steel production region with one of the highest unemployment rates in the country. Certainly you would expect Borsod to recognize that the system of PI targets for the counties should reflect regional reemployment difficulties.

Most of our effort in recent months has been to develop the list of PI and identify data requirements for computing these indicators. Computations will use existing administrative data and new information from brief follow-up surveys.

In specifying the list of PI we tried to select a small number of indicators which would provide useful information on program performance, while trying to avoid unintended bad incentives. By keeping the system simple we hope to keep the cost reasonable and the information reliable. The basic goals reflected in the PI are to achieve: (1) return to regular employment, (2) maintenance of adequate income, (3) contribute to social product (especially important for Public Service Employment), and (4) achieve the preceding goals cost effectively.

The planning system being developed will start from the procedures currently in use and recommend incremental modifications along the lines suggested in my 1990 report. That plan called for each county, the NLC, and the MOL to set in place a Master Plan for operating active labor market programs, and to prepare Annual Plans as well. The Master Plans are to be in place before any annual plans are developed. The county Master Plan specifies the goals for active labor market programs, and lists the procedures to be followed for granting contracts, monitoring contract recipients, and reporting to the NLC and MOL. Master Plans for NLC and MOL state goals and procedures for interacting with each other and the counties. The county annual plans report on PI, other indicators of the level of program activity, current economic conditions of the county, expected economic conditions in the coming year, and present a funding request. The NLC and MOL Annual Plans summarize the county plans and announce the preliminary funding allocations to the counties.

I hope that you do not feel threatened by the proposed system, but rather see it as a useful management tool. Again, we believe that you will find the MIS created in the process will turn out to have many currently unanticipated uses.

Now, how can you help with the project? The biggest task facing us is the development of the data system to support the project. You can help by making resources available to help solve this problem. Consistent with a recommendation of my 1990 report, NLC is developing an Oracle relational data base system. Once completed this system could support storage of data and preparation of reports required by the system for planning and evaluation under development. Unfortunately the Oracle system will not be available for two or three years. We are planning an interim system to achieve our ends and to provide guidance for the final Oracle system specified by the NLC. The interim system will use person level data for programs where it is available (like the Employment Exchange and Retraining of Unemployed persons), for other programs county level data will be used. This interim system will allow specification of differential county targets for PI, but will allow subgroup analysis of program performance only where the person level data is available.

As an example of our PI, János Simkó will review with you the list for Retraining. After that we will be happy to answer any questions you may have. We seek your support and endorsement of the project.

APPENDIX C

**Basic Information and Analysis
to Support the Performance Indicators System
for Labor Market Programs**

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RETRAINING OF THE UNEMPLOYED

BASIC INFORMATION

I. Person level data on program participants.

I.A. Data from employment exchange and unemployment compensation records.

1. Name
2. Mailing address (zip code, settlement, street, number)
3. Personal identification number (gender, date of birth, 11 digits)
4. Territorial code (county including area, 4 digits)
5. Education (9 categories)
6. Labor market status (employed, lost employment, dependant, recent graduate, retired, student, other)
7. Was he a participant of any employment institution before entering the program? (was not, public service employment (PSE), retraining, unemployment compensation (UC), subsidy for new graduates, social benefit, other) [note: entering these data requires new coding.]
8. Registration date at the employment exchange (duration of unemployment)
9. Beginning date of UC disbursement (its duration)
10. Industrial sector of previous job (2 digits)
11. Previous job skill (8 categories)
12. Occupation at previous work (first 4 digits of the occupational code list)
13. Previous average monthly earnings, used for computing UC amount

I.B. Person level data available from the specific software of training courses

1. Identifying code number of the active program and of the course on which the person participates
2. Date of entering the program (beginning of the training course)
3. Date of leaving the program (end of the course or time of quitting it)
4. Reason of leaving the course (successfully finished, left due to own fault, left due to illness, left due to gaining employment, course was interrupted)

I.C. Information obtainable from follow-up surveys.

1. Could participants get employed after finishing the course?
 - a. no
 - b. yes, within 2 weeks
 - c. yes, beyond 2 weeks but within 3 months
 - d. yes, in more than 3 months
 - e. became self-employed
2. Are participants employed at follow-up?
 - a. yes, for an indefinite period of time
 - b. yes, for a definite period of time
 - c. no
3. Do participants work in the occupation of training?
 - a. yes, entirely
 - b. yes, but only partially
 - c. no
4. If participants are presently employed, what is the amount of their monthly gross earnings?
5. How do participants assess the quality of training?
6. How do participants assess the role of the course in getting reemployed?
7. In their present job, do participants regularly use skills acquired in the course?

II. Other data necessary for computation of PI

Some data is available for each course separately, and some data is only available in total for the entire county. The data may be transferred from the program software or recorded from manual records.

1. Training expenses funded from the decentralized employment fund (EF)
2. Training expenses funded from the central EF
3. Training subsidy and refund of expenses for trainees funded from the decentralized employment fund (EF)
4. Training subsidy for trainees funded from the Solidarity Fund
5. Total training cost funded from the EF (1+2+3)
6. Total training cost (1+2+3+4)

III. Information on characteristics and type of participants of courses

With this information it is possible to examine the characteristics of course participants, and the performance indicators (PI) of each course. It also allows examination of courses from various perspectives. This way data about new, ongoing, and completed courses can be produced for evaluation and reporting purposes. Information detailed below can easily be obtained from computerized or manual records by using the course number.

1. Identifying code of training course
2. Place of training course (county and area code)
3. Type of organization (in groups, on individual initiative)
4. Level of training (elementary, intermediate, advanced)
5. Type of training (vocational, drilling, etc.)
6. Status of participants (unemployed, employed, mixed, only new graduate)
7. Type of institution (retraining center, vocational training school, technical secondary school, university, college, other)
8. Type of certificate (certificate of attendance, diploma, certificate of a skill, certificate of a technician, degree)
9. Beginning date of course
10. Ending date of course
11. Length of course in hours

RETRAINING OF THE UNEMPLOYED

ANALYSIS

I. Composition of participants in training.

Analysis of compound can be carried out:

For a given year, quarter, or month

- for new entrants to training courses,
- for training course completers,
- for training course drop-outs,

or at any time for participants in ongoing courses.

The composition of training entrants can be examined on the following characteristics:

1. gender
2. age
3. geographic areas according to place of residence
4. education
5. labor market status (unemployed, new graduate, etc.)
6. activity prior to entering a labor market program
7. previous unemployment and duration of unemployment compensation
8. previous occupation and job skill
9. sector of previous job
10. previous earnings used to determine unemployment compensation amount

II. Indicators characterizing composition of retraining courses

Number of courses and participants of new, ongoing, and completed courses can be examined in a given period of time (year, quarter, month) from the following standpoints:

1. place of course (area)
2. type of organization (in groups, individual)
3. level of training (elementary, intermediate, advanced)
4. type of training (vocational, drilling, etc.)
5. occupation of training
6. type of training institution
7. length of course (shorter than 1 month, 1-3 months, 4-6 months, 6-12 months, 1-2 years, longer than 2 years)

III. Performance Indicators (PI)

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

III.A. PI accepted by the review committee. These PI apply to courses finished in a given year or another fixed period of time.

1. Average (EF) cost per training program entrant

$$\frac{[\text{total cost for completed courses (II/5 or II/6)}]}{[\text{number of persons entering training courses (I/B/1)}]}$$

2. Proportion of entrants who complete training courses

$$\frac{[\text{number who finish training courses (I/B/4)}]}{[\text{number who entered training courses (I/B/1)}]}$$

3. Average cost per employed trainee at follow-up

$$\frac{[\text{total cost for completed courses (II/5 or II/6)}]}{[\text{number of employed at follow-up (I/C/2)}]}$$

NOTE: When using data obtained from the follow-up surveys, it should be remembered that response rates are not one-hundred percent and that response rates differ across counties and courses. To moderate this distorting affect, the indicators must be corrected. With this indicator for instance it is practical to correct the denominator. If 80 people out of 100 participants responded, and 40 % of the respondents are employed, proportion of employment must be referred to the total number of entrants, so in the denominator there should be 40 people instead of 32.

4. Proportion of entrants who are employed at follow-up

$$\frac{[\text{number employed at follow-up among respondents (I/C/2)}]}{[\text{number who entered training courses and responded (I/C/2)}]}$$

5. Average monthly earnings of employed trainees at follow-up

$$\frac{[\text{sum of average monthly earnings of responding trainees at follow-up (I/C/4)}]}{[\text{number employed at follow-up who gave information on their average earnings (I/C/4)}]}$$

6. Proportion of employed trainees working in occupation of training

[number respondents working in occupation of training (I/C/3)] / [number employed at follow-up among respondents (I/C/2)]

PI defined above can be computed on the COUNTY LEVEL, but it may be possible to compute PI using the person and course level database in the following classification:

- courses
- place of courses (areas)
- type of organization (in groups, individual)
- level of training
- type of training (vocational drilling, etc.)
- type of training institution
- length of course

PI (excluding the 1st and the 3rd ones) can be computed for different groups (like gender, age groups, education level, duration of unemployment) as well based on person level registration.

III.B. Other indicators computable from the database

1. Proportion of trainees

- reemployed within 2 weeks
- reemployed within 3 months
- reemployed beyond 3 months (I/C/1)

2. Proportion of employed trainees at follow-up

- reemployed a definite period of time
- reemployed for an indefinite period of time (I/C/2)

3. How training entrants assess the quality of training (I/C/5)

- a. excellent
- b. good
- c. fair
- d. poor
- e. useless

4. How employed trainees assess the role of training in reemployment (I/C/6)
 - a. extremely valuable
 - b. very valuable
 - c. valuable
 - d. of little value
 - e. worthless
5. How employed trainees think they can make use of knowledge obtained on the course, in their present occupation (I/C/7)
 - a. extremely useful
 - b. very useful
 - c. useful
 - d. of little use
 - e. useless
6. Training cost of entrants per day (or hour) of training on the county (or course) level; level of training, type of training, occupation of training, type of training institution, etc.

Regarding computation of indicators 1-6, in the further period of development of our system of PI it may be possible to carry out deeper comparative analyses, evaluation, and cost effective studies as well.

Borsod-Abaúj-Zemplén County
Labor Center
Miskolc, Városház tér 1.

Name of course: _____
Code of course: _____
Name of Training Institution: _____
Course Ending date: _____

Follow-up Survey of Training Program Entrants
(Survey to be conducted 3 months after conclusion of the training course.)

Please, give written answers in the spaces provided, and underline the appropriate answer where alternatives are offered.

1. Name _____

Address _____

2. How would you rate the quality of training organized for you by the Labor Center?

- a. excellent
- b. good
- c. fair
- d. poor
- e. useless

3. Could you get regular employment after the training?

- a. yes
- b. no
- c. got self-employed

(If you answered b or c, please skip forward to question 12.)

4. When did you get employed after the training course ended?

- a. within 2 weeks
- b. beyond 2 weeks but within 3 months
- c. beyond 3 months

5. Name of employer _____

Address of employer _____

6. What is the expected duration of your employment?

- a. indefinite
- b. definite

7. Are you presently employed?

- a. yes
- b. no

Follow-up Survey of Training Program Entrants

Page - 2

8. What is your present occupation? _____

9. What is your monthly gross earning? _____ Ft.

If you do not wish to state the precise amount of your gross monthly earnings, please indicate which one of the following wage categories applies to your earnings:

a. less than 8,000 Ft/month	e. 20,001-25,000 Ft/month
b. 8,001-10,000 Ft/month	f. 25,001-30,000 Ft/month
c. 10,001-15,000 Ft/month	g. 30,001-50,000 Ft/month
d. 15,001-20,000 Ft/month	h. over 50,000 Ft/month

10. How would you rate the value of the training course to your becoming reemployed?

- a. extremely valuable
- b. very valuable
- c. valuable
- d. of little value
- e. worthless

11. How useful to your current occupation is the knowledge that you gained on the course?

- a. extremely useful
- b. very useful
- c. useful
- d. of little use
- e. useless

12. Other comments or observations: _____

This survey was completed on: Day: _____ Month: _____ Year: _____

signature of respondent

SUBSIDIZING SELF-EMPLOYMENT OF THE UNEMPLOYED

BASIC INFORMATION

I. Person level data of program participants.

I.A. Person level data available from the exchange register and UC recipients register.

1. Name
2. Mailing address (zip code, settlement, street, number)
3. Personal identification number (gender, date of birth, 11 digits)
4. Territorial code (county including area, 4 digits)
5. Education (9 categories)
6. Labor market status (employed, lost employment, dependant, recent graduate, retired, student, other)
7. Was he a participant of any employment institution before entering the program? (was not, public service employment (PSE), retraining, unemployment compensation (UC), subsidy for new graduates, social benefit, other) [note: entering these data requires new coding.]
8. Registration date at the employment exchange (duration of unemployment)
9. Beginning date of UC disbursement (its duration)
10. Industrial sector of previous job (2 digits)
11. Previous job skill (8 categories)
12. Occupation at previous work (first 4 digits of the occupational code list)
13. Previous average monthly earnings, used for computing UC amount

I.B. Person level data available from the specific software of the program or manual records

1. Type of business (manager of joint business, member of joint business, individually self-employed)
2. Functional type of business (according to the National Functional Classification, 4 digits)
3. Form of received subsidy (subsidy equal to the monthly UC, contribution to training expenses, partial undertaking of costs of counselling or of loan guarantee)
4. Date of entering into the program (as stated in the decree)
5. Date of leaving the program
6. Way of leaving the program (subsidy ended, the business closed down in the meantime so the subsidy was stopped)
7. Total subsidy received by subsidized person according to different forms of subsidy and lump sum

I.C. Personal information obtainable from follow-up surveys

- 1. How does he rate the role of subsidy granted by the Labor Center in deciding to become self-employed or in starting his own business? (he would have started it without the subsidy, he could have started it only later without it, he would not have become self-employed without it)**
- 2. Is he still self-employed at follow-up?**
- 3. Number of people employed in the business (if he is individually self-employed or manager of a joint business)**
- 4. How does the subsidized person judge the future of his business (he will employ more people, it can be run at the present level, it is doubtful)**

SUBSIDIZING SELF-EMPLOYMENT OF THE UNEMPLOYED

ANALYSIS

I. Composition of program participants

Analysis of composition can be carried out both in a given period of time, and at a given point of time

- of program entrants
- of program leavers
- of program participants

Composition of subsidized persons (entrants, participants or leavers) can be examined from the following points:

1. gender
2. age groups
3. area according to place of living
4. education
5. previous labor market status
6. participation in labor market institution or provision before entering the program
7. previous unemployment or duration of UC
8. previous occupation and job skill
9. sector of previous job
10. previous average earning serving as a basis for computation of UC

II. Indicators characterizing composition of subsidized businesses

We can analyze beginning, running and ended subsidized programs and persons entering them in a given period of time (year, quarter, etc.) from the following points:

1. type of business (manager of a joint business, member of a joint business, individually self-employed)
2. functional type of business
3. forms of received subsidy
4. way of leaving the program
5. duration of subsidy disbursement

III. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

III.A. PI accepted by us (for programs completed in a given period of time)

1. Average sum of assistance per person

[total of assistance paid to completed programs (B/7)] / [number involved in completed subsidized programs (B/6)]

2. Average sum of assistance per person still self-employed at follow-up

[total of assistance paid to completed programs (B/7)] / [number of subsidized people still self-employed at follow-up]

NOTE: the denominator - in case of not total response rate - must be corrected similarly to the method described in item III.3. of retraining of the unemployed.

3. Proportion of persons still self-employed at follow-up

[among respondents number of subsidized persons still self-employed at follow-up (C/2)] / [number of subsidized persons responding at follow-up (C/2)]

4. Average added employment resulting from self-employment assistance at follow-up

[total number of workers employed in subsidized businesses (C/3)] / [number of subsidized self-employed operating at follow-up among respondents excluding members of joint businesses) (C/3)]

NOTE: in case of members of joint businesses, number of workers employed in subsidized businesses has no sense or meaning.

III.B. Other indicators computable from the database

1. Rating the assistance as means of helping self-employment of the unemployed. Proportion of those who

- a. would have started their own business without the assistance
 - b. could have started it only later without the assistance
 - c. would not have become self-employed without the assistance
2. According to the subsidized persons, among assisted businesses proportion of those which
- a. will employ more people in the future
 - b. can be run at the present level
 - c. have a doubtful future (might close down)

PI should first of all be computed on the county level. Indicators III.A.3, III.A.4 and III.B.2 are also worth being analyzed from the following points:

- functional type of businesses
- gender
- age groups
- education
- duration of unemployment before entering the program
- regions

FEED-BACK FORM

ABOUT STATE OF SUBSIDIZED BUSINESSES (at 3 months after the subsidy ended)

Please, give textual answers on the dotted lines, and underline the appropriate answer where there is an option.

1. Name _____
Address _____

2. How would you rate the assistance received from the Labor Center in helping you to become self-employed?

- a. I would have started my own business at the same time without the assistance
- b. I would have decided to become self-employed only later without the assistance

please, indicate how many months later

about months later

3. Are you still self-employed at the moment?

- a. yes
- b. no

4. Number of employees in your business:

(please, answer this question only in that case if you are either individually self-employed, or manager of a joint business)

- a. I have no employees
- b. number of employees: ____ persons

5. How do you judge the future of your business?

- a. it can be developed, I may increase staff
- b. it is stable, but for the meantime it can be kept only at this level
- c. it is in a doubtful state

6. Other observation or comments

Date: 1993 _____ month _____ day

signature of respondent

WAGE SUBSIDY FOR HIRING LONG TERM UNEMPLOYED

BASIC INFORMATION

I. Person level data of program participants

I.A. Person level data available from the exchange register and UC recipients register

1. Name
2. Mailing address (zip code, settlement, street, number)
3. Personal identification number (gender, date of birth, 11 digits)
4. Territorial code (county including area, 4 digits)
5. Education (9 categories)
6. Labor market status (employed, lost employment, dependant, recent graduate, retired, student, other)
7. Was he a participant of any employment institution before entering the program? (was not, public service employment (PSE), retraining, unemployment compensation (UC), subsidy for new graduates, social benefit, other) [note: entering these data requires new coding.]
8. Registration date at the employment exchange (duration of unemployment)
9. Beginning date of UC disbursement (its duration)
10. Industrial sector of previous job (2 digits)
11. Previous job skill (8 categories)
12. Occupation at previous work (first 4 digits of the occupational code list)
13. Previous average monthly earnings, used for computing UC amount

I.B. Person level data available from the specific software of the program or manual records

1. Code number of the active program and of the employer employing long term unemployed
2. Beginning date of employment authorizing to receive subsidy
3. Actual ending date of employment wage subsidy
4. Code of occupation (first 4 digits of the Occupational Code List)
5. Monthly gross wage at hiring
6. If employment ceased during the wage subsidy was paid, what was the reason for it? (employee gave in his notice, employer stopped employment, other)

I.C. Personal information obtainable from employer at follow-up

1. Did the employer extend employment contract after the term of wage subsidy ended?
2. Is employee still employed by employer at follow-up?
3. In case of existing employment how much is the average monthly gross wage of the employed?

II. Other data necessary for computation of PI

1. Subsidy funded from the EF taken as a lump sum and by each employer
2. Number of employee months actually subsidized taken as a lump some and by each employer

III. Other data

1. Contracted number of employees involved in the wage subsidy program taken by each employer
2. Total statistical number of permanent staff at employer
 - a. at the beginning of subsidy
 - b. at the end of subsidy
 - c. at follow-up
3. How does the employer grade the wage subsidy for hiring unemployed arranged by the Labor Center?
 - he would have hired them without it
 - he would have hired other people and not long term unemployed without it
 - he would have hired fewer people without it (____ people)
 - he would have postponed hiring
 - he would have hired nobody without it

NOTE: data in 2. and 3. must be gathered from employer at follow-up.

WAGE SUBSIDY FOR HIRING LONG TERM UNEMPLOYED

ANALYSIS

I. Composition of program participants

Analysis of composition can be carried out from the following points:

- unemployed entering the wage subsidy program (getting employed) in the given period of time
- people still in employment at the end of subsidy

Composition of people involved in the program can be examined according to the following:

1. gender
2. age groups
3. education
4. place of living and/or location of employer
5. labor market status (unemployed, new graduate, etc.)
6. unemployment, and UC duration before entering the program
7. previous occupation and job skill
8. sector of previous job
9. previous average earning as a basis for computation of UC

II. Indicators characterizing composition of subsidized employers and programs

We can examine the number of subsidized employers involved in beginning, running and ended programs and also composition of long term unemployed hired by the above employers according to the following:

1. sector in which employers act
2. structural form of organization of employers
3. location of employers
4. size of number for hiring claimed by employers

III. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

III.A. PI accepted by us (for subsidized programs completed in a given year or other period of time)

1. Subsidy per worker gaining regular employment

[total expenditure on completed wage subsidy programs (II/1)] / [number staying in regular employment after subsidy ended (I/C/1)]

NOTE: an other version of this PI is:

‘Subsidy per worker in regular employment at follow-up’ in this case in the denominator you can find I/C/2.

2. Proportion of subsidized workers who are in regular employment at follow-up

[number in regular employment at follow-up (I/C/2)] / [number of workers whose wages are subsidized (I/B/3)]

NOTE: an other version of this PI is:

‘Proportion staying in regular employment after the subsidy ended in this case in the nominator there is I/C/1.

3. Average monthly cost of wage subsidy per subsidized employee

[total expenditure on completed wage subsidy programs (II/1)] / [total number of employee months actually subsidized (II/2)]

4. Average duration of subsidy per subsidized unemployed

[total number of employee months (II/2)] / [total number of employees subsidized (I/B/3)]

PI are computed at county level first of all, but they can also be calculated according to:

- location of employers
- sectors in which employers act
- structural form of organization of employers
- gender, age groups and education excluding indicator 1. and 3.

III.B. Other indicators computable from the database

1. Proportion of actually hired unemployed involved in the wage subsidy program compared to the contracted number
2. Average number of statistical permanent staff at employer
 - at the beginning of the subsidy
 - at the end of the subsidy
 - at follow-up

We can also compute ratios about the change of number of involved like:

- $2b / 2a$ and
 - $2c / 2b$
3. Proportion of average monthly gross earnings of regularly employed before and after gaining regular employment
 4. How do employers grade the role of the wage subsidy program in hiring the long term unemployed (based on data in III.3)

Borsod-Abaúj-Zemplén
County Labor Center
Miskolc, Városház tér 1.

Name and location of
subsidized employer: _____
Code of program: _____
Beginning of subsidy: _____
End of subsidy: _____

FORM OF FOLLOW-UP SURVEY

ABOUT EMPLOYMENT OF UNEMPLOYED INVOLVED IN WAGE SUBSIDY PROGRAM (at 3 months after the subsidy ended)

1. Number involved in wage subsidy program permitted in the contract signed with the Labor Center ____ people
2. Number of long term unemployed actually employed: ____ people
3. What is the reason for the difference between the contracted number and that of the actually hired?
 - a. did not succeed to find adequate people in the required number and with the required skills among the unemployed
 - b. selected unemployed for hiring were not willing to get into regular employment for the offered wages
 - c. due to new circumstances there was a need to decrease the originally planned number of hiring
 - d. other reasons: _____

4. How do you assess the role of the wage subsidy program for hiring unemployed, arranged by the Labor Center? (indicate only one answer)
 - a. would have employed long term unemployed without it
 - b. would have employed other people than long term unemployed without it
 - c. would have hired fewer people without it ____ people
 - d. would have postponed hiring without it
 - e. would have hired nobody without it

5. Total statistical permanent staff at employer
- at the beginning of the subsidy ____ people
 - at the end of the subsidy ____ people
 - at follow-up ____ people
6. For how many people involved in the program (earlier long term unemployed) did you extend employment after the subsidy ended?
- ____ people
7. Among them how many are still employed by you?
- ____ people
8. Please attach data of people involved in the wage subsidy program on the enclosed form.

PUBLIC SERVICE EMPLOYMENT

BASIC INFORMATION

I. Person level data of program participants

I.A. Person level data available from the exchange register and UC recipients register

1. Name
2. Mailing address (zip code, settlement, street, number)
3. Personal identification number (gender, date of birth, 11 digits)
4. Territorial code (county including area, 4 digits)
5. Education (9 categories)
6. Labor market status (employed, lost employment, dependant, recent graduate, retired, student, other)
7. Was he a participant of any employment institution before entering the program? (was not, public service employment (PSE), retraining, unemployment compensation (UC), subsidy for new graduates, social benefit, other) [note: entering these data requires new coding.]
8. Registration date at the employment exchange (duration of unemployment)
9. Beginning date of UC disbursement (its duration)
10. Industrial sector of previous job (2 digits)
11. Previous job skill (8 categories)
12. Occupation at previous work (first 4 digits of the occupational code list)
13. Previous average monthly earnings, used for computing UC amount

I.B. Person level data available from the specific software of the program or manual records

1. Code number of the active program and of the PSE employer
2. Type of PSE work (communal, health-social, school assistance, etc.)
3. Date of enter into program
4. Contracted duration of PSE employment at enter (for ____ months, for indefinite period)
5. Date of leaving the PSE program
6. Reason for leaving PSE program
 - gain regular (not subsidized) employment at the same employer
 - gain employment at other employer
 - began normal education
 - employment contract for definite period of time expired and was not extended by employer

- PSE worker was dismissed due to improper behaviour before employment contract for definite period of time expired
- PSE worker left employment before his contract expired
- other reasons

7. Monthly gross earnings of program leavers gaining regular (not subsidized) employment.

NOTE: The above data are available from the monthly reports required from PSE employers. Data concerning program leavers (time of leaving, reason for leaving, monthly earning in regular employment) are recorded and monthly reported by employers as well.

II. Other data necessary for computation of PI (summarized by each PSE employer)

1. Average number of statistical permanent staff involved in PSE work detailed by months
2. Monthly sum of EF subsidy paid out for actual PSE work

NOTE: the above data are available when subsidies are made payable. Since there are differences among counties in this respect, it is considerable to enter and process data quarterly and not monthly.

III. Other information characterizing PSE programs (by each employer and lump some)

1. Annual contracted number (quarterly detailed by activities)
2. Total direct expenditures on PSE in the given period of time (month, quarter)
3. Wage expenditures considered within direct expenses on PSE
4. Monthly sum of EF subsidy actually paid out
 - a. from the decentralized EF
 - b. from the central EF
 - c. from both

NOTE: There is no need of a separate follow-up form, since all necessary data can be obtained from the monthly or quarterly reports required from employers involved. We must have a separate contract with employers about the contents of data reporting. On an annual basis it is reasonable to ask for contextual assessment from employers about results, problems and experiences of PSE.

PUBLIC SERVICE EMPLOYMENT

ANALYSIS

I. Composition of unemployed participating in PSE

Composition analysis can be carried out according to the following:

- of entrants into PSE in a given period of time (year, quarter, month)
- of program leavers
- of participants at the beginning and end of the year, or at any time

Composition of PSE participants can be examined from the following points of view:

1. gender
2. age groups
3. by area or territory of place of living
4. education
5. previous labor market status (unemployed, new graduate, etc.)
6. participation in labor market institution or in provision before entering the program
7. previous unemployment or duration of UC
8. previous occupation and job skill
9. sector of previous job
10. previous average earning as a basis for computation of UC

II. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

II.A. PI accepted by us (computable for a given year or any shorter period of time)

1. Average PSE cost funded from the EF per worker in regular employment at program exit

[total PSE cost in the given period of time (II/2)] / [number of PSE workers accepting regular employment at program exit (I/B/6)]

2. Average EF cost per PSE worker

$$\frac{[\text{total PSE costs in the given period of time (II/2)}]}{[\text{average number of statistical staff employed during the given period of time (II/1)}]}$$

NOTE: In the denominator we can also have number of PSE workers in the given period (year). These data equal to opening number of participants at the beginning of the year + program entrants during the year as a total. Indicators with both denominators can be comprehended prop

3. Proportion of PSE workers in regular employment at program exit

$$\frac{[\text{number of PSE workers accepting regular employment at program exit (I/B/6)}]}{[\text{total number of workers participating in PSE projects in the given period of time (I/B/3,I/B/5)}]}$$

4. Average monthly earning of PSE workers in regular employment at program exit

$$\frac{[\text{total of expected average monthly earnings of workers in regular employment at program exit (I/B/7)}]}{[\text{number of PSE workers accepting regular employment at program exit (I/B/6)}]}$$

5. Average duration of PSE spent by PSE program leavers

$$\frac{[\text{total length of time spent in PSE by program leavers I/B/3,I/B/5)}]}{[\text{number of PSE program leavers (I/B/5)}]}$$

6. Average duration of PSE spent by PSE workers in regular employment at program exit

$$\frac{[\text{total length of time spent in PSE by workers in regular employment at program exit (I/B/3,I/B/5,I/B/6)}]}{[\text{number of PSE workers in regular employment at program exit (I/B/6)}]}$$

PI detailed above are first of all computed at county level, but there is a possibility of using the personal and employers' database for computing the PI by areas and employers as well, according to the following points: (with the exception of PI 1 and PI 2)

- gender
- age groups
- education
- activity groups and other characteristics

II.B. Other indicators computable from the database

- 1. Average duration of PSE for program participants at the end of the year or any other time (I/B/3)**
- 2. Classification of PSE workers according to the duration of their program participation (at the end of the year or any other time)**
 - shorter than 3 months
 - 3-6 months
 - 6-12 months
 - 12-14 months
 - longer than 2 years

proportion of PSE workers (I/B/3)
- 3. Proportion of PSE workers actually employed compared to the contracted number**
 - by employers
 - by areas
 - by activity groups
 - at the county level

quarterly and annually (II/1, III/1)
- 4. EF-costs of PSE within total expenditures of PSE**
 - by employers
 - by areas

(II/2, III/2)
- 5. Proportion of wage costs within direct expenditures of PSE**
 - by employers
 - at the county level

(III/2, III/3)

6. Average monthly direct expenditures per PSE worker

- by employers
- by areas and settlements
- at the county level

(III/2, II/1)

7. Average monthly gross earning per PSE worker

- by employers
- by areas and settlements
- at the county level

(III/3, II/1)

8. Proportion of the decentralized EF and that of the central EF within total PSE costs (III/4)

JOB CREATION INVESTMENTS

BASIC INFORMATION

I. Person level data of program participants

I.A. Person level data available from the exchange register and the UC recipients register:

1. Name
2. Mailing address (zip code, settlement, street, number)
3. Personal identification number (gender, date of birth, 11 digits)
4. Territorial code (county including area, 4 digits)
5. Education (9 categories)
6. Labor market status (employed, lost employment, dependant, recent graduate, retired, student, other)
7. Was he a participant of any employment institution before entering the program? (was not, public service employment (PSE), retraining, unemployment compensation (UC), subsidy for new graduates, social benefit, other) [note: entering these data requires new coding.]
8. Registration date at the employment exchange (duration of unemployment)
9. Beginning date of UC disbursement (its duration)
10. Industrial sector of previous job (2 digits)
11. Previous job skill (8 categories)
12. Occupation at previous work (first 4 digits of the occupational code list)
13. Previous average monthly earnings, used for computing UC amount

NOTE: The above data can be obtained only for those who have been hired in the subsidized new jobs or at the subsidized employer from the circle of registered unemployed in the county. Data of all the other people - except for items 8,9,13 - can be gathered from the subsidized employers.

I.B. Person level data available from the specific software of the program or from reports made by subsidized companies for the follow-up

1. Code number of the active program and of the subsidized employer providing employment for the program participant
2. Beginning date of employment in subsidized job
3. Length of labor contract at enter into program (max. 3 months, 3-6 months, 6-12 months, longer than 1 year, for indefinite period of time)
4. In case of an employed person, did he work for the same company or for an other one before
5. Is the person of changed working ability
6. Code number of occupation taken (National Occupational Code List)

7. Gross monthly earning
8. Date of leaving the subsidized job
9. Reason for leaving subsidized job:
 - took another (not subsidized) job at the same employer
 - got fired by employer and gained employment at an other employer
 - got fired by employer
 - the labor contract for definite period of time was not extended
 - due to improper behaviour, or the employee's own fault
 - other reasons

II. Other data necessary for computation of PI (by each employer and total)

1. Total EF subsidy for completed JCI
2. Number of jobs promised
3. Number of jobs actually created
4. Number employed in new jobs created by JCI at follow-up
5. Among employed at jobs created by JCI:
 - a. number who were unemployed new graduates before
 - b. number who have changed working abilities and were un-employed before
 - c. number of others who were unemployed before
 - d. number who were employed before
 - e. number who were dependents, retired or other before

III. Other information characterizing JCI programs (by each employer and lump some)

1. Beginning date of subsidized investment
2. Planned completion date of subsidized investment
3. Actual completion date of subsidized investment
4. Functional type of subsidized project (National Functional Classification)
5. Area code of subsidized project (county, district)
6. Total expenses of subsidized investment as planned (according to applied sum)
7. Actual total cost of project
8. From actual EF subsidy
 - a. share of capital not refundable
 - b. share of interest free loan not refundable
 - c. share of loan interest committed
 - d. share of other forms of subsidy

9. How does the subsidized company (investor) grade the role of EF subsidy in creating new jobs?
- a. he would have made the investment without the subsidy
 - b. he would have made the investment ____ months later without the subsidy
 - c. he would have created less jobs without the subsidy (____ jobs)
 - d. he would not have undertaken investment without the subsidy
10. Total number of employees at employer
- a. at the beginning of the investment
 - b. at the end of the investment
 - c. at follow-up

JOB CREATION INVESTMENT

ANALYSIS

I. Composition of employed in new jobs created by JCI programs

It is reasonable to carry out analysis of composition at follow-up (at deadline of filling in new jobs, and at 1, 2, 3 years after that), but it can be also observed with people entering and leaving subsidized jobs in a certain period of time.

Composition of people employed in subsidized jobs can be examined from the following points:

1. gender
2. age groups
3. areas and territories
4. education
5. previous labor market status (unemployed, new graduates, etc.)
6. previous unemployment and duration of UC
7. previous occupation and job skill
8. sector of previous work
9. Were the people hired in the newly created jobs after internal regrouping within the company or from outside?

II. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

II.A. PI accepted by us (computable for a given year or any shorter period of time)

1. Average cost of subsidies per new job created

$$\frac{[\text{total EF subsidies for projects completed in a given period of time (II/1)}]}{[\text{total number of new jobs created by investments (II/3)}]}$$

2. Among jobs promised the proportion actually created

$$\frac{[\text{total number of jobs actually created by investments (II/3)}]}{[\text{number of new jobs promised (II/2)}]}$$

3. Among jobs created the proportion filled by persons from the target groups

$$\frac{[\text{number of new jobs filled by target population (II/5/a+b+c)}]}{[\text{number of new jobs created (II/3)}]}$$
4. Proportion of new jobs still filled at follow-up

$$\frac{[\text{number of new jobs filled at follow-up (II/4)}]}{[\text{number of new jobs actually created (II/3)}]}$$

The above PI are computed first of all at county level, but there is also a possibility to create them according to the classification of subsidized employers:

- by regions
- by sectors
- and by types of activities

II.B. Other PI computable from the database

1. Average duration of planned completion of subsidized investments (III/1, III/2)
2. Average duration of actual completion of subsidized investments (III/1, III/3)
3. Total development costs per new job created (III/7, II/3)
4. EF subsidy share within total development costs (II/1, III/7)
5. Among total jobs and closed jobs the proportion of new jobs created at the subsidized employer (II/3, III/10)
6. Reasons for leaving subsidized jobs (I/9)
7. Grading the role of the subsidy in creation of new jobs (III/9)

WORK-SHARING

BASIC INFORMATION

I. Person level data of program participants

(It concerns employed people, data can be obtained from the application forms and reports of the employers)

1. Name
2. Mailing address (zip, settlement, street, number)
3. Personal ID number (gender and date of birth)
4. Regional code (county and district of employer's location)
5. Education
6. Code of employment (regularly employed)
7. Sector of employer
8. Job skill
9. Occupation (the first 4 digits of Occupational Code List code)
10. Monthly earning before beginning of subsidy calculated for full time employment
11. Code number of the active program, and that of the employer
12. Time of enter into work-sharing program
13. Time of leaving the program (end of subsidy)
14. Reasons for leaving the program:
 - the subsidized work-sharing program ended
 - employee gained full time regular employment at the same employer
 - employer laid off employee
 - employee gave his notice (gained employment at other employer)
 - other reasons
15. Is he still employed at subsidized employer at follow-up?
 - a. yes
 - b. no, the employer had to lay him off
 - c. no, he left the company on his own will

NOTE: for a transitional period of time—while the system is being developed—gathering of person level data can happen in a narrower circle of data. During this period items 2, 5, 8 and 14 can be omitted.

II. Other data necessary for computation of PI (by each employer and lump sum)

1. Number of jobs (persons) involved in work-sharing program
2. Proportion of working time reduction at the company expressed in %
3. Beginning date of work-sharing
4. Ending date of work-sharing
5. Total person-months subsidized (total number of workers involved monthly subsidized)
6. Number employed at subsidized employer at follow-up
7. Total EF subsidy of work-sharing program

III. Other information concerning subsidized employers and programs

1. Number of new vacancies during the work-sharing program
2. Number of new vacancies filled during the work-sharing program
3. How many jobs involved in work-sharing are filled at follow-up?
4. Total permanent staff at subsidized employer
 - before the work-sharing program began
 - after the work-sharing program ended
 - at follow-up

WORK-SHARING

ANALYSIS

I. Composition of (employed) people involved in work-sharing

Composition analyzing can be made as follows:

- by entrants into the program in a given period of time
- by program leavers
- by program participants at any given time

Composition of persons involved in work-sharing can be examined by

1. gender
2. age groups
3. regions (according to employer's location or employee's place of living)
4. education
5. job skills
6. occupation
7. sector of employer
8. amount of earnings
9. reasons for leaving the program

II. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

II.A. Mutually accepted PI (computable for a given year or a shorter period of time about completed programs)

1. Average cost per job at risk

$$\frac{[\text{total expenditures on work-sharing (II/7)}]}{[\text{number of jobs at risk (II/1, II/2)}]}$$

NOTE: Number of jobs at risk equals to number of people involved in work-sharing multiplied by working time reduction.

2. Average cost per job saved

$$\frac{[\text{total expenditures on work sharing (II/7)}]}{[\text{number of jobs saved at follow-up (II/1, II/2, II/6)}]}$$

NOTE: Number of jobs saved equals to the difference between number of jobs at risk and number of jobs lost among jobs involved in work-sharing. The number of jobs saved must be taken into account by employers and then added up. (Should there be a negative number, it should be taken as zero. If the result of the addition is also zero, there are not any jobs saved. In this case effectiveness equals to zero as well, and the PI has not got a mathematical meaning.)

3. Proportion of jobs at risk which are saved

$$\frac{[\text{number of jobs saved (II/1, II/2, II/6)}]}{[\text{number of jobs at risk (II/1, II/2)}]}$$

4. Average number of months employees are subsidized

$$\frac{[\text{total number of grant months paid (II/5)}]}{[\text{total number of people involved in subsidized work-sharing (II/1)}]}$$

PI detailed above are first of all computed at county level, but they can also be created using the database about employers

- by regions (districts)
- by sectors
- by employers

From the person level database we can compute PI 3 and 4 by employees as well.

II.B. Other PI computable from the database

1. Among people involved in the program, proportion still employed at subsidized employer at follow-up; and proportion and composition of those who were laid off (I/15, III/3)
2. Classification of employers according to the proportion of jobs involved in work-sharing (II/1, III/4)
3. Changes in the total number of subsidized employers
 - during the work-sharing program
 - in the period between the end of the work-sharing program and follow-up (III/4)
4. Rate of program leavers
 - and that of new program entrants in jobs involved in work-sharing during the subsidized period (III/1, III/2).

EARLY RETIREMENT SUBSIDY

BASIC INFORMATION

I. Person level data of program participants: (It concerns employed people. Data are provided by employers.)

1. Name
2. Mailing address
3. Personal ID number (gender, date of birth)
4. Area code (county and region of the employer's location)
5. Education
6. Employment before entering this program
7. Sector of employer
8. Job skill
9. Occupation (first 4 digits of National Occupational Code)
10. Average monthly gross earning before retirement
11. ID code of the active program and that of the employer
12. Beginning date of retirement (that of subsidy)
13. Actual date of old age retirement (end of subsidy)
14. Planned monthly sum of pension
15. Actual monthly sum of pension
16. Share of undertaken pension in %
17. Total planned commitment made to subsidize early retirement (computable from the above data)
18. Total and annual sum of commitments made (EF-subsidy) (6 data, can be computed from the above data)

II. Other data concerning employers and the program itself

1. Number of employed by employer at time of application
2. Total number of planned lay-offs in the next 6 months
3. Further information about operation of employer
 - it operates in the previous form
 - it operates in a different structural form
 - it is under liquidation (closes down without legal follower)
4. Number of employees involved in early retirement subsidy
5. Total cost of early retirement until old age retirement annually and lump sum
6. Annual and total claim for EF-subsidy
7. Share of undertaken pension in %

EARLY RETIREMENT SUBSIDY

ANALYSIS

I. Composition of people involved in early retirement subsidy:

Composition analysis can be carried out from the following points of view:

- program entrants in a given period of time
- program leavers
- people involved in the subsidy at any time

Composition of people receiving early retirement subsidy from the EF can be examined by:

1. gender
2. period of time until the old age retirement
3. areas (concerning location of employer or place of living)
4. education
5. previous job skill
6. previous occupation
7. sector of previous employer
8. amount of average monthly gross earning before retirement
9. actual (planned) amount of pension
10. share of undertaken pension in %

II. Performance Indicators:

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

II.A. PI that we agreed on

(Unlike with other active programs, here we examine not completed programs, but the ones that have begun, since the effect of the program aiming at avoiding unemployment occurs immediately, and we consider commitments made in a given calendar year when analyzing each program.)

1. Average subsidy per person (cost of avoided unemployment per person)

$$\frac{[\text{total commitments from the EF in the given calendar year (I/18 or II/6)}]}{[\text{number involved in early retirement in the given calendar year (I/12 or II/4)}]}$$
2. Average share of undertaken early retirement pension from the EF

$$\frac{[\text{total commitments from the EF made in the given calendar year (II/6)}]}{[\text{total cost of financing early retirement in the given calendar year (II/5)}]}$$
3. Average monthly sum of early retirement subsidies per person

$$\frac{[\text{total commitments from EF made in the given calendar year (II/6)}]}{[\text{number of subsidized person-months undertaken in the given calendar year (I/12, I/13)}]}$$
4. Average duration of time until old age retirement

$$\frac{[\text{number of subsidized person-months undertaken in the given calendar year (I/12, I/13)}]}{[\text{number involved in early retirement in the given calendar year (II/4)}]}$$

The above indicators are computed at the county level, but they can also be calculated by:

- employers
- regions or areas
- education and
- other personal characteristics

Other indicators computable from the database:

1. Proportion of people involved in early retirement programs to number of employees at employers (II/1)
2. Proportion of people involved in early retirement programs within number of planned lay-offs in the next 6 months (II/2)
3. Classification of people involved in early retirement according to the future form of operation of the employer (II/3)

EMPLOYMENT EXCHANGE

BASIC INFORMATION

- I. Person level data of persons referred to vacancies in a given period of time
 1. Name
 2. Mailing address
 3. Personal ID number (gender,date of birth)
 4. Area code (county including region, 4 digits)
 5. Education (9 categories)
 6. Labor market status (employed, lost employment, dependent, new graduate, retired, student, other)
 7. Participation in any labor market institution before entering the program (was not, POE, retraining, UC, subsidy for new graduates, social benefit, other)
 8. Date of registration (duration of registration as an unemployed)
 9. Beginning date of UC disbursement (its duration)
 10. Sector of previous job (2 digits)
 11. Previous job skill (8 categories)
 12. Occupation taken at previous work (first 4 digits of the National Occupational Code List)
 13. Earlier average monthly earning serving as a basis for computation of UC
 14. Number of referrals and documented job offers total and in the latest month (documentation and precise enter of data must be solved)
 15. Date of gaining employment
 16. Did employment happen through exchange (yes, no)
 17. Was claimant excluded from UC due to not excepting the offered job without any proper reasons? If yes, when did it happen?
- II. Data concerning reported vacancies (at local offices and lump some at county level)
 1. ID code of employer reporting the vacancy
 2. Area code (county, local office)
 3. 4-digit occupational code of vacancy
 4. Job skill
 5. Date of reporting
 6. Number claimed for reported vacancy
 7. Date when employer wishes to fill vacancy

8. Reason for deleting reported vacancy as employer specifies it

- vacancy was filled by referred person
- vacancy was filled by outside employee
- vacancy was deleted for other reason

9. Time until vacancies are filled

NOTE: There are special measures needed to organize up-to-date data collection and precise data enter.

III. Other data necessary for computation of PI

1. Total operational cost of calendar year (period) (county data)
2. Total number of visits in the calendar year (period) by local offices and at county level
3. Average number of registrants in the given year (period) by local offices and at county level
4. Number of employees at local offices, in the labor center and in the county lump sum
5. Number of UC recipients

EMPLOYMENT EXCHANGE

ANALYSIS

I. Composition of referred persons

Composition analysis can be carried out in a given period of time (year, month, quarter) of the people involved in labor exchange.

Their composition can be analyzed by:

1. gender
2. age groups
3. regions
4. education
5. labor market status (unemployed, new graduate, etc.)
6. labor market participation and form of provision
7. duration of unemployment
8. duration of providing UC
9. sector of previous job
10. occupation at previous work
11. job skill at previous work
12. earlier average earning
13. monthly UC
14. number of referrals made

II. Composition of people having gained employment (including the ones that got employed through exchange)

Composition of numbers can be examined according to items I/1-14.

III. Composition of reported vacancies that were filled either through exchange or in other ways

Number and composition of reported vacancies that were filled either through labor exchange or in other ways can be analyzed in a given period; and the structure of actual job offers can be determined at any time.

Composition of reported and filled vacancies can be examined by:

1. regions (local offices)
2. sectors
3. job skills
4. occupations
5. date of reporting and filling vacancies

IV. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

IV.A. PI that we agreed on:

1. Average number of referrals per job placement
$$[\text{number of referrals (I/A/14)}] / [\text{number of job placements (I/A/15)}]$$
2. Average number of days until reemployment
$$[\text{total days registered as unemployed by persons placed (I/A/8, I/A/15)}] / [\text{number of job placements (I/A/15)}]$$
3. Average cost per EE visit
$$[\text{total EE operations expenditure in a given period of time (III/1)}] / [\text{total number of EE visits in a given period of time (III/2)}]$$
4. Average cost per EE registrant
$$[\text{total EE operations expenditure in a given period of time (III/1)}] / [\text{average number of persons registered with EE in given year (III/3)}]$$
5. Average number of days until vacancies are filled
$$[\text{total days until reported vacancies are filled in given period of time (II/9)}] / [\text{total number of vacancies filled in given period of time (II/7)}]$$

PI detailed above are mainly computed at county level, but with the exception of items 3 and 4, they can also be calculated by local offices.

IV.B. Other indicators computable from the database (at county level and by local offices)

1. Proportion of vacancies filled through EE (II/8)
2. Proportion of placements made through EE (I/16)
3. Number of referrals per registered unemployed (I/14, III/3)
4. Average number of job offers made to an EE registrant (I/14)
5. Number of referrals per reported vacancy
6. Number of registered unemployed per labor officer (III/3, III/4)
7. Number of monthly EE visits per labor officer (III/2, III/4)
8. Number of unemployed receiving unemployment provision per labor officer (III/5, III/4)

RETRAINING OF THE EMPLOYED

BASIC INFORMATION

I. Person level data of program participants

I.A. Data available from the applications and reports made by employers

1. Name
2. Mailing address (zip, settlement, street, number)
3. Personal ID number (gender, date of birth)
4. Area code (county and region concerning the employer's location)
5. Education
6. Code of employment (employed)
7. sector of employer
8. Job skill
9. Occupation until now
10. Average monthly gross earning before retraining
11. Code number of active program and retraining course
12. Date of enter into program (beginning of course)
13. Date of leaving the program
14. Did he successfully complete the course?

I.B. Personal data obtainable through follow-up (provided by subsidized employer)

1. Is he employed at subsidized employer at follow-up?
2. Does occupation of training suit the occupation taken at follow-up? (yes, partially, no)
3. If not employed at subsidized employer, what was the reason for leaving?
 - got employment at other employer
 - got laid off by employer
 - other reason
4. If not employed at subsidized employer, did he gain employment from other employer?
 - yes
 - no
 - information not available

5. Average monthly earning at follow-up

NOTE: If trainees left for an other employer, it is always the subsidized employer who tries to obtain information about them.

II. Data on training courses

1. Beginning date of course
2. Ending date of course
3. Duration of course in hours
4. Type of training (vocational, drilling, etc.)
5. Level of training (elementary, intermediate, advanced)
6. Occupation of training
7. Number of course participants at beginning
8. Number entering the course while it is running
9. Number of drop-outs
10. Number of completers
11. Number of trainees still employed at company at follow-up
12. Number of employed trainees at follow-up
13. Number of trainees employed in occupation of training at follow-up
14. Total costs of course (organizational and training expenses)
15. County EF share of training expenses
16. Training subsidy paid to trainees out of the EF

RETRAINING OF THE EMPLOYED

ANALYSIS

I. Composition of employed trainees

It can be analyzed:

- for trainees entering the program in a given period of time
- for trainees completing courses in a given time
- for drop-outs of a given period
- for training course participants at any time

Their composition can be examined by:

1. gender
2. age groups
3. areas (place of living)
4. education
5. sector of employer
6. job skill at previous work
7. occupation at previous work
8. average monthly gross earning

II. Indicators characterizing composition of training courses (for running and completed courses in a given period of time)

1. by location of course (in regions)
2. by type of training
3. by level of training
4. by occupation of training
5. by duration of course (shorter than 1 month, 1-3 months, 4-6 months, 7-12 months, 1-2 years, longer than 2 years)

II. Performance Indicators

The notations in parentheses in the formulas for performance indicators refer to data sources provided in the previous list of basic information.

III.A. PI that we agreed on (for completed courses on a given year or any other period of time)

1. Average EF cost per training program entrant

$$\frac{[\text{total EF funding for completed courses (II/15 + II/16)}]}{[\text{number of persons entering training courses (II/7 + II/8)}]}$$

2. Proportion of entrants who complete training courses

$$\frac{[\text{number completing training courses (II/10)}]}{[\text{number who entered training courses (II/7 + II/8)}]}$$

3. Average EF cost per employed trainee at follow-up

$$\frac{[\text{total EF cost for completed courses (II/15 + II/16)}]}{[\text{number employed at follow-up (II/12)}]}$$

4. Average cost per trainee still employed at firm of training at follow-up

$$\frac{[\text{total EF cost for completed courses (II/15 + II/16)}]}{[\text{number employed at firm of training at follow-up (II/11)}]}$$

5. Proportion of trainees employed at follow-up

$$\frac{[\text{number employed at follow-up (II/12)}]}{[\text{number who entered training courses (II/7 + II/8)}]}$$

6. Proportion of trainees still employed at firm of training at follow-up

$$\frac{[\text{number employed at firm of training at follow-up (II/11)}]}{[\text{number who entered training courses (II/7 + II/8)}]}$$

7. Average monthly earnings of trainees employed at follow-up

$$\frac{[\text{sum of average monthly earnings of trainees employed at follow-up (I-B/5)}]}{[\text{number employed at follow-up (II/12)}]}$$

8. Proportion of employed trainees working in occupation of training at follow-up

[number working in occupation of training at follow-up (I/B/2)] / [number employed at follow-up (II/12)]

The above PI are mainly computed at county level, but they can also be calculated by:

- courses
- location of courses
- level of training
- type of training
- occupation of training
- duration of courses

Excluding PI 1, 3, 4, - indicators can be computed by categories like gender, age groups, education, etc.

III.B. Other indicators computable from the data base

1. Proportion of trainees

- employed at firm of training
- employed at other employer
- unemployed (I/B/1, I/B/4)

2. Proportional rate of occupations taken by employed trainees at follow-up to the occupation of training

- totally the same
- partially the same
- totally different from occupation of training (I/B/2)

3. Reason for training entrants left firm of training after completing the course

- employment at other employer
- laid off by employer
- other reasons (I/B/3)

4. Training costs per one day of training at county level by courses, level of training, occupation of training, etc.

APPENDIX D

Sources of Program Participant Follow-up Information

Sources of Program Participant Follow-up Information

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RETRAINING OF UNEMPLOYED

Borsod-Abaúj-Zemplén County
Labor Center
Miskolc, Városház tér 1.

Name of course: _____
Code of course: _____
Name of Training Institution: _____
Course Ending date: _____

Follow-up Survey of Training Program Entrants

(Survey to be conducted 3 months after conclusion of the training course)

Please, give written answers in the spaces provided, and underline the appropriate answer where alternatives are offered.

1. Name _____
Address _____
2. How would you rate the quality of training organized for you by the Labor Center?
 - a. excellent
 - b. good
 - c. fair
 - d. poor
 - e. useless
3. Could you get regular employment after the training?
 - a. yes
 - b. no
 - c. got self-employed(If you answered b or c, please skip forward to question 12.)
4. When did you get employed after the training course ended?
 - a. within 2 weeks
 - b. beyond 2 weeks but within 3 months
 - c. beyond 3 months
5. Name of employer _____
Address of employer _____
6. What is the expected duration of your employment?
 - a. indefinite
 - b. definite

7. Are you presently employed?

- a. yes
- b. no

8. What is your present occupation? _____

9. What is your monthly gross earnings? _____ Ft.

If you do not wish to state the precise amount of your gross monthly earnings, please indicate which one of the following wage categories applies to your earnings:

a. less than 8,000 Ft/month	e. 20,001-25,000 Ft/month
b. 8,001-10,000 Ft/month	f. 25,001-30,000 Ft/month
c. 10,001-15,000 Ft/month	g. 30,001-50,000 Ft/month
d. 15,001-20,000 Ft/month	h. over 50,000 Ft/month

10. How would you rate the value of the training course to your becoming employed?

a. extremely valuable	d. of little value
b. very valuable	e. worthless
c. valuable	

11. How useful to your current occupation is the knowledge that you gained on the course?

a. extremely useful	d. of little use
b. very useful	e. useless
c. useful	

12. Other comments or observations: _____

This survey was completed on: Day: _____ Month: _____ Year: _____

Signature of respondent

BORSOD-ABAÚJ-ZEMPLÉN MEGYEI MUNKAÜGYI KÖZPONT

Ügyiratunk száma:

Hivatkozási szám:

Ügyintézőnk:

Tárgy:

Tisztelt Ügyfelünk!

A Megyei Munkaügyi Központ jelentős összegeket fordít a Foglalkoztatási Alapból arra, hogy a munkanélküliek részére átképző tanfolyamot szervezzen elhelyezkedési esélyeik javítása céljából.

A tanfolyamok eredményességének megítéléséhez, valamint az újabb tanfolyamok célszerű képzési irányainak kiválasztásához feltétlenül szükséges, hogy teljeskörű és megbízható információkat szerezzünk az átképzésben résztvevő személyektől tényleges elhelyezkedésükkel vagy annak nehézségeivel, illetve a tanfolyam hasznosságáról kialakított véleményükkel kapcsolatban.

Ezért tisztelettel arra kérjük Önt, hogy a csupán néhány egyszerű kérdést tartalmazó kérdőívet kitölteni és a BAZ.Megyei Munkaügyi Központ Képzési Osztályára a mellékelt válaszborítékban postafordultával (3 napon belül) visszaküldeni szíveskedjen. (A boríték díjmentesítve van, ezért arra postai bélyeget nem kell ragasztani.)

Nagyon bízunk abban, hogy Ön együttműködik velünk és visszaküldi részünkre a kitöltött kérdőívet. Válaszaikért és munkánkhoz nyújtott segítségéért ezúton is kifejezzük köszönetünket.

Miskolc, 1993. április 20.

Tisztelettel:

Dr. Szegedi László

igazgató

RETRAINING OF EMPLOYED

Name of Employer:
Mailing Address:
tax code number:

**Retraining of Employed
Follow-up questionnaire**

on the employment of participants of training course,
held from _____ (dd/mm/yy) _____ to _____ (dd/mm/yy) _____
in _____ occupation

Number	Course Participant's			Previous Occupation	Occupation at follow-up	Average monthly earning at follow-up	If not employed at subsidized employer, what was reason for leaving
	Name	Personal ID code number	Education				
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

Entry Guidance

1. The form is to be filled in for each participant even if not employed at a subsidized employer at follow-up.
2. If the participant is not employed at the employer completing the questionnaire, the column for occupation at follow-up and that for earnings are to be left empty. The column for reason for leaving should be filled in with one of the codes below:
 1. Laid off by employer
 2. Employee gave notice
 3. Other reason

If there is information, besides the code please note (with yes or no) if the employee became employed with another employer.

SELF-EMPLOYMENT ASSISTANCE

Beginning of Subsidy:
End of Subsidy:
Program ID Code:

**Follow-up Survey
of small business start-up assistance**
(taken at 3 months after assistance)

1. Name:
Mailing address:
2. How would you rate the role of the assistance given by the County Labor Center in helping you start your business?
 - a. I would have started my business at the same time without assistance.
 - b. I would have started my business later without assistance. Please note:
approximately _____ months later.
 - c. Without assistance I wouldn't have become self employed.
3. Is your business still operating?
 - a. Yes
 - b. No.
4. How many people are employed by the business you started?
 - a. None
 - b. Number of employees: _____
 - c. Number of those employees who were unemployed before hiring: _____
5. What are the prospects for your business?
 - a. It can be expanded, I plan further hiring of ____ persons
 - b. Stable, but it isn't likely to be expanded
 - c. It's doubtful
6. Other notes:

Place and date:

Signature:

BORSOD-ABAÚJ-ZEMPLÉN MEGYEI MUNKAÜGYI KÖZPONT

Ugyiratunk száma

Hivatkozási szám

Ugyintézőnk:

Tárgy: Kérdőív megküldése

Tisztelt Ügyfelünk!

A Megyei Munkaügyi Központ a Foglalkoztatási törvényben meghatározott formában támogatást nyújt a munkanélküli vállalkozóvá válásának elősegítéséhez.

Az e címen folyósított támogatások eredményességének megítéléséhez, illetve további támogatások odaítélésével kapcsolatos döntések megalkotásához feltétlenül szükséges, hogy teljes körű és megbízható információkat szerezzünk a támogatott személyek, vállalkozások helyzetének alakulásáról és az ezzel kapcsolatos egyéni véleményekről.

Ezért tisztelettel arra kérem Önt, hogy a csupán néhány egyszerű kérdést tartalmazó kérdőívet kitölteni, és a B.A.Z. Megyei Munkaügyi Központ Munkaerőpiaci Programok Osztályára a mellékelt válaszborítékban postafordultával (3 napon belül) visszaküldeni szíveskedjen. (A boríték díjmentesítve van, ezért arra postai bélyeget nem kell ragasztani.)

Nagyon bízom abban, hogy együttműködik velünk és visszaküldi részünkre a kitöltött kérdőívet.

Válaszaért és munkánkhoz nyújtott segítségéért ezúton is kifejezem köszönetemet.

Miskolc, 1993. május

Üdvözlettel:

Dr. Szegedi László
igazgató

WAGE SUBSIDY FOR HIRING LONG-TERM UNEMPLOYED

Appendix 2 of _____ Contract

Name of employer:

Mailing address:

Taxation Code number:

Personal Data of Long Term Unemployed Involved by Subsidy
(form to be sent with monthly pay sheet)

Employee's		Name of local office	Beginning date of hire (yy/mm/dd)	Occupation and code number (1-4)	Monthly earning granted in the contract (Ft/month)	Duration of hiring 1. indefinite 2. definite
Name	Personal ID number					

Place and date:

Signature of employer:

Name of employer:

Mailing address:

**Personal data of long term unemployed who were involved
with the subsidy and have left the program**

Employee's		Reason for leaving during the program					
Name	ID code number	1	2	3	4	5	6

1. by mutual agreement
2. was dismissed normally
3. was dismissed specially
4. was dismissed during the test period
5. employee gave his notice
6. other

Place and date:

Signature of employer:

Name of subsidized employer: _____
Settlement: _____
Program ID code: _____
Number: _____
Beginning of subsidy: _____
Disbursement: _____
End of subsidy: _____
Disbursement: _____

**Follow-up Survey of Wage Subsidy
for Hiring Long Term Unemployed**
(taken 3 months after wage subsidy ended)

1. Maximum number of workers involved in wage subsidy program: ____ persons
2. Number of workers actually hired involved with wage subsidy program: ____ persons
3. What was the reason for the difference between the maximum and actual number of workers?
 - a. There weren't enough unemployed persons with the proper skills.
 - b. Wages offered weren't acceptable by the unemployed, so as to fill the vacancy
 - c. The labor demand meanwhile was reduced
 - d. Other reasons
4. How would you rate the role of wage subsidy given by County Labor Center for hiring the unemployed?
 - a. Long term unemployed would have been hired even without subsidy.
 - b. Without subsidy less people would have been hired: ____ people
 - c. Without subsidy hiring would have been expanded.
 - d. Without subsidy nobody would have been hired.
5. Number of workers employed:

at the beginning of subsidy ____ persons
at the end of subsidy ____ persons
at follow-up ____ persons
6. For how many subsidized workers' was the duration of their employment lengthened?
____ persons
7. How many of the additional people hired are still employed at the subsidized employer? ____ persons
8. Please provide information about the subsidized people by completing the attached sheet.

Name of employer:
Program ID number:

**Information on Long Term Unemployed People
Involved in Wage Subsidy**
(taken at and sent with follow-up survey)

Person's		Date of Hiring	End of Subsidy	Was their employment lengthened?*	Is the person still employed by the employer at follow-up?	Monthly earnings (Ft/month)	If not employed by the employer; is the person employed anywhere else?**
Name	Personal ID number (first + char)						

* Yes or No

** Yes, No, There's no information

PUBLIC SERVICE EMPLOYMENT

Dead-line:
Send 1 copy to Local Office
of County Labor Office

Name of Employer: _____
Prescribed number of employees
by contract: _____
Second quarter of year: ____ people
Third quarter of year: ____ people

Statement on Persons Involved in Public Service Employment

Number	Name	Personal ID Code Number	Place of Living (Settlement)	Date of Program Entrance	Type of Activity*
1.					
2.					
3.					
4.					
.					
.					
.					

* A: Infrastructural B: Social C: School Assistant D: Other

Please assign the proper letter.

Dead-line:
Send 1 copy to Local Office
of County Labor Office

Name of Employer: _____
Prescribed number of employees
by contract: _____

Report on Public Service Employment
Entrants in ____ Month

Name	Personal ID Code Number	Place of Living (Settlement)	Which local office made the exchange	Date of entrance	Duration of employment	Type of action*	Monthly wage Ft/month
------	----------------------------	------------------------------------	--	---------------------	---------------------------	--------------------	--------------------------

* A: Infrastructural B: Social C: School Assistant D: Other

Please assign the proper letter.

Dead-line:
Send 1 copy to Local Office
of County Labor Office

Name of Employer: _____
Prescribed number of employees
by contract: _____

Report on Public Service Employment
Leavers in ____ Month

Name	Personal ID Code Number	Place of Living (Settlement)	Date of Entrance	Date of Leaving	Reason for Leaving*	Monthly Wage	
						in previous month of leaving	in the new occupation**

- * Reason for leaving: A: at the same employer hiring became permanent (non-subsidized)
B: been hired by another employer
C: became student
D: hiring was of definite duration of time, and it wasn't lengthened
E: got laid off
F: employee gave notice
G: other reason

** If reason is A.

JOB CREATION INVESTMENTS

Report
on the Effect of Job Creation Investments Subsidized by EF

Name of employer:

Mailing address:

Taxation code number:

Jobs promised: ____ persons

Jobs created and filled: ____ persons

Name ID Number Date of Birth Place of Living	Date of Hire (yy/mm/dd)	Occupation	Prescribed			Labor Market status before Hiring*	Date	Reason
		and it's code number	Duration of Hiring		Monthly earning		for leaving**	
			Indefinite	Definite				

- * 1. unemployed
 11. new school graduate
 12. changed ability to work
 2. employed
 3. pensioned

- ** 1. job became non-subsidized
 2. got laid off
 3. definite duration of employment completed
 4. bilateral notice
 5. other

**Follow-Up Survey
On Job Creation Investment Subsidized by EF**

1. Name of Employer:
 Mailing Address:
 Taxation Code Number:
2. Number of jobs promised:
3. Number of jobs actually created:
4. Number of employees at follow-up:
5. How would you rate the role of subsidy in job-creation?
 - a. without it investment would have been realized
 - b. without it investment would have been undertaken ____ months later
 - c. without it less job places would have been created
 How many less:
 - d. without it investment would have failed
6. Number of jobs at employer:
 - a. at the beginning of investment: ____
 - b. at the end of investment: ____
 - c. at follow-up: ____
7. Other comments:

Place and date:

PART-TIME EMPLOYMENT (WORK-SHARING)

Firm:
Telephone Number:
Administrator:

**Pay-Sheet of Subsidy
for Part-Time Employment**

____ month

No.	Name ID Code Number Occupational Code	Full- Time (hour/ month)	Full-Time Personal wage (Ft/month)	Work Sharing hour/month	Last Wage (Ft/month)	Subsidy Required (Ft/month)

Signature of employer:

Name of employer:
Taken: with the first claim for subsidy disbursement

Part-Time Employment (work sharing)
(personal data of participants)

Name	Personal ID Code Number	Education	Job-Skill	Occupation	Occupation Code Number (first 4 char)	Monthly wage (personal) of full-time

Sent: monthly with the claim for subsidy

**Personal Data of Part-Time Employment Leavers
During the Program**

Name	Personal ID Code Number	Date of Program Leaving	Reason for Leaving*

1. Was dismissed normally
2. Got full-time job at the same employer
3. Was dismissed specially
4. Employee gave notice
5. Other

BAZ County Labor Center
3525 Miskolc, Varoshaz ter 1.

Follow-Up Survey
On Part-Time Employment
(taken 3 months after assistance)

Name of Employer:
(involved by subsidy)

Beginning of subsidy: (date)
End of subsidy: (date)

1. How many positions were subsidized during the program?
____ persons
2. Were there any changes in the positions mentioned above? How many?
____ persons
3. Among those who were involved in work sharing, how many are still employed at follow up? ____ persons
4. Staff number of Employer:
 - at the beginning of subsidy: ____
 - at the end of subsidy: ____
 - at follow-up: ____
5. Among persons involved in work sharing who are no longer employed with the firm:

How many persons were dismissed? ____
How many persons gave their notice? ____
Please give the name, ID number of those who were dismissed.

Place and date:

Name of Employer:
Mailing Address:
Taxation Code Number:

Follow-Up Survey
Regarding Persons Who Are No Longer Employed with the Firm,
After Part-Time Employment Subsidy Was Completed
(taken 3 months after subsidy ended)

Name	ID Code Number	Reason employment ended*	Date employment ended
among those who are no longer employed after finishing subsidy			

- * (2) employer gave notice
(3) employee gave notice
(4) other

EARLY RETIREMENT SUBSIDY

**Pay-Sheet
for Early Retirement Subsidy Claim**

Name of Employer:
Mailing Address:
Number of Staff at Date of Claim:
Lay-offs planned in the coming 6 months:

Name				Occupation Code Number (1-4 char)	Date of retirement age	Monthly earnings total (Ft/month)	Full Pension amount (Ft/month)	Cost of pension (Ft/year)			
ID number	place of living	Education	Job-Skill					1993	1994	1995	Sum Total

APPENDIX E

Part 1: New Computer Screens to Support Performance Indicators

**Part 2: Existing Administrative Data Sources Used for
Performance Indicators**

Part 1

New Computer Screens to Support Performance Indicators

RETRAINING OF UNEMPLOYED

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Industry Code of Previous Employer:	Average Monthly Earnings (Ft/person):
Registration Date:		
Date of Beginning Unemployment Compensation Disbursement:		
Monthly Unemployment Compensation Amount:		
Previous Employment Institution Code:		
Course Number:	Action Code:	
Reason for Leaving Program:		
<div style="display: flex; justify-content: space-between;"> PLEASE, FILL IN THE ABOVE FORMAT TO EXIT <ESC> </div>		

Code List
Retraining of Unemployed

Territorial Code (4 digits)

- 1-2 positions County Code (Borsod = 05)
- 3-4 positions Office Code (Borsodban = 01-17)

EDUCATION LEVEL

- 0 < 8 years education
- 1 primary level
- 2 3 years vocational school
- 3 4 years vocational school
- 4 4 years vocational and gymnasium
- 5 4 years vocational and technical school
- 6 gymnasium (high school)
- 7 college - 3 years past gymnasium
- 8 university

JOB SITUATION CURRENTLY

- 1 currently working
- 2 lost his job
- 3 provided for by others (e.g. children, pensioner)
- 4 beginner
- 5 retired
- 6 student
- 7 other reason

PARTICIPANT IN LABOR MARKET PROGRAM

- 0 not
- 1 public services employment
- 5 retraining program
- D work sharing
- E subsidy for new entrepreneurs
- F subsidy for hiring long term unemployed
- G early retirement
- X job creation investments
- Y retraining employed

INDUSTRY GROUPS

11	mining
12	electric power
13	metal
14	machinery
15	construction
16	chemical
17	textile
18	other manufacturing
19	food processing
21	construction finishing
22	construction planning
31	agriculture
32	forestry
41	transportation
42	media (news)
51	interior trade
52	foreign trade
61	water supply
71	computer technology
73	personal household services
74	business services
75	banking services
76	housing supply (rental)
81	insurance for workers health, accident
82	health care
83	social care
84	education
85	cultural services
91	scientific research
92	government administration
93	protection
94	police
96	other services

SKILL LEVEL

1	skilled
2	semi-skilled
3	unskilled
4	top manager
5	manager
6	supervisor
7	administrator
8	senior administrator

CODES FOR PROFESSION BEFORE UNEMPLOYMENT (use same codes as for retraining program)

COURSE CODE (8 digits)

1	position Labor Market Program Code (5 = retraining)
2-8	positions Course Code

WAY OF LEAVING SYSTEM

1	completed course
2	left it/own failure
3	illness
4	to get a job
5	program is over

ORGANIZED BY

1	organized by own county
2	organized by other county
3	individual at the same county
4	individual at another county
5	company
6	other

TRAINING LEVEL

- 1 basic level
- 2 middle level
- 3 top level
- 4 professional training
- 5 basic skills in a new profession
- 6 other

TYPE OF TRAINING

- 1 professional certificate (OSZJ)
- 2 professional certificate (ASZJ)
- 3 skills within a profession
- 4 no certificate
- 5 other

TYPE OF PARTICIPANT

- 1 unemployed
- 2 currently working
- 3 mixed
- 4 only beginners
- 5 students

TYPE OF INSTITUTE

- 1 retraining institute
- 2 producing company
- 3 4 year vocational school
- 4 4 year vocational and gymnasium
- 5 4 year vocational and technical school
- 6 gymnasium (high school)
- 7 college - 3 year past gymnasium
- 8 banking institute
- 9 other

TYPE OF CERTIFICATE

- 1 participant (visiting) certificate
- 2 diploma
- 3 professional certificate
- 4 technician certificate
- 5 diploma

Follow-Up Survey for Retraining Courses

**HOW WOULD YOU RATE THE QUALITY OF THE RETRAINING PROGRAM
ORGANIZED FOR YOU BY THE LABOR CENTER**

- 1 excellent
- 2 good
- 3 fair
- 4 bad
- 5 very bad

COULD YOU GET REGULAR EMPLOYMENT AFTER THE TRAINING?

- 1 yes
- 2 no
- 3 started up a business

WHEN DID YOU GET EMPLOYED AFTER THE TRAINING COURSE ENDED?

- 1 less than 2 weeks ago
- 2 between 2 weeks and 3 months ago
- 3 more than 3 months ago

INDUSTRY CODE OF NEW EMPLOYER (see above)

LOCATION OF EMPLOYMENT (4 digit code)

- 1-2 positions county
- 3-4 positions area in county

EXPECTED DURATION OF CURRENT JOB

- 1 indefinite duration
- 2 fixed duration

WAS THE RESPONDENT EMPLOYED AT TIME OF THE SURVEY?

- 1 currently working
- 2 not working

IS JOB IN SAME OCCUPATION AS TRAINING?

- 1 same
- 2 about the same
- 3 not the same

HOW USEFUL WAS RETRAINING IN GETTING A JOB?

- 1 really important
- 2 very important
- 3 important
- 4 not really important
- 5 not important

HOW IMPORTANT TO YOUR NEW JOB ARE THE THINGS YOU LEARNED IN RETRAINING?

- 1 really very important
- 2 really important
- 3 important
- 4 not really important
- 5 not important

RETRAINING OF EMPLOYED

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Industry Code of Previous Employer:	Average Monthly Earnings (Ft/person):
Date of Beginning Subsidy Disbursement:		Date of End of Subsidy:
Course Code Number:	Action Code:	
Reason for Leaving Program:	Tax Code of Employer:	
PLEASE, FILL IN THE ABOVE FORMAT		
TO EXIT <ESC>		

RETRAINING COURSE INFORMATION

CHANGING COURSE DATA BASE	
Course Code Number:	Course Title:
Occupation of Training:	
Course Beginning Date:	Decentralized EF Subsidy:
Course Ending Date:	Centralized EF Subsidy:
Training Subsidy from Decentralized EF:	Training Subsidy from Centralized EF:
PLEASE, FILL IN THE ABOVE FORMAT	
TO EXIT <ESC>	

HIRING LONG TERM UNEMPLOYED

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Average Monthly Earnings (Ft/person):	
Date of Beginning Subsidy Disbursement:	Industry Code of Previous Employer:	End of Subsidy Date:
Registration Date:	Unemployment Compensation Commencement Date:	
Monthly Unemployment Compensation Amount:	Previous employment institution code:	
Employer's tax ID number:	Action Code:	
Occupation Code:	Monthly Gross Wage:	
Beginning of Subsidy:	Ending of Subsidy:	Reason for leaving program:
PLEASE, FILL IN THE ABOVE FORMAT TO EXIT <ESC>		

PUBLIC SERVICE EMPLOYMENT

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Sector of Employer:	Average Monthly Earnings (Ft/person):
Date of Beginning Subsidy Disbursement:	Industry Code of Previous Employer:	End of Subsidy Date:
Registration Date:	Unemployment Compensation Commencement Date:	
Monthly Unemployment Compensation Amount:	Previous employment institution code:	
Employer's tax ID number:	Action Code:	Monthly Gross Wage:
Functional Type of Operation:	Date Contract Signed:	
Beginning of Subsidy:	Ending of Subsidy:	Reason for leaving program:
PLEASE, FILL IN THE ABOVE FORMAT TO EXIT <ESC>		

JOB CREATION INVESTMENT

INPUT OF NEW PERSON'S DATA

Local Office Code:	Personal ID code number:	Postal Code:	
Name:	Mailing Address:		
Labor Market Status:	Occupation Code:	Job Skill Code:	
Education Code:	Average Monthly Earnings (Ft/person):		
Date of Beginning Subsidy Disbursement:	Industry Code of Previous Employer:	End of Subsidy Date:	
Registration Date:	Unemployment Compensation Commencement Date:		
Monthly Unemployment Compensation Amount:	Previous employment institution code:		
Employer's tax ID number:	Action Code:	Beginning Date:	Occupation Code:
Type of Employee:	Changed Working Ability:	Ending Date:	
Monthly Wage:	Type of Contract:	Reason for leaving program:	

PLEASE, FILL IN THE ABOVE FORMAT

TO EXIT <ESC>

WORK SHARING

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Industry Code of Previous Employer:	Average Monthly Earnings (Ft/person):
Date of Beginning Subsidy Disbursement:	End of Subsidy Date:	
Planned Amount of Pension:	Action Code:	
Occupation Code:	Job Skill Code:	
Beginning Date:	Gross Wage:	
Ending Date:	Reason for Leaving Program:	
<div style="display: flex; justify-content: space-between;"> PLEASE, FILL IN THE ABOVE FORMAT TO EXIT <ESC> </div>		

EARLY RETIREMENT

INPUT OF NEW PERSON'S DATA		
Local Office Code:	Personal ID code number:	Postal Code:
Name:	Mailing Address:	
Labor Market Status:	Occupation Code:	Job Skill Code:
Education Code:	Industry Code of Previous Employer:	Average Monthly Earnings (Ft/person):
Date of Beginning Subsidy Disbursement:	End of Subsidy Date:	
Planned Amount of Pension:	Action Code:	
Planned time of pension:	Actual amount of pension:	
Amount of annual subsidy: (12x monthly pension)	Action Code:	
	% of pension paid by EF:	
<div style="display: flex; justify-content: space-between;"> PLEASE, FILL IN THE ABOVE FORMAT TO EXIT <ESC> </div>		

Part 2

Existing Administrative Data Sources

Used for Performance Indicators

JOB SEEKER

1. Name: _____ Pers.Id.Number: _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2. Place of residence: _____

Postal code: _____

3. Postal address: _____

Postal code: _____

4. _____ Street _____ No. _____

Date: 19 _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

5. Ecomic status: _____

Corresponding codes

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

JOB REQUIRED

6. Description: _____

Code: _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

7. Salary required /min/: _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

8. Qualification or
Specialization

Corresponding codes

9. Type of contract

Corresponding codes

10. Length of contract

Corresponding codes

11. Work pattern

Corresponding codes

12. Educational
attainment

Corresponding codes

.....

13. Special course /1/ _____

14. Special course /2/ _____

15. Accept commuting?

Corresponding codes

16. Special difficulties
in finding employment

Corresponding codes

17. Type of handicap _____

18. Employment program
participant

Corresponding codes

19. Permission to make
personal data public

Corresponding codes

LAST/PRESENT JOB

20. Type of termination

Corresponding codes

21. Date of termination

19 / /

22. Major industry of the last/present employer

Corresponding codes

23. References

24. Special requests

JOB OFFERS

25. Dates of registration

Y	M	D	Y	M	D	Y	M	D	Y	M	D
19			19			19			19		
19			19			19			19		
19			19			19			19		
19			19			19			19		

26. Date of employment /reported back/

19 / /

27. Jobs offered

Employer	Date	Job name	Code	Cause of failure
	Y M D			
<input type="text"/>	19 <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	19 <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	19 <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	19 <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	19 <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

28. Name of employment office

29 Union membership

Employment Exchange Registration
Key to Response Codes

5. Economic Status

1. Employed	5. Pensioneer
2. Unemployed	6. Student
3. Housekeeper	7. Other
4. Career Beginner	

8. Qualification or Specialization

1. Skilled	5. Manager
2. Semi-skilled	6. Supervisor
3. Unskilled	7. Professional
4. Top Manager	8. Clerk

9. Type of Contract

1. Full Time	5. Pensioneer
2. Part Time	6. Student
3. Home Work	7. Other
4. Child Care	

10. Length of Contract

0. Indefinite	2. Fixed
1. Standard Fixed	3. Occasional

11. Work Pattern

0. Any Hours	5.
1. Permanent Morning	6. Dual or Other
2. Permanent Afternoon/Evening	7. 12/24 or 24/48
3. Second Shift	8. According to Conduct
4. Third Shift	9. Other

12. Educational Attainment

1. Less than 8 years	5. 4 year Voc. (Technikum)
2. 8 years	6. Univ. Prep. (Gimnazium)
3. 3 year Voc (Szakmunkaskepzo)	7. University (Foiskola)
4. 2 year Voc (Szakkozepiskola)	8. Other

15. Acceptable commute?

0. Any Hours	2. Will not commute
1. Will commute	3. Willing to move

16. Special difficulties in finding employment?

0. No problems	5. Criminal Record
1. Skill Mismatch	6. Unskilled
2. Health Reason	7. Sloppy appearance
3. Family Reason	8. Other
4. Frequent Job Changer	

18. Employment Program Participant

0. No programs	2. Severance Payment
1. Public Service Employment	3. Extended Term of Notice

19. Permission to make personal data public?

- 0. Permission given
- 1. Permission withheld

20. Type of termination.

0. Not previously employed	3. Released
1. Employment ended	4. Given notice of work stoppage
2. Transferred	

21. Major industry of the last/present employer

1. Industry	6. Water management
2. Construction	7. Services
3. Agriculture	8. Non-material services
4. Transportation/Telecommunications	9. Government administration
5. Trade	

UNEMPLOYMENT COMPENSATION CLAIM FORM

1. Name: _____ Pers. ID No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

3. Place of Residence: _____

Postal Code:

--	--	--	--	--

FEATURES OF PREVIOUS JOB

8. Type of Contract:

Corresponding Codes

--

9. Qualifications
or Specialization

Corresponding Codes

--

10. Occupational Groups: _____

Occupational Code:

--	--	--	--

UNEMPLOYMENT COMPENSATION

16. Date of Unemployment Compensation Claim: 19

--	--

/

--	--

/

--	--

Unemployment Compensation Claim Form

Key to Response Codes

8. Type of Contract

1. Full Time	5. Pensioneer
2. Part Time	6. Student
3. Home Work	7. Other
4. Child Care	

9. Qualification or Specialization

1. Skilled	5. Manager
2. Semi-skilled	6. Supervisor
3. Unskilled	7. Professional
4. Top Manager	8. Clerk

APPENDIX F

Training Materials for the Performance Indicators System

Agenda
Performance Indicators Training

Day 1

- 9:45-10:00 Welcome. András Vladiszavlyev, Director of the National Labor Center.
- 10:00-11:00 Introductory remarks. Christopher J. O’Leary, Senior Economist, W.E. Upjohn Institute for Employment Research and János Simkó, Deputy Director, Borsod-Abaúj-Zemplén County Labor Center.
- 11:00-11:15 Coffee break.
- 11:15-11:30 Experience in developing the performance indicators system in Hajdú-Bihar County. György Kiss, Director, Hajdú-Bihar County Labor Center.
- 11:30-11:45 Experience in developing the performance indicators system in Somogy County. István Rózsavölgyi, Director, Somogy County Labor Center.
- 11:45-13:00 Question and answer period about the morning presentations.
- 13:00-14:30 Lunch.
- 14:30-17:00 Explanation and practical demonstration of the performance indicators system for the program: Wage Subsidy for Hiring Long-term Unemployed. András Peter, Director of Training Programs, Borsod-Abaúj-Zemplén Labor Center, and János Simkó, Deputy Director, Borsod-Abaúj-Zemplén Labor Center.

Day 2

- 8:00-12:30 Explanation and practical demonstration of the performance indicators system for remaining active labor market programs. János Simkó, András Peter, and Miklós, Borsod-Abaúj-Zemplén Labor Center.
- 12:30-13:00 Summary remarks on the training experience. O’Leary and Simkó.
- 13:00-14:00 Lunch.
- 14:00 Departure.

Outline for Introductory Remarks Performance Indicators Training

1. What is a Performance Indicators system? (O'Leary)
 - a system for measuring achievement of program goals
 - focus on outcomes rather than inputs or process
2. Why was the system developed? (O'Leary)
 - for evaluation and planning
 - better than alternative methods
 - supports decentralized decision making
3. How was the system developed? (O'Leary)
 - input and reaction from all interested constituencies
 - setting of program goals
 - specifying performance indicators
 - review and revision
 - role of the pilot counties
4. What are the parts of the system? (Simkó)
 - performance indicators
 - data requirements
 - surveys
 - computer software
 - standard reports
5. How will the system be used? (O'Leary)
 - promote superior performance
 - identify areas where performance can be improved
 - a factor in budget allocation
 - ensure compliance with contracts
6. What are the goals of this training seminar? (O'Leary)
 - introduce the system
 - training in data system
 - training in surveys
 - training in computer software
 - training in reports
7. What is the schedule for implementation of the system? (Simkó)
 - distribution of survey materials
 - distribution of computer software
 - begin surveys
 - begin reporting

**Outline for Explanation and Practical Demonstration
Performance Indicators Training**

1. What kind of PI can we develop?
2. Where can we gather data?
3. Examples of getting basic information.

What identification codes are used?
How do these codes connect one another?
How to use the formulas for gathering data.
Which department would enter the basic data?

4. Identification codes.

Identifying employers: tax code number
Personal identification code number: ID code number or date of birth
Action code: identifying letter--starting year--a running number
Local office code: Same as in exchange register

5. Organization of surveys, basic formulas.

Whom do we follow-up? Employers and Persons.
Who would organize the follow-up? Which department?
When must we mail the surveys?
Who, which department would do data entry of follow-up?
What do the surveys contain?

6. Code system for computing data.

Non-program specific personnel data: data for period before subsidy period
Program specific data codes

7. The process of computing.

When do we enter data?
Where (in what line) do we enter data?
Who (which department) would enter data?
Basic program and survey information.

8. The meaning of the output system.

9. Opportunities for further analysis.

Performance Indicators Training Manual

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- I. Introduction**
- II. Listing of Performance Indicators and their Computation**
- III. Data Required and Sources of Data**
- IV. Methods for Gathering and Preparing Data for Entering into the Computer**
- V. Follow-up Survey Methodology**
- VI. Description of Computer Software for Entering Data**
- VII. Demonstration of Output Information**
- VIII. Proposal for Implementation of Monitoring**

Appendices

- 1. Performance Indicators Formulae**
- 2. Data Requirements and Sources**
- 3. Methods used for Gathering Basic Data**
- 4. Follow-up Surveys**
- 5. Code List of Monitoring System**
- 6. Users Guidelines**
- 7. Overview of System Output in the Context of the Whole System**
- 8. Formulae for Cases where Performance Indicators are to be Computed Manually**

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