

## Public employment services in Bulgaria: opportunities of better management and the importance of human resources

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### ABSTRACT

*The necessity of application of new approaches and models in public employment services for achievement of social efficiency is imposed by the need of effectively implemented social policy in the sphere of labor market and employment through determination of the main processes in the implementation of activities in Bulgarian Employment agency. In this context, the paper analyzes challenges in contemporary dynamic social and economic environment and makes a proposal for a model of raising effectiveness in management in public employment services in Bulgaria stressing on the importance of human resources, their competences and development.*

**Keywords:** *employment, unemployment, labor market, human resources.*

### INTRODUCTION

Contemporary changes in economic and social environment pose a number of challenges before public employment services and development and implementation of social policies. New realities on labor market and dynamic environment require adequate actions, rational and timely decision making and optimization of work (Arabska, 2016c). In direct relation with the implementation of the Europe 2020 Strategy for smart, sustainable and inclusive growth is the introduction of a common strategy for public employment services in the EU, reflecting the intensification policy with sustainable results consistent with the challenges of social environment, provoked by the labor markets. This does not mean that the operational consequences for each of the public employment services will be the same. It should not be overlooked that in different countries there are specific conditions that have impact on those consequences (Arabska, 2016b). And to respond flexibly and precisely to the numerous internal or external changes, public employment services are subjects to conversion and renewal, according to the individual elements to ensure continuity, available in different member states (Arabska, 2016a).

The adequacy of responses by institutions on the labor market is directly related to technologies used at work (Terziev & Dimitrova, 2015b) and

applied models to rationalize decision-making and to improve the quality of services provided. Improving processes and the quality of the administrative services in the Bulgarian employment agency, taken as an example, is seen as a prerequisite for effective implementation of employment policies (Terziev & Arabska, 2015b; Terziev & Stanchev, 2016b). A solution is the application of a process model of work in the labor offices taking into account the necessary resources (in terms of time required to perform certain actions) and determining the required capacity. The model discussed in the paper is a flexible tool for better management and efficient use of human resources.

### PUBLIC EMPLOYMENT SERVICES: TRENDS AND CHALLENGES

Public employment services (PES) are facing uncertain political choices about their long-term funding and scope of its activities. Rapid response to changing conditions and the combination of short-term interventions with sustainable solutions require flexibility, organizational response capability and creativity. Public employment services needs ability and capacity to ensure maximum impact of policy on the labor market and therefore regardless of the variability of economic, social or financial circumstances (Terziev & Dimitrova, 2015a; Terziev & Stanchev, 2016a).

Public employment services face a number of urgent tasks as raising the employment rate and reducing the number of vacant jobs for which is difficult to find enough qualified workers. New realities on labor market and dynamic environment require adequate actions, rational and timely decision making and optimization of work. Dynamic changes in social environment impacting labor markets and activities of public employment services impose various tasks which implementation should be carefully planned, organized and controlled. To achieve that public employment services should take a more comprehensive look at the demand and supply of labor, considering the numerous transitions taking place constantly on the labor market and people's personal development. Improving processes and the quality of the administrative services in the Bulgarian employment agency is seen as a prerequisite for effective implementation of employment policies (Terziev & Arabska, 2015c).

The strategy for the future approved by the European public services is in response to the challenges of the dynamic changes in the social environment and consistent with the requirements of the strategic framework for the development of the „Europe 2020”. The introduction of a common strategy does not mean that the operational consequences for each of the public employment services will be the same. It should not neglect the fact that in different countries there are specific conditions that have an impact on those consequences (Terziev & Arabska, 2015f). And to respond flexibly and precisely to the numerous internal or external changes, public employment services are subject to conversion and renewal, according to the individual elements to ensure continuity. There is no doubt that cross-border cooperation in a European context offers many advantages in this respect (Terziev, 2015b). Regardless of national conditions, the striving to answer current and future challenges leads to significant changes in the role and function, contributes to transitions with a strong impact on the supply of services, and especially on the management model and operations' implementation in public employment services (Terziev & Arabska, 2015b).

The main task of public employment services (PES) is to contribute supply and demand match on the labor market providing information,

placement and active support services<sup>1</sup>. PES function in a network of more than 5 000 local employment offices throughout Europe with more than 100 000 staff offering services to job-seekers and employers. Besides different structuring in different countries their mission is the same regarding:

- easy access to the labor market - comprehensive and detailed information on available jobs and job-seekers, and on related matters of interest; a wide range of active services to assist in job searches and staff recruitment;
- access to more comprehensive services to meet individual needs;
- a range of quality services to enterprises mediating between their needs and labor market conditions, partnership with employers to achieve the economic and social objectives of integrating workers into the labor market.
- PES are partners to EURES (The European Job Mobility Portal) in the facilitation of mobility across national borders on the European labor market.
- The European network of Public Employment Services is established to maximize efficiency of public employment services (PES). It embraces all 28 EU countries, Norway, Iceland and the European Commission. The aims of the network are the following<sup>2</sup>:
- compare PES performance through benchmarking;
- identify evidence-based good practices and foster mutual learning;
- promote the modernization and strengthening of PES service delivery, including of the Youth Guarantee;
- prepare inputs to the European Employment Strategy and the corresponding national labor market policies.

In last few decades the European labor market is experiencing significant challenges connected to ageing population trends, entrance into a new digital era and all embracing processes of globalization (Terziev & Arabska, 2015d). The Europe's problems regarding increasing threats

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<sup>1</sup> EURES. The European Job Mobility Portal.

<sup>2</sup> European network of Public Employment Services.

of long term unemployment and extremely high levels of youth unemployment impose the need of significant changes in the way of functioning of public employment services making them more client-oriented and more flexible services functioning in accordance to the approaches in Europe 2020 addressing structural unemployment and social inclusion<sup>3</sup>.

Employment incentives and training dominate the types of active labor market policies offered by PES to young people, the long term unemployed and the 50+ age group. PES targets are typically linked to action planning with fewer targets linked to active measures<sup>4</sup>. PES 2020 Strategy is focused on an activation policy with sustainable outcomes considering transitional labor market and adaptation of their business model. The modernization of Public Employment Services (PES) has been an essential element of the European Employment Strategy<sup>5</sup>. Economic shocks, demographic and technological changes lead PES to processes of restructuring in basic organizational and financing model, human resources, types and methods of services provision, active labor market policies (Terziev, 2015h). Two trends are observed in the business model:

- a trend for increasing the role of PES in the activation of a broader client base
- a trend towards increasing decentralization of PES.

The striving after development of more results-oriented services requires elaboration of measures concerning economic and social efficiency. Current measures in EURES and in member-states are output-focused and the measurement of the effectiveness of EURES needs improvements. Monitoring should go further of activity and outputs and include consideration of results – a proposal based on the practices in PES<sup>6</sup>.

The overall strategy for the future approved by the European public services is in response to the challenges of the dynamic changes in the social environment and consistent with the

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<sup>3</sup> Annual Report of the European Network of Public Employment Services. June 2014 - June 2015.

<sup>4</sup> Assessment report on PES capacity. July, 2015.

<sup>5</sup> Small Scale Study on PES Business Models. June, 2014.

<sup>6</sup> PES performance measurement systems and geographical labor mobility. Final report. Client: European Commission, DG EMPL, C4. Rotterdam, London, 15 May 2012.

requirements of the strategic framework for the development of the Europe 2020. It is aimed at the realization of an effective system for management of human resources. Examining PES as a result of the actions of all the factors of a system as a whole could provide significant implications about their economic and social efficiency (Terziev & Arabska, 2015c).

### **BULGARIAN EMPLOYMENT AGENCY: MAIN FUNCTIONS AND ACTIVITIES**

To the subjects of policy of employment in Bulgaria must be mentioned: the state and its specialized agencies: the Employment Agency of the Ministry of Labor and Social Policy, the National Council for Tripartite cooperation representing workers' organizations, employers' organizations, the Agency for Social Assistance of the Ministry of Labor and Social Policy; regional level - regional governors, municipalities, regional employment offices and job centers. These entities are engaged in institutionalized relations "regarding labor" and those between employers and workers (Terziev, 2015d). Institutionalized subjects can occur as legalized private agencies and bureaus for employment, some non-governmental organizations among its other social functions to have intermediary business of finding employment for persons at risk groups and participate in the implementation of projects for training, qualification and retraining (Terziev, 2015e).

Bulgarian employment agency (EA)<sup>7</sup> aims to implement the state policy on employment promotion and protection of the labor market, vocational guidance, adult education, and to perform intermediary employment services to increase economic activity and employment potential of the population, by increasing employment and reducing unemployment (Terziev, Dimitrova & Stoyanov, 2015c). The main functions of the employment agency are registering vacancies and those actively seeking employment mediation services for employment (Terziev, 2015f). It engages with joint participation of municipalities and employers in the development of socially beneficial for the city and state activities and participation in the development and implementation of programs and measures for employment and training aimed at specific groups of unemployed people who for various reasons are hard adaptable to

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<sup>7</sup> Bulgarian Employment Agency. Law on employment promotio).

labor market (Terziev, 2015a). The agency participates in performance, either alone or jointly with other bodies or organizations, projects and programs in the areas of employment, vocational education and training, social integration, financed by the funds of the European Union or other international organizations, including and with the participation of Bulgarian resources (Terziev, 2015g; Terziev, Dimitrova & Stoyanov, 2015b). It also deals with the protection and preservation of employment, organizing qualification and motivation training of unemployed and employed, brokering employment of Bulgarian citizens abroad and foreigners in Bulgaria and analyzing supply and demand in the labor market and forecasting possible changes (Terziev & Arabska, 2015a; Terziev, Dimitrova & Stoyanov, 2015a).

Reform of administrative services in the Employment Agency begins with the preparation of analysis of the services provided by the Agency departments covering its overall activity. Main conclusions of the analysis are that there is a need of<sup>8</sup>:

A reform in the administrative services, substantiated by:

- New national social strategy;
- Changes in the market environment;
- New customer needs;
- Increased requirements for quality of service;
- Achieve the standards and characteristics of the administrations of the EU.

Changes in external environment

- Significant changes in the structure of unemployment;
- A growing mismatch between the qualifications of job seekers and employers' requirements.

Changes in domestic environment

- Rugged, but insufficient effective operation of the EA, despite heavy workload of the employees in the system;
- Insufficient good image of LOD for employers and job seekers;
- Increased expectations from the public and from the government for an active role of the EA in the labor market.

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<sup>8</sup> Processes in labor mediation in Directorates "Labor office". Ministry of Labor and Social Policy of the Republic of Bulgaria.

Main criticisms of the work of LOD are focused on:

- Bureaucracy, tardiness citizens;
- unequal treatment of individuals;
- Giving information only "internal" people;
- Indifference or mistreatment of employees;

Subjects to change are defined as:

- The way EA provides services- workflows;
- The culture of responsibility and decision-making;
- Work environment;
- Knowledge, skills, behaviors and attitudes of employees.

A very important point is that reform to improve administrative services in the EA does not require a change in legislation - the Law on Employment Promotion and other regulations.

The next step is the approval of the vision and objectives of the organizational change of the Employment Agency and the specific services that its departments provide.

Employment mediation services include: information and/or advice to job seekers and employers; psychological assistance to job seekers; referral to appropriate programs and measures for employment and training; referral to adult education; guidance and support for employment, including in another location in the country or in other countries (Terziev & Arabska, 2014).

Directorate "Labor Office" (LOD) is one of the main intermediaries on the labor market. Except that, LOD performs tasks in regulating the labor market, i.e. performs activities on the realization of social strategies and policies. In this capacity, LODs in the country perform the following functions<sup>9</sup>:

- Register job seekers, according to the Law on Employment Promotion (LEP) and its Implementing Regulations and develop an action plan of each registered unemployed person;
- Provide job seekers in compliance with the LEP and the related regulations about: the services provided by the labor office, conditions and procedures for their use; vacant jobs; programs and measures for

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<sup>9</sup> Processes in labor mediation in Directorates "Labor office". Ministry of Labor and Social Policy of the Republic of Bulgaria.



- employment and training, as well as other information from the competence of the Labor Office;
- Implementation of mediation information and employment in Bulgaria and in the Member - States of the European Union, European Economic Area and Swiss Confederation, guidance / information, advice and counselling /; psychological support; adult education; inclusion in programs and measures for employment and training; support to start own business; Information on procedures for operating schemes under international programs and projects, incl. Operational Program "Human Resources Development";
  - Advising on employment opportunities for Bulgarian citizens abroad, incl. use of the network EURES, and foreign nationals in the Republic of Bulgaria and intermediary business in implementation of international agreements for the exchange / export of labor and intermediary contracts concluded by the Employment Agency with foreign employers or licensed intermediaries;
  - Provide employers in compliance with the LEP, the Law on protection of personal data and related regulations information for: those seeking work; programs and measures to preserve and promote the employment and training of staff; the rights and obligations under the mass dismissal of employees; mediation to hire labor; inclusion in programs and measures for employment and training; preferences while maintaining and/or increasing employment; preferences for internship and/or apprenticeship; incentives to promote territorial mobility of employees;
  - Participate in the survey of the training needs for acquiring professional qualification and acquisition and development of key competencies;
  - Perform duties by informing in mass layoffs and teams participate in the drafting of the necessary measures in mass layoffs;
  - Carry out an information exchange with other LOD for the announced jobs;
  - Provide the Agency for Persons with Disabilities with the received from employers information about jobs for people with disabilities on the grounds of the
- Implementing Regulations of the Law for the integration of people with disabilities;
- Prepare opinions on applications for issuance of work permits to foreign nationals in the Republic of Bulgaria;
  - Record short-term employment of foreign nationals, according to the Ordinance on the terms and conditions of the issuance, denial and revocation of work permits to foreigners in the Republic of Bulgaria;
  - Participate in the development of regional and sectoral programs for employment and training in the part containing actions in the active employment policy;
  - Participate in the implementation of national, regional and sectoral programs for employment and training;
  - Gives opinions and propose for approval by the Minister of Labor and Social Policy of regional programs for training and employment, including literacy programs, training and employment;
  - Carry out activities for the organization and implementation of vocational guidance and training for adults;
  - Operate programs and projects funded by the European Union and other international sources;
  - Carry out activities and programs addressing the Social Investment Fund to provide employment services, training for acquiring qualification, support for small business, local communities, etc.;
  - Prepare a draft Action Plan;
  - Implement the approved Action Plan;
  - Prepare periodic and annual reports on implementation of the Action Plan;
  - Develop forecast performance, and if necessary make a proposal to adjust the approved Action Plan;
  - Develop, where appropriate, action plans for the implementation of specific tasks;
  - Participate in the preparation of the annual activity plan of the Employment Agency, as a member of the network EURES;
  - Prepare periodic and annual reports on the implementation of those included in the approved Action Plan programs and measures to promote employment and

training, vocational guidance and training for adults;

- Collect, process, store and provide statistical information on the state of employment and unemployment on the territory they serve. Exchange information with other administrations;
- Perform duties in accordance with signed agreements and protocols on cooperation with agencies, organizations and social partners related to the provision of employment services;
- interact with the "District Labor Inspectorate" in connection with the Agreement signed for coordination, cooperation and collaboration between the Executive Agency "General Labor Inspectorate" and Employment Agency;
- Participate in the operation and development of the automated information system of the Employment Agency;
- Prepare analyses on the status and trends in the local labor market and unemployment projections;
- Engage in research and observation of the labor market;
- Organize reception of citizens and provide answers on applications, complaints and reports of citizens within the framework of their competences;
- Organize, coordinate and participate in the implementation of activities in service of job seekers and employers to the Labor Office revealed outsourced jobs;
- Perform quality delivery of services;
- Support the organization of workshops, information days, job fairs and events related to the tasks of EURES;
- Organize regular press conferences to inform the public about the activities of the Labor Offices;
- Apply measures to prevent and combat corruption.

In response to the priorities of the social policy of the country, expressed in the activities in competent institutions, is the need for new approaches and actions for effective management of social processes tailored to the dynamic social environment on the basis of economical, effective, efficient transformation of extremely limited budgetary resources in social skills for active social policy (Terziev, Dimitrova & Arabska, 2015a).

## INSTRUMENTS FOR RAISING EFFECTIVENESS IN OPERATION AND MANAGEMENT

In recent decades in each EU member state there is an increasingly strong view that public employment services should play a more active role on labor markets. In response to fundamental changes in economic and social sphere a new set of functions is assumed to them which impose the search and the application of new approaches. Problems concerning employment and unemployment should be considered as complex and multilayered. The adequacy of responses by institutions on the labor market is directly related to technologies used at work and applied models to rationalize decision-making and to improve the quality of services provided (Terziev, 2015c). A solution is the application of a process model of work in the labor offices taking into account the necessary resources (in terms of time required to perform certain actions) and determining the required capacity. The model presented is a flexible tool for better management and efficient use of human resources (Terziev & Arabska, 2015c; (Terziev, Dimitrova & Arabska, 2015b).

The introduction of a process model of service provision in the Labor Office is a versatile tool for better management of activities in different LOD by providing the necessary human resources and its use in the most efficient manner. The model is created in electronic form (Excel-tables), which allows developing of various scenarios based on different starting conditions and assumptions in different LOD. The main processes (Table 1)<sup>10</sup>:

1. Information;
2. Registration;
3. Placement;
  - a. Placement - working with job seekers;
  - b. Placement - selection and selection;
  - c. Placement - working with employers;
4. Vocational education and training;
5. Implementation of programs and measures;
6. Termination and renewal of registration;
7. Management of suggestions, complaints and signals;
8. Psychological support

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<sup>10</sup> Processes in labor mediation in Directorates "Labor office". Ministry of Labor and Social Policy of the Republic of Bulgaria.

- Describe one or more activities in all the main processes - in this sense technology to work around the process or individual activity in the process;
- Contain applied to each activity or whole process forms, questionnaires, etc.;
- Guidance technology work and sequence of activities and operations;
- Visualize customer service;
- Assist the interaction between experts in different processes or workers in various activities of the same process;
- Provide space for creativity when working with clients;
- Assist to avoid duplication of data collection and duplication of additional activities and forms;
- Create conditions for regulating service time;
- Support the creation of knowledge and expectations for uniformity of service to different customer characteristics;
- Create confidence of specialists;
- Clients learn mode of operation, which improves relations (reduced stress);
- Place on a standardized service, which is the first condition for providing quality services.

Initial conditions are bound by the policies and objectives of the Employment Agency. To allow maximum fine, the prerequisite to use the model input data is to comply with the National Employment Plan for the current year. Assumptions related to changes in how the Labor Office and the implementation of the new process model. Much of the planned implementation activities require additional time and effort. In order to achieve better performance of the LOD, the new process model should be provided with the necessary capacity.

The processes outlined above, can develop and be improved to varying degrees. In order to achieve results as quickly as possible, however, it makes sense to focus on the following four specific areas called "four levers of change".

The change embraces: improving the key processes; feedback; public relations; interior design; location of access. During the creation of the algorithm the following logical framework is

**Table1.** Basic processes in the Directorate "Labor Office"

Process	Goals
Information provision	<ul style="list-style-type: none"> <li>• Ensure equal access to information and services and provide different access channels.</li> <li>• Fast and quality customer service by providing a clear, easy to understand, complete and accurate information and explanations.</li> <li>• Uniform flow distribution os persons seeking for a job and directing them to obtain services to staff competence.</li> </ul>

used (Terziev, 2015b):

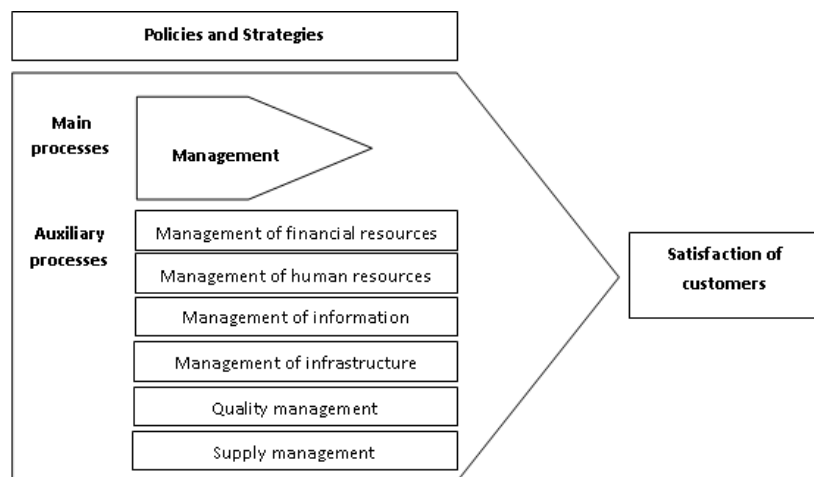
- Initial starting point for the created algorithm are the results to Employment Agency should achieve within the strategic plan or a budget year (Action Plan for Employment). These results represent the concretization of the agency's mission and its objectives, which are generally formulated as: reducing unemployment and increasing employability of the workforce to the requirements of the labor market; achieve financial sustainability in the provision of services by ensuring sufficient resources and proper timing and regions; achieving the correct and proper balance between the benefits of services and for providing their costs; customer satisfaction of services rendered;
- These strategic objectives are defined with specific quantitative and qualitative indicators, which must be guaranteed output of the system such as achieving a certain amount of services rendered, number of clients served, limits used for the implementation of specific programs and measures for employment, etc.; achieve a certain amount of service through fixed amounts of expenditure in legislation and defined optimal costs;
- To achieve revenues from fixed fees paid services.
- The created algorithm to determine the necessary resources, their costs and their allocation to the relevant processes is in the widespread Excel format, making it easy to implement and to simulate scenarios. This supports a reasonable budget preparation and flexible adaptation of resources to the LOD requirements of the labor market during the budget year.
- The algorithm fully reflects the way the services are rendered. As services are realized through workflow organization, the algorithm is based entirely on the model for determining the current and future capacity. Information on the detailed operation of the algorithm is available in each table

Process	Goals
	<ul style="list-style-type: none"> <li>• Fostering independent work habits and search of useful information through various information sources.</li> <li>• Directing the attention of customers to use alternative sources of information (web-site, e-mail, kiosks, town halls, libraries, etc.).</li> </ul>
<b>Registration</b>	<ul style="list-style-type: none"> <li>• Registration of the individual for the subsequent use of services by LOD.</li> <li>• Fast and quality service by providing a clear, easily understood, complete and accurate information, explanations and forms necessary for the registration of persons.</li> <li>• Collecting complete and accurate information about the persons seeking for jobs and storage with a view on its repeated use and updating.</li> <li>• Faster inclusion of seeking jobs on the labor market, by offering suitable vacancies on the day of registration.</li> <li>• Reduce unevenness of the flow through even distribution of the various contingents for subsequent visits to labor brokers.</li> </ul>
<b>Placement – working with job seekers</b>	<ul style="list-style-type: none"> <li>• Provide information on available vacancies in order to quickly realize on the labor market.</li> <li>• Display the characteristics of the seeking jobs in order to improve and facilitate the selection and recruitment vacancies.</li> <li>• Increase the number of hired throughout unemployed persons by encouraging them to participate actively in the labor market.               <ul style="list-style-type: none"> <li>• Supporting employment of the unemployed, by assessing the shortage of skills, counseling and referral to training for acquiring professional qualification, technical or social skills, and skills for independent job search.</li> </ul> </li> <li>• Supporting young people under 29 years of age for employment and / or inclusion in the training.               <ul style="list-style-type: none"> <li>• Development of an individual plan for finding work for the unemployed in an optimally short term.</li> </ul> </li> </ul>
<b>Placement - working with employers</b>	<ul style="list-style-type: none"> <li>• Expanding the scope of employers using the services of directorates "Labor" by:               <ul style="list-style-type: none"> <li>○ Implementation of active, personalized service to each employer and the grounds that providing employment for job seekers;</li> <li>○ Preliminary analysis of business performance and segmentation, depending on their economic activity and capacity for announcement of vacancies in the LOD.                   <ul style="list-style-type: none"> <li>• Increasing vacancies in order to more opportunities for job seekers through:                       <ul style="list-style-type: none"> <li>○ Active contacts with employers announcing vacancies;</li> </ul> </li> </ul> </li> <li>○ Proactive contacts with employers and proposing appropriate profiles of job seekers, even without the vacant job.</li> </ul> </li> <li>• Achieving full specification of vacancies for subsequent fast and qualitative selection and recruitment of job seekers.</li> </ul>
<b>Psychological support</b>	<ul style="list-style-type: none"> <li>• Applying individual approach to job-seekers to overcome the psychological obstacles in search of employment.               <ul style="list-style-type: none"> <li>• Adapting to the demands of the labor market of job seekers by increasing their motivation to actively search for employment and the formation of presentation skills when applying for vacancies.</li> </ul> </li> <li>• Supporting employment intermediaries for quality service to employers in the selection for appointment to vacant jobs.               <ul style="list-style-type: none"> <li>• Support communicative competence consulting the employees of the LOD.</li> </ul> </li> </ul>
<b>Implementation of programs / projects for employment and training</b>	<ul style="list-style-type: none"> <li>• Provide employment to unemployed persons in an disadvantaged position on the labor market.</li> <li>• Increasing the employability of unemployed people by involving them in programs for employment and training.</li> <li>• Increasing the number of the hired among unemployed persons through their inclusion in existing employment programs and training.               <ul style="list-style-type: none"> <li>• Helping the unemployed to start their own business.</li> </ul> </li> <li>• Encouraging employers to participate in existing programs / projects for employment.</li> <li>• Acquisition of permanent work habits by job seekers, reducing their dependence on the social assistance system and their return to the labor market.</li> </ul>
<b>Implementation of measures for employment and training</b>	<ul style="list-style-type: none"> <li>• Methodological and technological unification of LOD's activity related to the implementation of active employment measures:               <ul style="list-style-type: none"> <li>• Inclusion of employers in training measures and employment;</li> </ul> </li> <li>• Increasing the employability of the unemployed through participation in active</li> </ul>



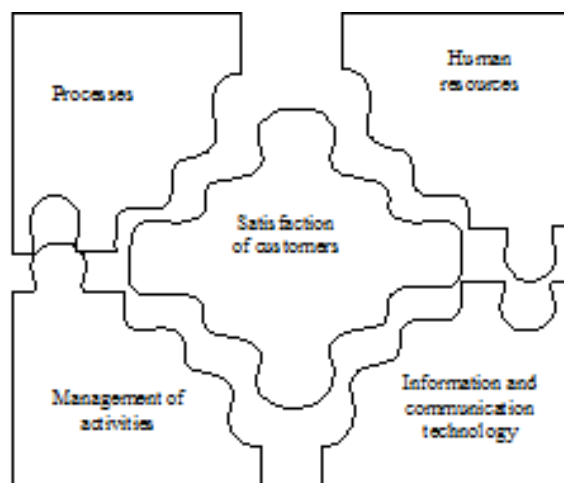
## Human Resource Management and Transformative Ethics

Process	Goals
	<p>measures for training and employment;</p> <ul style="list-style-type: none"> <li>• Providing employment to unemployed persons disadvantaged on the labor market; <ul style="list-style-type: none"> <li>• Encouraging entrepreneurship among the unemployed;</li> </ul> </li> <li>• Promoting mobility of unemployed persons with a view to finding a job in another place. <ul style="list-style-type: none"> <li>• Promoting unemployed, subject to monthly social assistance, who start work</li> <li>• Improving the organization of activities.</li> </ul> </li> <li>• Improving the quality and efficiency of services for the unemployed and employers.</li> </ul>
<b>Termination of registration</b>	<ul style="list-style-type: none"> <li>• Fast and quality service to job seekers by providing a clear, easily understood, complete and accurate information, explanations and forms.</li> <li>• Correct application of the provisions of the Law on Employment Promotion and the Implementing Regulations of the Law on Employment Promotion.</li> </ul>
<b>Management of proposals, alerts and complaints</b>	<ul style="list-style-type: none"> <li>• Responsibility of the administration to the public and the proposals and signals, legality and appropriateness of decisions.</li> <li>• Fast and quality customer service by providing information, explanations and advice.</li> <li>• Establishing mechanisms for customer feedback and changes in accordance with those comments. <ul style="list-style-type: none"> <li>• Encouraging customers to improve administrative services.</li> </ul> </li> </ul>



**Fig1.** The new process model

**Source:** Processes in labor mediation in Directorates “Labor office”. Ministry of Labor and Social Policy of the Republic of Bulgaria. Center for human resources development and regional initiatives: <http://distancelearning.ncpedu.net/>.



**Fig2.** The four levers of change<sup>11</sup>

<sup>11</sup> Processes in labor mediation in Directorates “Labor office”. Ministry of Labor and Social Policy of the Republic of Bulgaria.

## Human Resource Management and Transformative Ethics

At the highest level created algorithm has the following main components: Human resources and costs - this includes direct expenditures of time and labor services-wage labor costs for administrative services and the cost of staff training; Material resources and costs - it

includes direct material costs for services and indirect material costs for services; Capital expenditure; Costs for financing programs, measures for employment, training and qualification of projects and business benefits (Terziev, 2015b).

**Table2.** Model for determining the necessary resources

<b>Input</b>	<b>Process</b>	<b>Ouput</b>	<b>Result</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Physical resources	Productiveness	Quantity	Fulfill the mission and achieve the objectives
<i>quantity</i>	Expenditures per service unit	Quality	Financial sustainability
<i>quality</i>	Coefficients	<i>services</i>	Expenditures / Benefits
<i>time schedule</i>		<i>way of rendering</i>	Satisfaction of customers
<i>value</i>		Cost	
		Price (fee)	
Financial resources		Satisfaction of customers	
<i>quantity</i>			
<i>time schedule</i>			
Logic scheme of the model to determine the resources is: 1. The results are determined (column 4). 2. Defined service quality and amount of estimated output of the system (column 3). 3. The processes by which services are rendered are described and measured (column 2). 4. Determine physical and financial resources with which services will be rendered at the parameters set (column 1).			

The main objective of the developed algorithm is to create a means of allocating costs to the basic services of the agency. This makes it easy to justify the resources required at different starting points as available capacity, existing and expected period of service, available resources, and to determine the value of each service.

By created algorithm can define and justify the following processes:

- To justify the necessary human, material, financial and information resources to provide services and objectives of the Agency;
- Identify factors for performance, economy and efficiency of activity of the Agency as clients served per time unit, unit cost of service, number of employees of 1,000 registered unemployed persons, number of employees to 100 in a job, etc., To serve as a

set norms for the implementation of activities in the Agency;

- Monitor and control costs against services rendered to the Agency and undertake adjustments in case of market equilibrium between supply and demand of labor.

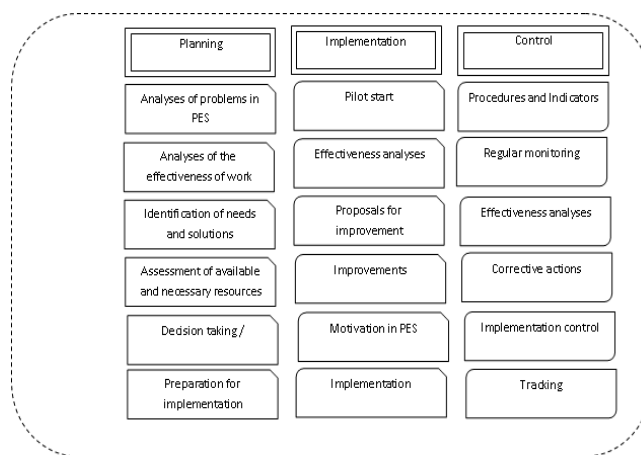
The proposed new instruments for improvement of effectiveness of work of public employment services focus on an algorithm of spending resources and assurance of the necessary flexibility of the process model (Table 2). Opportunities are also presented for rationalization of management solutions for effective social policy based on a process model of directorates „Labor Office”, defining processes and based on detailed metric measurement of activities in the Bulgarian Employment Agency with the objective of standardizing and defining the necessary resources provision of processes (Terziev, 2015b).

**Table3.** Main differences between past and new work model

<b>Process</b>	<b>Before</b>	<b>After</b>
<b>Registration</b>	<ul style="list-style-type: none"> <li>• Segmentation of job seekers is an isolated case;</li> <li>• Triple input of registration data;</li> <li>• Availability of duplicate attributes in the</li> </ul>	<ul style="list-style-type: none"> <li>• Primary segmentation/ prioritization of the contingent - integration with the process "Placement";</li> <li>• Immediately supply of available</li> </ul>

Process	Before	After
	registration documents; <ul style="list-style-type: none"> <li>• Unable to direct the reopening of the file in the case of re-registration;</li> <li>• Loss of traceability for prior work with job seekers.</li> </ul>	vacancies at registration and each subsequent visit; <ul style="list-style-type: none"> <li>• Optimizing introduced-net information by reducing the number of data sets and repetitive details.</li> </ul>
<b>Training and qualification</b>	<ul style="list-style-type: none"> <li>• Mismatch between available skills of job seekers and sought those of employers;</li> <li>• Campaign promoting the limits on topics and allocation;                             <ul style="list-style-type: none"> <li>• Non-related to labor intermediation forming groups for training;</li> <li>• Lack of specific commitments of job seekers in connection with new skills and qualifications;</li> </ul> </li> <li>• A separate tender procedure for each theme - a waste of time.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on shortage of skills in the labor market;</li> <li>• Dynamic planning and organizing the trainings;</li> <li>• Diversification of forms and training opportunities;</li> <li>• Greater freedom and regional diversity of the training;</li> <li>• Monitoring the implementation of the commitments of the person in connection with newly acquired skills and qualifications.</li> </ul>
<b>Programs and measures</b>	<ul style="list-style-type: none"> <li>• Variety of measures and programs can not effectively serve the existing available capacity;                             <ul style="list-style-type: none"> <li>• Premature financial support of established strategic programs;</li> <li>• The development and launch of new measures and programs is not accompanied by the closure or change in such with a weak social impact.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Participation of experts from labor offices in the development of new programs;                             <ul style="list-style-type: none"> <li>• Preliminary testing programs;</li> <li>• Timely financial, informational and methodological provision of programs;</li> <li>• Optimizing existing portfolio of measures and programs to focus on those with the greatest social impact;</li> </ul> </li> <li>• Dynamic management and change of the existing portfolio of measures and programs to reflect changes in the contingent.</li> </ul>
<b>Placement</b>	<ul style="list-style-type: none"> <li>• Lack of proactive search for other sources of vacancies advertised outside in the LOD;</li> <li>• Lack of segmentation of employers;                             <ul style="list-style-type: none"> <li>• Lack of proactive management of relationships with employers;</li> </ul> </li> <li>• Lack of active management and detailed specification of registered vacancies;</li> <li>• Recruitment and selection of appropriate job seekers on formal grounds;</li> <li>• Lack of opportunity to sort candidates on key characteristics;                             <ul style="list-style-type: none"> <li>• Outdated nomenclature of professions and levels of education;</li> </ul> </li> <li>• Establish and maintain relationships with employers only in relation to their activity;                             <ul style="list-style-type: none"> <li>• Formal and mechanical preparation of the action plan of the job seekers.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Better knowledge and specifying the needs and requirements of employers;</li> <li>• Offered vacancies available whenever a visit of a job seekers;                             <ul style="list-style-type: none"> <li>• Secondary segmentation of the contingent;</li> </ul> </li> <li>• Better knowledge and specification of owned and missing qualities of each job seeker;                             <ul style="list-style-type: none"> <li>• Segmentation and active work with employers;</li> </ul> </li> <li>• Actively seeking alternative sources of job vacancies;</li> <li>• More efficient selection of job seekers respecting not only formal, but also the specific requirements of employers.</li> </ul>
<b>Administrative processes</b>	<ul style="list-style-type: none"> <li>• Weak discretion of the LOD;</li> <li>• Existing culture of dependency in the organization of work of the EA;</li> <li>• A large number of informal inquiries;</li> <li>• Excessive detail of the package standard reports;                             <ul style="list-style-type: none"> <li>• Insufficient active advertising and information activities of the LO level.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the document turnover in the system;</li> <li>• Establish a culture of responsibility and decision-making;</li> <li>• Clearly specified the powers of the directors of the LOD;                             <ul style="list-style-type: none"> <li>• Stimulating a certain discretion;</li> <li>• Creating optimal management processes to improve decision making.</li> </ul> </li> </ul>

Source: Processes in labor mediation in Directorates "Labor office".



**Fig3.** Model for raising effectiveness of management in PES

**Table4.** Processes and activities / goals implemented by regional employment services and expected results of the implementation of the model

Processes	Activities / goals	Results
Management of resources	Planning of financial and material resources of regional directorates and corresponding labor offices	Increase in the effectiveness of resources' use in PES
Management of human resources	Motivation and development of human resources in PES	Increase in the effectiveness of work in PES
Coordination of activity	Coordinating, summarizing and supporting the activities of labor offices	Increase in the effectiveness of work of labor offices and the active policy implemented
	Study, analyses and prognoses on the state and the development of the regional labor market	Substantiated empirical base which is necessary for the strategic planning on national and regional level and decision taking
	Regular exchange of information between labor offices and territorial departments of the National statistical institute, social assistance services, etc.	Assurance of coordination and control for effective impacts on the regional labor market
Monitoring of programs and projects	Coordination, implementation and control of programs and projects in the sphere of employment, financed by international sources	Increase in the effectiveness of impact on the labor market
	Monitoring and evaluation of the impacts of the implementation of active policy's measures and programs in the region	Increase in the effectiveness of the implementation of active policy's measures and programs in the region
Strategic planning and management on regional level	Support to the elaboration and the implementation of regional strategies for development	Regional development strategies oriented towards the real needs
	Support to the elaboration and the implementation of regional action plans on employment	Regional action plans on employment which are regularly changed according to the actual needs in the region
Strategic planning and management on municipal level	Interactions with the municipalities and rendering support to them in the elaboration and the implementation of strategies and plans in their parts concerning employment	Municipal strategies and plans embracing adequate measures on employment

It should be noticed however that there are a number of risks that may impede the proper definition of the capacity and use of the model in the Employment Agency. Among them the attention deserve the following (Terziev, 2015b):

- Inefficient use of the model due to a misunderstanding of its basic parameters;
- Estimated capacity concerns only activities engaged in the fundamental processes of LOD. Some of them - participation in the



development of new programs and measures, employee participation in the "import" and "export" of labor force participation in cooperation councils, etc., are not included and should be taken into account when calculating the total human resources needed for a LOD.

- Because of its specificity, activities associated with the implementation of resource processes of a LOD are not possible to be included in the scope of the model. Although decentralization initiative taken, outside the scope of the model remain the processes for managing information resources, supply management and all management activities of planning, communication, control and others.

Knowledge of risk situations is the basis of possible solutions for risk management in the implementation of the model and effective action for their prevention, or in case of failing - to bring them to reasonable limits.

Optimization, quality and efficiency improvement can be accomplished with the use of complex and systematic approaches that take into account available resources and capacity needed in the construction and improvement new tools to streamline management decisions, effective management and control. The presented model to determine the required capacity is a flexible tool for better management of activities in different labor offices by providing the necessary human resources and their use in the most efficient manner. The model allows consideration of the initial conditions which are bound to the policies and objectives of the Employment Agency and gives opportunity to develop different scenarios based on different starting conditions and assumptions in different labor offices. The application of the process model of work in terms of the main activities (in particular training and qualification, implementation of programs and implementation of measures) provides opportunities for optimal use of available resources and improve the capacity of work, and hence the efficiency of the social policies by providing tools for analyses, evaluation of alternative scenarios, rationalization of management decisions and standardization.

Considering the underlined need of effectiveness in decision taking, implementation and control current study makes a proposal is made of a model of increasing the effectiveness of management of PES as presented on fig. 3 as

a possible solution to increasing effectiveness of management in PES. The model concerns goals, activities, resources, results and people in the stages of planning, implementation and control. Starting with problem analyses and analyses of effectiveness of work in PES, the needs and some solutions are identified, available and necessary resources are estimated before decision taking, elaboration of a plan and preparation of activities to implement. The implementation is foreseen to start first in pilot offices and thus provide opportunities to make analyses of the implementation, make some proposals for improvements, improve and motivate the staff before the overall implementation. The key point in the model is the control which requires the adoption of a procedure, incl. indicators for measurement of efficiency in particular, conducting regular monitoring activities, assessments of effectiveness, undertaking some corrective activities if needed (e.g. change, add something or stop the implementation), control over the whole implementation and tracking out the "late" effects.

The model is oriented towards regional employment services directorates according to the main activities implemented. It identifies the general processes needing timely, adequate and effective decision making (Table 4).

The proposed model includes the main stages in management processes in PES and it is based on the following principles in decision taking: openness, flexibility, continuity, reality, inclusion, motivation, added value, monitoring and sustainability. It offers the framework of planning, management and control of goals, activities, resources and results underlining the importance of human resources in PES and accenting on the processes of motivation, communication and coordination.

## CONCLUSION

Contemporary changes in economic and social environment pose a number of challenges before public employment services and development and implementation of social policies. New realities on labor market and dynamic environment require adequate actions, rational and timely decision making and optimization of work. In direct relation with the implementation of the Europe 2020 Strategy for smart, sustainable and inclusive growth is the introduction of a common strategy for public employment services in the EU, reflecting the intensification policy with sustainable results

consistent with the challenges of social environment, provoked by the labor markets. This does not mean that the operational consequences for each of the public employment services will be the same. It should not be overlooked that in different countries there are specific conditions that have impact on those consequences. And to respond flexibly and precisely to the numerous internal or external changes, public employment services are subjects to conversion and renewal, according to the individual elements to ensure continuity, available in different member states.

The adequacy of responses by institutions on the labor market is directly related to technologies used at work and applied models to rationalize decision-making and to improve the quality of services provided. Improving processes and the quality of the administrative services in the Bulgarian employment agency, taken as an example, is seen as a prerequisite for effective implementation of employment policies. A solution is the application of a process model of work in the labor offices taking into account the necessary resources (in terms of time required to perform certain actions) and determining the required capacity. The model discussed in the paper is a flexible tool for better management and efficient use of human resources.

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