



# ANNUAL REPORT 2014



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# ANNUAL REPORT 2014

## **Sixty-third Annual Report of the Federal Employment Agency (BA)**

In accordance with section 393(2) Book 3 of the Social Code (SGB III), the Executive Board submits the following Annual Report, approved by the Board of Governors, for the period 1 January to 31 December 2014.\*

\*Statements on Book 2 of the Social Code (SGB II) are not subject to approval by the Board of Governors of the BA



Photo: Stefan Brending

Handwritten signature of Raimund Becker in black ink.

// Raimund Becker  
Director Regions

Handwritten signature of Frank-J. Weise in black ink.

// Frank-J. Weise  
Chair of the Executive Board

Handwritten signature of Heinrich Alt in black ink.

// Heinrich Alt  
Director Labour Market



The world of work is experiencing fundamental changes, starting with globalisation through demographic developments to a more volatile labour market. This is also having an effect on the work of the BA.

A company that wishes to prevail in the market must align itself to the future. Those that don't change will be changed. And this is exactly the reason why we want to face up to future challenges in good time. How can we bring about successful career starts for young people, what is our contribution to securing skilled personnel, how can we support employers through good and forward-looking advice, how can we develop integration prospects for people on the margins of work society, and, last but not least, how can we position the BA as an efficient, reliable service provider and attractive employer? These are all questions to which we intend to find intelligent answers.

As a learning and proactive player on the labour market, the BA has given itself a development and action programme up to 2020 – our compass for the coming years. We say what we expect and what can be expected of us. BA 2020 is a promise of performance and we and the quality of our work will be measured against it.



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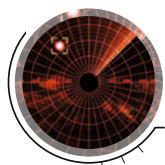
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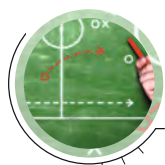
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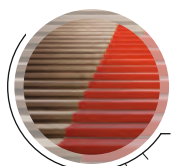
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## Foreword from the Board of Governors

Employment in Germany is developing positively and, according to prognoses, this trend is set to continue. At the same time, unemployed persons are not profiting from growth to the desired extent. This is partly due to a lack of vocational qualifications, and partly because job requirements do not match the occupational profiles of applicants. In some branches and regions it is difficult to meet the demand for skilled personnel. On the whole, there are still very great regional differences in unemployment.

The Board of Governors regards the elimination of these imbalances as a central labour market and sociopolitical challenge. In the last business year it set numerous impulses for the BA's business alignment that are intended to open up better opportunities for those looking for training and unemployed persons and to develop new labour resources for companies.



Peter Clever

### Giving young people perspectives

For young people, successful integration in the training and labour market is the basis for long-term suitable employment where possible and for living independently of state benefits. Disadvantaged young persons in particular are therefore to be given better chances for a dual vocational training place through the current instruments of active labour market policies. To achieve this, in 2014 the Board of Governors instituted the initiative 'Betriebliche Ausbildung hat Vorfahrt' (In-company training takes precedence), which was largely taken up by the 'Allianz für Aus- und Weiterbildung' (Alliance for vocational training and further training).

The BA already applies considerable funds from contribution income for measures at the first threshold between school and vocational training. The Board of Governors is therefore appealing to the public responsibility of other players in education and vocational training, because deficiencies at this point can only be compensated later at much greater expense.

### Further training provides opportunities

Further training policies and training ambitions should be oriented even more than before towards occupations that are in demand and have a secure future. This applies as well to the decisions of young people on occupational choices. The BA will make its contribution and improve the quality of guidance, for which purpose it requires well-trained employees. Further training guidance in the employment agencies will be further developed. Model trials will test how far greater financial incentives can increase the willingness of unemployed persons to take part in training and prevent dropping out.

### Acquiring additional potentials for the labour market

Guidance is to be given more often to unemployed persons and jobseekers with the aim of a qualitative improvement of their occupational status. With this in mind, the Board of Governors has extended the qualitative aspects of target controls in unemployment insurance. The Board of Governors supports better recognition of existing potentials – e.g. from the hidden labour force or less qualified workers – and developing qualified skilled personnel from them.



More persons with a disability must find employment. Support for inclusion is not only a sociopolitical requirement, but because of skill needs it also makes economic sense for employers. A disability must not be equated with reduced performance. The Board of Governors regards the improvement of guidance and the placement of persons with a disability, and improved cooperation between the various providers of rehabilitation, as important challenges for the coming years.

Persons who migrate to the German labour market or find themselves in Germany after flight and displacement also need a good starting position. Knowledge of German is the key to fast integration. The Board of Governors supports the use of sufficient tax money for language teaching. The recognition procedure for migrants' vocational qualifications must be implemented more speedily and throughout Germany on the basis of the same standards. An additional module for vocational integration is the adjustment training offered from 2015 in the support programme 'Integration durch Qualifizierung' (IQ, Integration through Training). This is intended to enable the complete equivalence of the foreign vocational qualification and to lead to employment matching the qualification.



Annelie Buntentbach

## The BA's presence in the regions

In the programme 'BA 2020' the BA made the promise 'Wir bleiben vor Ort' (We will remain local). With regard to customers, this is to be realised by the personal presence of BA employees. In an even balance specified services for individual customer groups can also be supplemented through online offers as well. However, these cannot replace a personal counselling interview. The BA has drawn up a new branch concept, which will be trialled from 2015.

The Board of Governors supports the work of the management committees in the employment agencies. The honorary representatives from employee and employer associations, and from local authorities, form an important bridge to the BA's labour market and business policies. From their local, professional perspectives they provide suggestions to the managers of the employment agencies for labour market policies in tune with the situation on the ground. They translate the initiatives of the Board of Governors into local labour market programmes and transport these as multipliers into their networks. In this way they make a contribution to responding to the challenges described here on the local level. An evaluation of a poll of the around 2700 members of management committees nationally resulted in additional knowledge of how to improve cooperation of the self-government bodies locally with the management of the employment agencies and to organise it more proactively.

// Peter Clever

Chair of the  
Board of Governors

// Annelie Buntentbach

Deputy Chair of the  
Board of Governors

# Labour and training market

## The labour market 2014

Following a rousing start to the year and a subdued development in the summer months, the economic situation in Germany stabilised by the end of 2014. The labour market remained largely immune to the, in part, weak economic situation and developed positively.

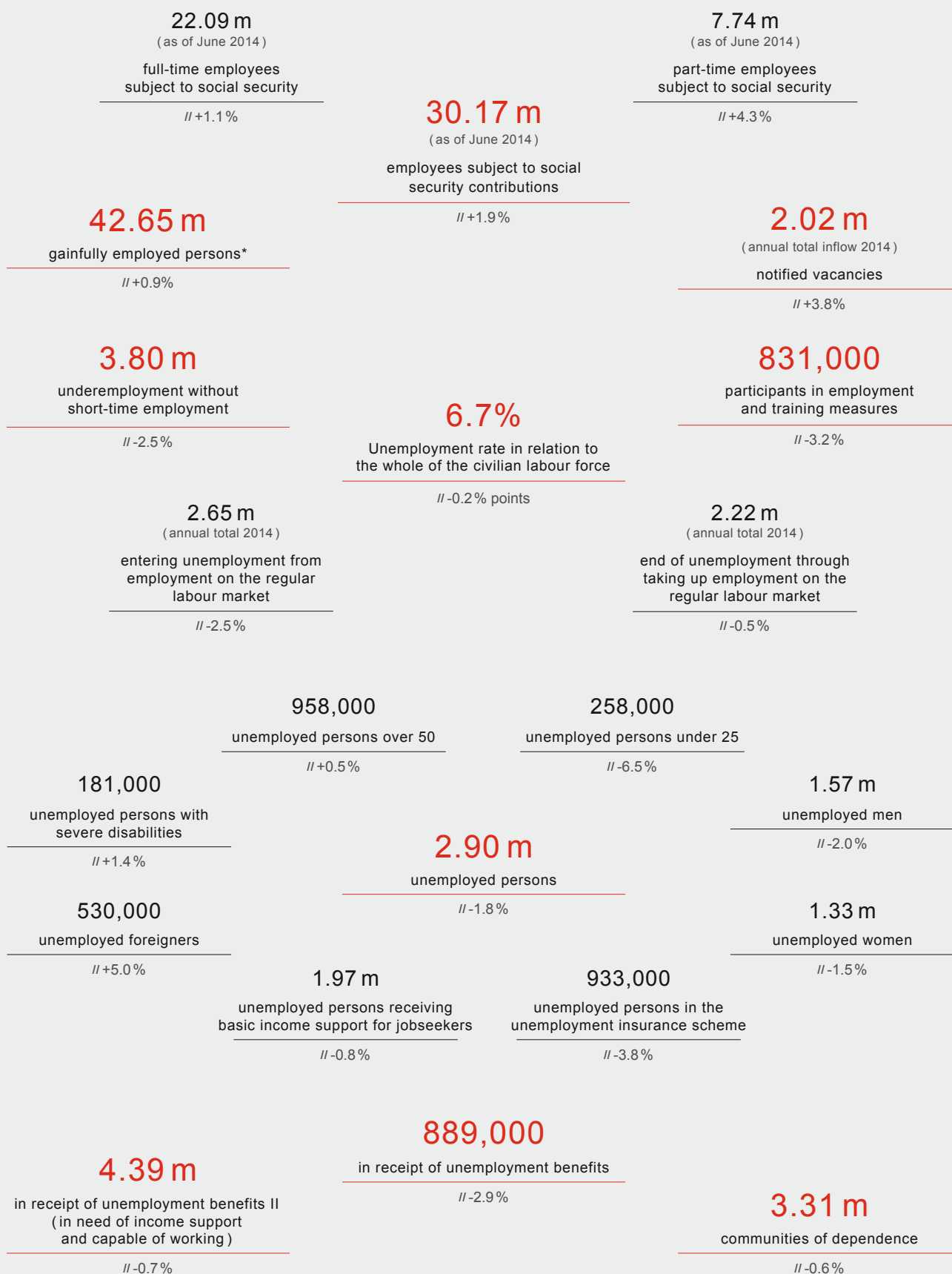
According to provisional figures from the Federal Statistical Office, the number of employed persons has increased further and in 2014 reached the highest level since German reunification. Behind this growth there is in particular a clear increase in employment subject to social security contributions. Companies' willingness to recruit staff was still high: in 2014 they reported more vacancies than in the previous year. The growing demand for labour with only slight economic impulses shows the increasing decoupling of economic and employment development.

In 2014 unemployment fell on an annual average. It stood at the level for 2012; since German reunification only in 1991 were fewer people registered as unemployed. Underemployment has also fallen in comparison with the previous year. However, in comparison with the previous year, unemployment and underemployment profited from the growth in employment to a slight extent only.

### Link

Monthly report December or Annual Report 2014:  
[LINK, statistik.arbeitsagentur.de](http://statistik.arbeitsagentur.de) [↳ Arbeitsmarktberichte](#)  
[↳ Monatsbericht Arbeits- und Ausbildungsmarkt](#)  
[↳ Archiv](#)





## The training market in Germany

In 2013/2014 the situation on the training market in Germany once again developed slightly more favourably than in the previous year. The number of applicants remained stable in comparison with previous years, while the number of registered vocational training places was slightly higher than last year. However, there are still more registered applicants than registered training places. In addition, it was seen this year as well that it has become more difficult to bring about a successful market balance. Reasons for this are regional, occupational and qualifacational discrepancies between supply and demand.

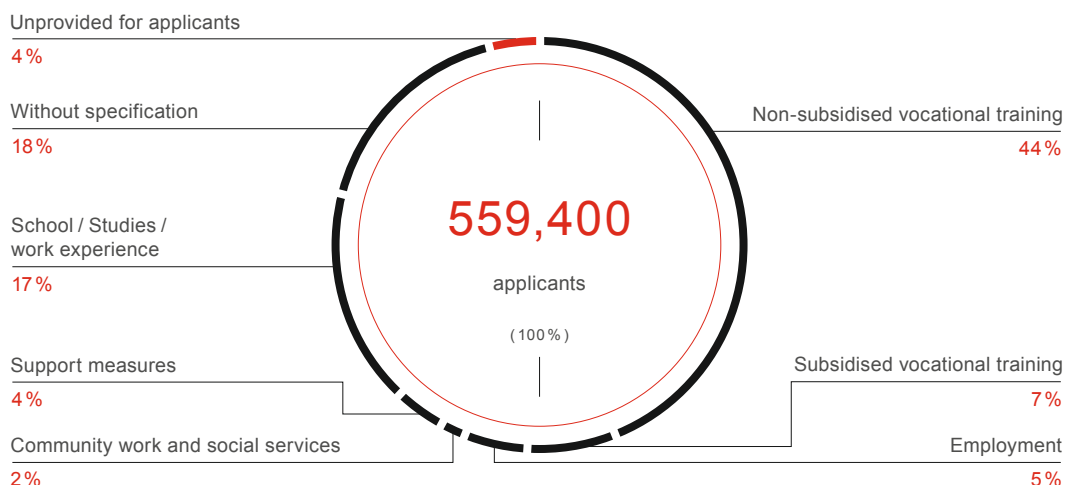
Along with applicants who remained without a training place, 60,300 young persons continued their search for a training place in spite of alternatives. At the same time, companies also have problems filling their training places successfully, at least partly. The number of unfilled vocational training places (37,100) was much higher than in the previous year, and was higher than the number of applicants who remained without a training place.

As of 30 September 2014, a good half of applicants had found a training place, about the same as in the previous year.

In comparison with the previous year's figures for concluded training contracts there was once again a minus. In addition, not all young people complete their training successfully. Experience teaches that over one fifth of training contracts are cancelled, e.g. because the chosen occupation does not conform to the ideas of the young people, or the companies and the young people do not match each other.

### Destination of registered applicants for vocational training places

30 September 2014, percentage shares



Source: BA Statistics, deviations may occur as a result of rounding



## Outlook 2015: unemployment falls only slightly in spite of new record employment

In recent years the German economy has been travelling along a flat growth path. The 'Institut für Arbeitsmarkt- und Berufsforschung' (IAB, Institute for Employment Research) is forecasting an increase in economic output of 1.4 per cent for the year 2015. However, there are considerable risks, above all with regard to foreign trade.

Following the great reduction in unemployment since 2005, structural problems, such as the hard core of long-term unemployed persons, are becoming more visible. The IAB forecasts that, on a yearly average for 2015, the numbers of unemployed will fall only slightly by 20,000 to 2.88 m. This reduction will take place almost exclusively in the area of basic income support. Gainful employment will continue its flattened upward trend and will increase by 270,000 persons. Employment subject to social security contributions will increase even more by 430,000 persons and will reach its highest level to date. Along with the high demand for skilled personnel, this will be enabled by the fact that the potential labour force will increase by 120,000 persons above all because of heavy immigration. The hidden labour force will fall by 130,000 persons. Average working hours per head will increase by 0.3 per cent.

In future, the consequences of the demographic change will make themselves felt more and more on the labour market. Using the potential of unemployed persons as an opportunity to alleviate the effects of shrinkage represents one of the great challenges.

### Focal points of the IAB's research and counselling 2014

- Presentation of the initial findings of the IAB-SOEP migration random sample (socio-economic panel)
- Supporting the introduction of the general minimum wage in Germany, among other things through the establishment of the Minimum Wage Working Group and several research projects
- Balance for the east German labour market 25 years after the fall of the Berlin wall
- Labour market and employment in the era of the energy revolution – 'Nürnberger Gespräche' (Nuremberg discussions) with Sigmar Gabriel, the Federal Minister of Economics, and the 'Wissenschaft trifft Praxis' (Science meets Practice) conference on the subject 'Greening Economy'
- Studies on interconnections of personnel measures, work quality and company success, on long-term receipt of benefits and long-term unemployment, on education and further education, and on labour market integration and changes to forms of employment
- Evaluations on instruments and programmes for active labour market policies

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## *MOVES FORWARD:*

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# Developing a positive occupational future with young people

// Individual guidance for young people

A successful career start is the best way to avoid unemployment later on. The young are our future, we want to develop and design this together with our young customers.

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## We give young people a perspective

### Support in the transition from school to working life

When young people leave general education they are faced with important questions: what occupation will give me pleasure, what occupations am I suited to, what career perspectives will be opened up to me if I start vocational training or a specific course of study?

A careful check and obtaining viable information are necessary to make the right decision. On the one hand, it is a matter of finding out where personal strengths and weaknesses lie, what interests and hobbies might also provide approaches to choosing an occupation. Friends, parents and family can be good advisers here. On the other hand, information on training contents, duration, advanced training and career opportunities, as well as labour market perspectives and potential earnings, contribute to an individual decision for or against a specific career start. Help from professionals is of great benefit in view of the variety of options, regional differences and personal suitability and inclination.

The vocational guidance counsellors in the employment agencies support the career choice process of young people in various ways. The services of vocational guidance counsellors are neutral, that is, they are not interested, and they are free of charge. The focus is always on the young person on the threshold to vocational training. Along with personal offers for careers information, guidance and training placement in in-company training, young people also have an opportunity to obtain information selectively on the range of offers in the dual or the academic sector, and on fields of study via a series of online and print media. The BA's JOBBÖRSE helps in the search for a suitable dual training place, KURSNET provides an overview of the nationwide range of academic recognised occupations, [www.studienwahl.de](http://www.studienwahl.de) has comprehensive information available on university education.



The proof of the pudding is in the eating – 'Studienfeldbezogene Beratungstests' (SFBT, subject-related guidance tests)

In addition, it is possible to investigate personal interests and skills on the web portal BERUFE-Universum ([LINK, http://portal-bf.berufe-universum.de/](http://portal-bf.berufe-universum.de/)) or via subject-related guidance tests. Also, the BA's technical services (occupational psychology service, medical service and technical advisory service) can be called on to have personal preconditions examined.

### Expenditure by the BA for young people (under 25)

Volume of expenditure in billion euros, Germany, Report year 2014

Threshold 1	2014	
Transition from general education to vocational training	SGB III	1.78
	SGB II*	0.15
	<b>Gesamt</b>	<b>1.93</b>
Threshold 2	2014	
Transition from vocational training to employment	SGB III	0.50
	SGB II*	0.10
	<b>Gesamt</b>	<b>0.61</b>

\* Financed from federal funds  
Source: Federal Employment Agency





## — Careers information smooths the path to working life

Young people today have a wide range of industrial or academic training opportunities available, as well as ranges of courses of studies. At the same time, they are faced with the increasing complexity of the education sector and the higher education system. Careers information has to start at an early stage and systematically in order to make this variety transparent and to show viable decision options. For this reason, the BA's vocational guidance counsellors visit schools with an extensive range of careers information at the latest in the penultimate school year.

## — Careers information in schools and careers information centres

The BA's experts for choosing an occupation and a degree course regularly organise events on questions concerned with occupations, studying, work experience, applications and admissions, as well as on the specific training and study opportunities in the region. They base their information work on the BA's media range. The events are held to a great extent directly in schools, in the 'Berufsinformationszentren' (BiZ, careers information centres) or on the occasion of nationwide/regional fairs. BiZ are found in all employment agencies as the central contact point for questions concerning training/education, studies, occupations and the labour market. In addition, visitors can research in the internet without charge at one of the many terminals, search online for a training place or a job and also prepare professional applications. Visits are possible without an appointment during opening hours. Appointments are only required for group visits. In addition, the BA's events database offers a general overview of the BA's range of events as well as those of external organisers.

### Link

Access the central events data base at:

- [link, www.arbeitsagentur.de](http://link.www.arbeitsagentur.de)
- ↳ Bürgerinnen und Bürger
- ↳ Berufsausbildung
- ↳ Berufsberatung
- ↳ Vortragsveranstaltungen



## — Media variety is oriented towards the target groups

The portals [link, www.planet-beruf.de](http://link.www.planet-beruf.de) and [link, www.abi.de](http://link.www.abi.de) light up the questions that concern young people on the transition from school to work or studies. Specific topics that occupy their parents or teachers are addressed in their own subportals. Regular user surveys flow into the further development of the portals, current technical options are taken up. Print issues supplement the online versions in order to cover all user habits.



### — Practical careers information

Communications research tells us that 'own experiences have the most lasting impact'. This knowledge is the foundation for the implementation of measures for in-depth careers information and preparation for choosing an occupation in accordance with s. 48 SGB III that supplement the activities of vocational guidance counsellors. The central objective is to impart insight into practice as well as an analysis of the young person's own strengths-weaknesses profile, or the preparation of an own competence analysis. In 2014, €36.3m was spent on this throughout Germany.

### — Network partners in careers information

Many institutions are engaged at the transition from school to working life. The BA is closely networked with the significant players in order to drive forward the joint idea of successful careers and study information.

There is close cooperation, e.g., with the competence centre 'Technik-Diversity-Chancengleichheit e.V.' (Technics-Diversity-Equal opportunities). This organises the annual action days 'Girls' Day' and 'Boys' Day' in order to open up a range of careers to young people beyond a gender-specific choice of occupations. The BA supports the action days with its own events, as well as with financial support for preparing working materials and most recently with the production of explanatory films on Girls' Day and Boys' Day.

There is also a close exchange with the federal association 'SCHULEWIRTSCHAFT' with regard to working material and specialist conferences on careers information. For example, at the beginning of December 2014 there was a joint specialist conference on the subject of parental work.

In addition, the BA supports quality management processes that are intended to develop careers information and the transition from school to working life further qualitatively and quantitatively. This is done, e.g., by bringing the BA's specialist expertise into the work of the jury. Examples of these projects are 'Starke Schule. Deutschlands beste Schulen, die zur Ausbildungsreife führen' (Strong school. Germany's best schools for preparing young people for successful vocational training) and the network 'Berufswahl-SIEGEL' (Occupational Choice SEAL).

### — Support for career start

The BA has funded career start support at around 1000 schools. This instrument is applied for the intensive support of young people whose school-leaving certificate and transition to vocational training are endangered. Support usually starts in the penultimate school year and ends six months after vocational training is started, but at the latest 24 months after leaving school. Career start supporters support young people in obtaining a school-leaving certificate, a choice of occupation and career information, in looking for vocational training and in stabilising the training relationship. The early intervention while the young people are still at school is intended to establish the foundations for a successful transition to vocational training. Funding for career start support takes place if third parties are involved with at least 50 per cent. Cofinancing with money from the 'Europäischen Sozialfonds' (ESF, European Social Fund) is planned for school years 2014/2015 to 2018/2019.



## Youth employment agencies

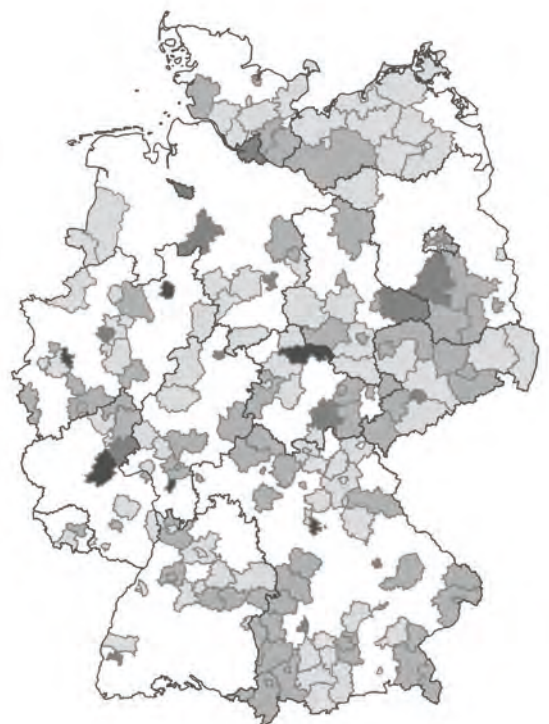
The BA and the BMAS launched the 'Arbeitsbündnisse Jugend und Beruf' (Working Alliances Youth and Work) project in 2010. The aim is improved integration of young people who are in particular need of support through intensive cooperation of the competent bodies (employment agencies, jobcentres, youth welfare agencies). What is more, the current coalition agreement between CDU, CSU and SPD provides for the establishment of 'Jugendberufsagenturen' (youth employment agencies) throughout Germany based on the experiences gathered in the project, and for benefits in accordance with Social Code Books II, III and VIII to be bundled for the under-25s.

The key idea of the working alliances is for the responsibility for working and organising to be decentralised. Focuses for action will be set along regional and local needs for action and framework conditions, such as, for example, joint employment and training measures, one-stop government approaches (youth employment agencies in the narrower sense – above all in urban regions) or improvements to cross-agency communication and information. One objective is to link the resources distributed by different agencies in a practical manner through intensive cooperation. Here the working alliances embody the idea of a production network. The project has led to various products such as, for example, cooperation agreements and labour market programmes that overlap the different legal bases for providing benefits and support, and has also established synchronised processes. The findings and results from the project locations will be made available to a wide public in the form of a guide entitled 'Chancen ergreifen im Arbeitsbündnis Jugend und Beruf' (Grasping Opportunities in the Working Alliance Youth and Work).

Up to 186 youth employment agencies were founded up to the end of 2014. Three quarters of all employment agencies (118) and over half of the joint institutions (166) are involved, as well as nearly one in three approved local authority providers (34).

The BA advocates that youth employment agencies are established as comprehensively as possible. The nationwide arrangement is accompanied technically by the regional directorates and characterised by voluntary cooperation between the local partners. What is important is that offers from the youth welfare service are adequately designed so that local authority partners as well are in a position to provide support here and to play a suitable part.

### Youth employment agencies



- Stage 1 (started 2010)
- Stage 2 (2011)
- Stage 3 (2012 – 2013)
- Stage 4 (since 2014)

Source: Federal employment agency



## Our actions are based on the long term

### Individual counselling as the basis for a successful career choice

An individual counselling interview is the BA's central support offer for young people in the process of choosing an occupation. Irrespective of the situation in which customers of the vocational guidance service find themselves at the moment, in the framework of individual counselling it is possible to be responsive to young people specifically and individually. The subject can be questions on decisions, just as much as requests for information, or a desire for support in the search for a training place.

The counselling concept that was specially developed for the BA forms the basis for offering young people in problem situations as well customised offers of help and developing joint solution strategies in order to resolve supposed quandaries.

It is the changed educational behaviour of young people that is leading to an increase in the number of students, and as a consequence in the numbers of those dropping out who are looking for an alternative to studying. Developing this potential for dual vocational training not only helps industry to cope with future problems caused by the looming lack of skilled personnel, but can also give those affected new impulses and show them perspectives for a successful vocational future. The task of vocational guidance is to list alternatives in order to place those seeking advice in a position to make their own decisions autonomously and after careful consideration.

Another group of young people who need special attention are those who leave school without a school-leaving certificate, thus making their integration in vocational training more difficult. Here, vocational guidance is faced with the challenge of ensuring a successful transition to vocational training by means of suitable incentive measures and to prepare long-term integration in the labour market.

#### **The BA's Board of Governors adopts the initiative 'Betriebliche Ausbildung hat Vorfahrt' (In-company training takes precedence)**

In July 2014 the BA's Board of Governors launched a broad initiative to strengthen in-company training. The aim is to open up opportunities for as many young people as possible – in particular disadvantaged young people – to take part in this type of training.

In a public campaign starting at the beginning of 2015 companies will be approached to develop more training places for disadvantaged young people as well.

With the so-called 'Assistierten Ausbildung' (assisted training), the BA will offer a new instrument to learning-impaired and socially disadvantaged young people. Here, young people will be supported in companies before they start and through-out the complete training period. At the same time, companies will be provided with organisational and administrative support for training disadvantaged young people.

The Board of Governors is therefore appealing to the German parliament to introduce assisted training as an autonomous regular instrument. In addition, the Board of Governors proposes that help parallel to training is made accessible to a larger group of persons and that a Government-Länder programme for external training is set up for regions with a particularly problematic training market.

The 'Allianz für Aus- und Weiterbildung' (Alliance for Training and Further Training) has taken up important aspects of this initiative.



Gender-sensitive guidance to avoid a gender-specific choice of occupation, e.g. acquiring young women for the STEM sector, is just as important for the work of our guidance specialists as neutral and independent guidance in the direction of vocational training or studying.

### Follow-up support after starting in-company training

The labour market in Germany is faced with an enormous challenge. One instrumental reason for this is demographic change. The age structure of the population is changing, and associated with this is the reduction in the size of the potential labour force, which is being countered at present by immigration and an increased inclination to take up employment. In addition, the number of low-skilled workers aged 25 to 34 is relatively high: in 2013 around 1.4m young adults did not have any vocational qualifications.

According to the Vocational Education and Training Report 2014, in the last current survey period (2012) about 149,000 training contracts were cancelled prematurely throughout Germany, which corresponds to a cancellation rate of 24.4 per cent. Only about half of apprentices whose training contracts were cancelled moved on again into fully qualifying training; the other half did not acquire any qualifications ('genuine dropouts'). However, completion of training is increasingly becoming a minimum prerequisite for qualified participation in working life and long-term integration in the labour market.

Young people in particular need support for long-term integration in training and employment. It is therefore an important task of the BA to make a contribution to a successful career start for young people, to the successful conclusion of their vocational training, and in this way to enable their transition to permanent employment.

In a longer-term approach, diversions are possible for young people on the career path, whether this is through vocational preparation or, for example, by a change to their vocational training goal. Regardless of this, support for young people on their career start only succeeds if it leads to successful completion of training. Existing incentive measures, such as career start support, or help parallel to training, are already contributing to this.

#### University research and training

A good example of the successful interplay of research at the BA's Management Academy and the development of training measures is the project 'Prävention von Lehrabbrüchen' (PraelLAB, prevention of training drop-outs). This research project was part of the EU's Leonardo da Vinci programme and its aim was to reduce the number of educational dropouts by means of an early warning system. 'PraelLAB' was honoured by an European cooperation project (ESSE) as a best-practice project and is now used in training our own guidance experts as well.

In order to develop additional action approaches for promoting sustainability, along with the 'PraelAB' project the BA is currently trialling an extension of its services portfolio: follow-up support for apprentices during the probationary period of in-company training. This is intended to identify difficulties that endanger the successful completion of vocational training at an early stage and to search for feasible solutions together with the apprentices in order to avoid unnecessary contract cancellations and to prevent permanent withdrawals from the vocational training system.

## — Certified service providers for customers and for placement and integration experts

### — Occupational psychology service

With its differentiated range of services the occupational psychology service supports placement experts in their daily work with customers. In 2014, around 250,000 customers were counselled or expert reports prepared; in around 51,000 cases, job centres commissioned the occupational psychology service directly.

An instrument for the self-exploration of occupationally-related competences for adults (**BERUFECHECK**) is being developed for the freely accessible, free of charge online application BEN ([LINK, http://ben.arbeitsagentur.de](http://ben.arbeitsagentur.de)). It is planned in the course of 2015 that interested users can assess their occupationally-related competences for specific occupations and so are better able to assess whether an occupation is suited to them.

### — Medical service

The BA's medical service supports guidance, placement and rehabilitation experts from employment agencies and joint institutions with its services. On the basis of its medical reports, decisions are made among other things on necessary measures for the BA's customers to determine their ability to work and for integration in the labour market. Together with the reports from the occupational psychology service, the medical opinions are an important basis for profiling, for drawing up and agreeing integration strategies, for case management and for planning integration and help.

## Technical services

Since the end of 2014, the **occupational psychology service, the medical service and the technical advisory service** have all been certified service providers for placement and integration experts in accordance with DIN EN ISO 9001:2008.

In 2014 the occupational psychology service had itself certified successfully for the first time in accordance with DIN EN ISO 9001:2008 and thus proved the effectiveness of the developed quality management system. An increase in the quality and satisfaction of principals and customers is intended through a continual improvement process.

The medical service was also successfully certified in 2014. The continual improvement process is intended to provide more support for the medical service and in this way to document the acknowledgement that products should be aligned to customers' needs.

The quality management system of the technical advisory service is already certified since 2011 and has successfully passed the usual audit after three years.



After the conclusion of the concept tests in Saarbrücken, Bielefeld, Bremen and Berlin, the new service 'Fallbesprechung Plus' (Case Discussion Plus) will be included in the range of services offered by the medical service. The intention of the 'Fallbesprechung Plus' (Case Discussion Plus) service is to enable customers receiving basic income support to discuss their health situation intensively with the medical service together with integration experts. The result is to be both a socio-medical report and a recommendation for the customers whose realisation can improve the chances of integration on the labour market.

The aim of the medical report and counselling services is to increase the chances of integration, to avoid measures being discontinued and thus to reduce claims for financial benefits.

In 2014 the medical service provided around 510,000 medical reports and counselling for customers, about 43 per cent of which were in the area of basic income support for jobseekers. In addition, the medical service acted as personnel physicians as well.

#### — Technical advisory service

The focus of the work of the BA's technical advisory service is on the design of workplaces suitable for disabled persons, ensuring mobility as well as the quality assurance of facilities for the vocational integration of disabled persons. Furthermore, technical advisors are involved in the quality assurance of labour market services and advise technical experts and managers in the employment agencies and jobcentres on technical, ergonomic and work-science related matters regarding the design of workplaces and training places. As safety engineers the experts from the technical advisory service, who work mainly in the field, advise those responsible for health and safety at work in the respective offices.

In 2014, the technical advisory service processed 15,800 orders. In the scope of the service 'Erhaltung und Schaffung von Arbeitsplätzen' (maintenance and creation of jobs), 86 per cent of the orders were related to the maintenance of jobs (prevention) and 11 per cent to their acquisition (integration). About 3 per cent concerned initial vocational integration. Those responsible for health and safety at work were provided with a total of 28,000 hours of consultation on issues of occupational safety.

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## *MOVES FORWARD:*

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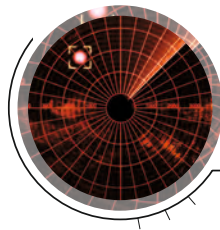
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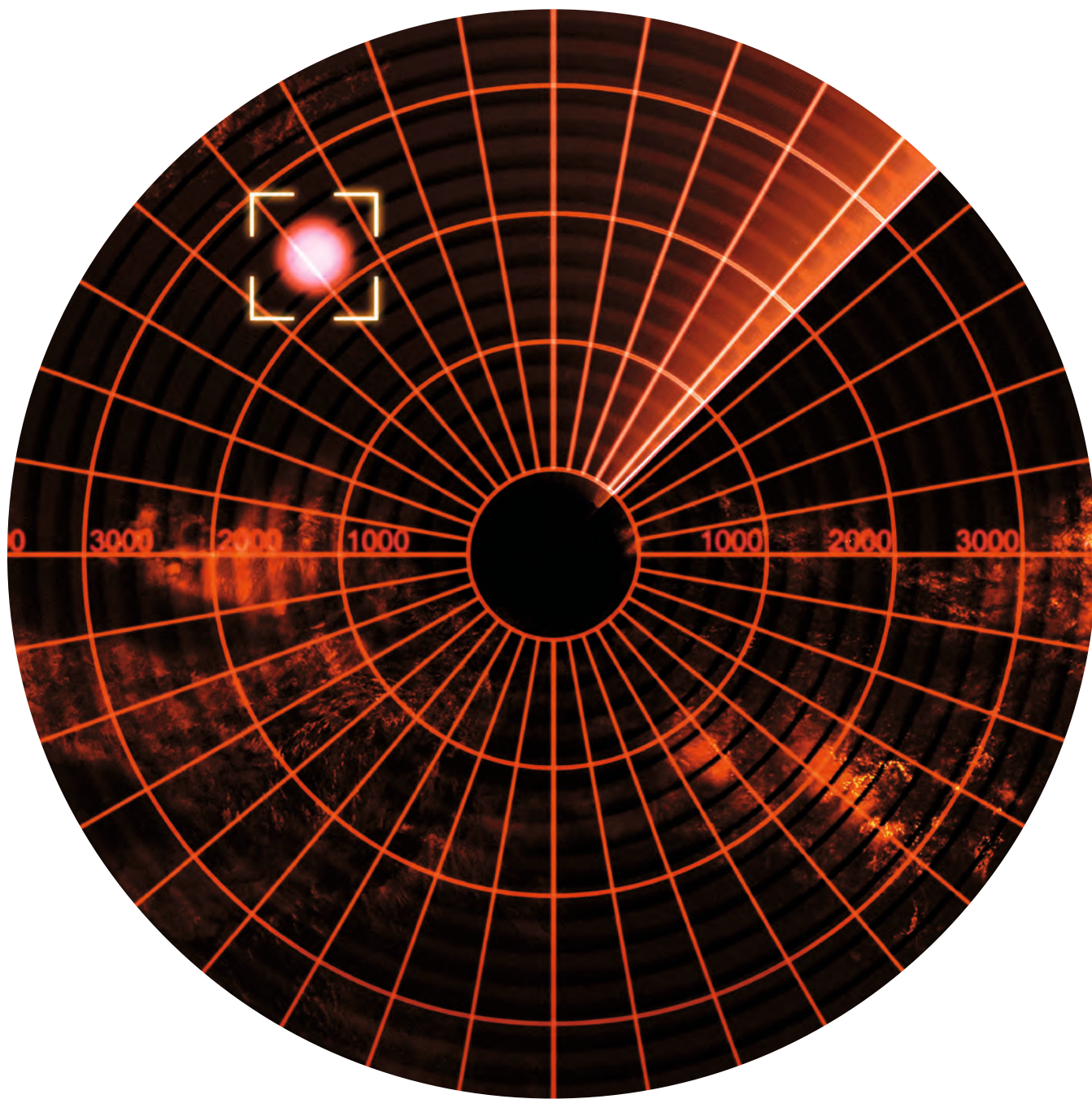
# Pro-active contribution to securing skilled labour

// Looking for, finding and supporting  
skilled labour

Germany's economy is looking for skilled labour and managers. A challenge here is to bring jobseekers and employers together successfully and to take account of the wishes and requirements of both sides. We look for suitable applicants for employers and we find the right job for jobseekers.

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III



## We acquire potentials

### Equality of opportunity for women and men is important for balancing the labour market

#### Family-oriented personnel policy

Information and guidance for companies on family-oriented personnel policy from equal opportunity representatives in combination with the 'Arbeitgeber-Service' (AG-S, employers service) foster better compatibility of family and work. In times of shortage of skilled personnel companies profit from these offers in two ways – in recruiting and securing qualified personnel and in an effective and efficient exploitation of employment potentials.

#### Addressing the hidden labour force specifically

The BA's action programme 'Perspektive Wiedereinstieg' (Perspectives for Re-entry), which is based on the factors of success of the eponymous cooperation project between the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and the BA, was conceived specifically with the target group of the hidden labour force in mind. The focus is in Baden-Württemberg and Rhineland-Palatinate, where it was possible to acquire state ministries as partners. While regional guidance institutions accompany the first phase of decision-making, employment agencies support the integration process of re-entrants through individual coaching and targeted application training. The cooperation project was also continued with success. The employment of online modules, which enables location-independent training and guidance of re-entrants, proved to be particularly effective. Accompanying this, additional guidance and placement officers (48 temporary full-time equivalents nationwide) are available to activate the hidden labour force. In addition, representatives for equal opportunity in the labour market carry out, among other things, telephone action days as a low-threshold information offer, as well as special information events for re-entrants.

#### On the move to gender-sensitive careers orientation – MINT and SOZIAL

When choosing their occupation young women and men are oriented very strongly towards what are seen as typically female or male occupations. In order to break away from traditional occupational choice behaviour, in collaboration with the vocational guidance service representatives for equal opportunity in the labour market provide support and information during vocational orientation regarding alternative occupations, in particular in those branches in which skill needs dominate. For this reason they carry out targeted information events and take part in activities, such as, e.g., Girls' Day and Boys' Day, Girls' Day Academy, as well as MINT cafés for young women and workshops with the focus on 'Soziale Berufe' (social occupations) for young men.

In addition, external and internal MINT events with representatives for equal opportunity in the labour market pursue the goals of the active realisation of the national MINT pact 'Frauen in MINT-Berufen' (Women in MINT occupations).



#### └ Framework conditions in childcare improved further

When taking up employment, women and men with family obligations and single parents are frequently dependent on flexible working hours models and needs-based childcare services. The BA's aim is, with the support of representatives for equal opportunity in the labour market and in close collaboration with numerous local players, to establish sustainable networks in order to improve the framework conditions, in particular in off-peak hours as well, e.g. through permanent employment models in day care.

#### └ Multi-generation houses support re-entry into employment

Among those receiving basic income support for jobseekers the large numbers of women who are responsible for the care of children or with relatives in need of care and single mothers still represent a great challenge. Accompaniment at an early stage during parental or care leave and back-up offers from network partners support the timely re-entry into working life. In this context, multi-generation houses above all provide a variety of needs-based offers, including in cooperation with the BA.

#### └ Part-time vocational training offers perspectives

For the initial vocational training and training of women and men with family obligations flexible models such as part-time vocational training are an important building block for increasing their employment perspectives. Ways and opportunities for this are presented in local information guidance events. The opportunities of this training model are also shown to companies, both sides of industry and personnel officers in public service. The advantages are obvious: employers acquire committed young talent and skilled personnel who have a high degree of reliability, conscientiousness, time management, organisational skills and life experience thanks to their family responsibilities. The representatives for equal opportunity in the labour market and the BA's AG-S jointly play an important part here as multipliers.

## Securing skilled workers – people with disabilities

Although it is true that the employment situation of people with disabilities has improved in the past years, their unemployment level is still exceptionally high. It therefore remains an overall target of the BA to integrate more people with disabilities into training and employment.

Many people with disabilities have good qualifications and special skills. The BA is therefore committed to guiding the focus of employers more and more towards the group of people with disabilities and to consider them as future skilled workers as well. For this purpose it campaigns for more openness around the subject of recruiting, training and employing more people with disabilities, as well as on the underlying legal framework. Uncertainties surrounding the employment and training of people with disabilities are to be removed through information and guidance, and attitudes changed positively. In addition, the BA organises an annual 'Aktionswoche der Menschen mit Behinderung' (action week for people with disabilities) and campaigns in this framework among the public and employers for more inclusion in working life.

The BA will be paying greater attention to the subject of inclusion in the design and further development of its support products. The smoothest possible transition to employment is to be realised in particular through the use of company-based offers of support.

## The BA provides occupational rehabilitation

As a provider of occupational rehabilitation the BA provides services for promoting participation in working life for people with disabilities and for young people and adults who are threatened with disability. Their prospects of participating or continuing to participate in working life should be seriously reduced for more than a temporary period by the type and severity of their disability and they must need help to participate in working life for this reason (persons under-going rehabilitation for the purposes of s. 19 SGB III). The focus of the BA's tasks is on the initial integration of disabled school-leavers. Of the approximate 66,000 persons undergoing rehabilitation who are supported every year (share of women: 41 per cent), two thirds can be assigned to the system for finding a first job.

A total of 95,000 persons undergoing rehabilitation (share of women: 39 per cent) were supported from the funds of contributors in 2014 with vocational promotion measures on a yearly average. These included 14,000 participants (share of women: 40 per cent) in measures for the clarification of occupational aptitude and vocational preparation, 40,000 in training promotion measures with the aim of a vocational qualification (share of women: 37 per cent), and 9000 in measures for further vocational training (share of women: 44 per cent).

'Unterstützten Beschäftigung' (Supported employment), which is an inclusive support offer that provides employment alternatives to workshops for people with disabilities, is available for people undergoing rehabilitation whose capabilities are at the margins of the general labour market. In this way, around 3000 persons (share of women: 37 per cent) for whom participation in working life could not be realised with traditional services were given a chance of integration in the general labour market.



Twenty-three thousand persons undergoing rehabilitation (share of women: 42 per cent) who do not (or do not yet) have the capability for work subject to the requirements of the labour market were supported on average for the year in the introductory process and the vocational training area of a workshop for people with disabilities.

The BA's financial contribution to services for the participation of people with disabilities in working life has been at a high level for many years. A total of €2.47 bn was invested for this, including special support for severely disabled persons. The expenditure from contribution-financed unemployment insurance amounted to €2.35bn and expenditure in basic income support for jobseekers was round €123m.

### Support the participation in the labour market of people with a migration background

In 2014, over two thirds of unemployed persons with a migration background had not completed vocational training or had not completed vocational training in a recognised occupation, in comparison to one third of unemployed persons without a migration background. Along with the removal of language deficits, there is also a need for action with regard to the acquisition of vocational qualifications and the recognition of vocational qualifications acquired abroad. This task, which is largely for society as a whole, requires sufficient funds.

Integration courses are supplemented by the ESF-BAMF programme – with job-related German lessons, work experience and technical instruction through the 'Bundesamt für Migration und Flüchtlinge' (BAMF, Federal Office for Migration and Refugees). To prevent a gap in support from appearing, the previous ESF support period was extended before the end of 2014 and the ESF-BAMF programme was provided with additional ESF financing from remaining funds.

From 2015, applicants with foreign vocational qualifications or degrees who have applied for recognition of the foreign qualification and have not achieved equivalence in the recognition process, or who still need language and technical bridging measures in the labour market, will profit from the key activity 'Qualifizierung im Kontext des Anerkennungsgesetzes' (Training in the context of the Recognition Act) in the support programme 'Integration durch Qualifizierung' (IQ, Integration through training).

On 2 April 2014 the federal government adopted the first 'Bericht zum Anerkennungsgesetz' (Report on the Recognition Act) submitted by the 'Bundesministerium für Bildung und Forschung' (BMBF, Federal Ministry of Education and Research). The balance drawn by the BMBF was fundamentally positive, but it referred to various realisation deficiencies that still existed in the areas of legislation, the creation of framework conditions and in the implementation of the recognition procedure.

#### Support programme 'Integration durch Qualifizierung' (IQ, Integration through training)

Tasks of the nationwide programme on the vocational integration of migrants, which is supported by the Federal Ministry of Labour and Social Affairs, the Federal Ministry of Education and Research and the BA:

- Supporting those standard institutions that are responsible for integration in the labour market
- Developing precisely fitting guidance and training offers
- Practical realisation of instruments, recommendations for action and concepts for vocational integration
- Nationwide coordination and evaluation through 'Kordinierungsprojekt' (KP IQ, coordinating project)

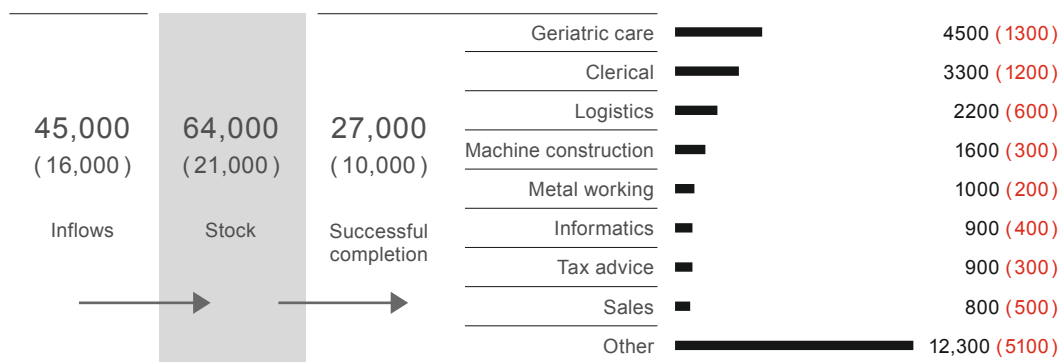
## We support further training on a targeted basis

### Vocational further training improves chances in the labour market

Support for further training is an important instrument of labour market policy in view of the increasing qualification requirements for employees, as well as the increasing bottlenecks in procuring skilled labour. An important aspect of supporting further training is the acquisition of vocational qualifications or partial qualifications for low-qualified persons who have not successfully completed vocational training that improve the employment prospects of the unemployed. A qualification acquired in a recognised occupation not only leads to a more stable course of employment, but also supports the increasing demand of companies for well-trained skilled employees.

In 2014, 171,900 customers in receipt of unemployment benefits (share of women: 46 per cent) started further training (including, among others, the special programmes 'WeGebAU' and 'IFlaS'). During the course of the year, 85,400 persons were supported on average (share of women: 52 per cent), around half of these, namely 43,200, with the aim of acquiring a vocational qualification (share of women: 51 per cent). From the field of basic income support for job seekers, 110,700 persons (share of women: 43 per cent) started a further training measure. There were 51,400 participants (share of women: 51 per cent) on a yearly average. A vocational qualification was the aim of the measure for 20,800 persons (share of women: 52 per cent).

#### Further training measures supported by the BA with qualification in a recognised occupation (without approved local authority providers ; figures in brackets: of these, SGB II providers)



Source: Federal Employment Agency Statistics

Spending on further training in 2014 in unemployment insurance amounted to around €2.1 bn (including, among others, the special programmes 'WeGebAU' and 'IFlaS' and general measures on further training rehabilitation). Of this, around €968.5m came from the integration budget, another €1084.2m was invested in grants of unemployment allowance during further training. Total spending from basic income support for job seekers was €575.3m in the previous year.



The programme 'Weiterbildung Geringqualifizierter und beschäftigter älterer Arbeitnehmer in Unternehmen' (WeGebAU, Further training of low-qualified and employed older workers in companies) is intended to intensify the further training mainly of older and low-qualified employees, in particular in small and medium-sized companies. In this way, the programme makes a contribution towards meeting the need for skilled labour. In 2014, support was provided in 21,700 cases in the field of unemployment insurance (share of women: 55 per cent); of these, in 7,940 cases (share of women: 62 per cent) companies received support for wage costs in the form of a wage subsidy. Spending for WeGebAU in 2014 amounted to €150.3m from the BA's budget.

The 'Initiative zur Flankierung des Strukturwandels' (IFlaS, Initiative for accompanying structural change) is intended to help in supporting the structural change taking place in individual branches and regions through suitable training measures leading to formal qualifications and hence to contribute to preventing a shortage of skilled labour. In 2014, IFlaS enabled 30,500 low qualified unemployed persons and re-entrants from the area of unemployment insurance (share of women: 50 per cent) to acquire recognised vocational qualifications or partial qualifications. A total of €334.0m was spent for IFlaS from the unemployment insurance budget.

#### — Training offensive for care of the elderly

The expected drop in the potential labour force and the increase of persons needing care in Germany mean that more intensive efforts must be made to counteract the lack of skilled personnel in elderly care.

Against this background, at the end of 2012 a training offensive for care of the elderly was started under the leadership of the 'Bundesministeriums für Familie, Senioren, Frauen und Jugend' (BMFSFJ, Federal Ministry of Family Affairs, Senior Citizens, Women and Youth). In the framework of the offensive the BA is a partner of many in this joint initiative.

In the course of the offensive, the three-year support by the BA for retraining in elderly care, with a simultaneous possibility of reducing the training period with appropriate prior knowledge of a nursing occupation, was reintroduced – for a limited period.

#### Securing potential skilled personnel and reducing the skill shortage

About one in four or five entrants to vocational training as carers for the elderly were supported by the BA (in the school year) 2013/2014 in the framework of retraining.

As one of the players in this offensive the BA supports, among other things, the recruiting of suitable lateral recruits through acquisition, guidance and support. If the prerequisites are satisfied, the BA supports (re-)training as an elderly care specialist, as well as other adjustment and advanced training for skilled personnel by taking over the costs of further training and/or covering the cost of living, or by granting the employer a wage payment subsidy. Support for employed persons is provided mainly from funds for the WeGebAU programme.

In 2014, there were a total of 7100 entrants to retraining ending with the qualification 'Fachkraft Altenpflege' (Elderly care specialist); 2000 persons started abridged vocational training in 2014.

The BA is making a significant contribution to the achieving of goals in the framework of the training offensive with the considerable volume of support for further vocational training in elderly care, which is the result to a great extent of the reintroduction of the three-year support period.



## We are active internationally

### The BA supports international mobility and cooperation

Continual international networking in the areas of employment, education and migration policy is leading to a greater demand for competent advice and effective cooperation – in particular in the context of the European Union. For this reason, the BA is intensifying its engagement in both political-strategic and in operative networks and initiatives. From January 2015, therefore, it is bundling tasks with an international context in the 'Zentralen Auslands- und Fachvermittlung' (ZAV, International Placement Service). The appropriate structural and procedural organisation will be adapted successively for this.

### Europe: cooperation among public employment services is being institutionalised




The growing interdependence of national labour markets in Europe and the struggle against youth unemployment demand increased cooperation among public employment services in Europe. This is supported by the PES network – since May 2014 the institutionalised association of public employment services.

This new cooperation structure strengthens Member States in the coordination of their strategies and measures against unemployment and supports the European framework for economic control. The services learn from each other in a structured way in the framework of the network by identifying performance indicators and best practices together.

The PES network has special significance for the BA. In September 2014 its Chair, Frank-Jürgen Weise, was elected as Chair of the Board that consists of the heads of the public employment services. He is thus the head of the association of public employment services in Europe.

### The BA's international links



-  Cooperation agreements (Switzerland, Hungary: additional delegations)
-  Placement queries and special projects
-  Training queries

### Further international engagements of the BA

- **PES Network:** Institutionalised association of European public employment services (EU and EFTA)
- **EURES:** Cooperation network of public employment services, employers and trade unions to facilitate the movement of workers in Europe
- **WAPES:** World Association of Public Employment Services – with 95 member states
- **ILO:** Delegation to the International Labour Organization

### The Board's central fields of action for the next few years:

- Creating transparency
- Arranging fair mobility
- Learning from each other





The core tasks of the PES network include:

- Implementing benchlearning (comparative and indicator-supported process, in which a systematic link is created between comparisons of services, a qualitative assessment of the business models and measures of reciprocal learning)
- Supporting structural reforms of individual public employment services
- Reciprocal support in the form of initiatives, exchanges of information and personnel
- Contributing to the realisation of political initiatives, e.g. practical realisation of the EU youth guarantee
- Exchanges on the integration of young people
- Reporting to the EU Council, Parliament and Commission

The realisation of these tasks is intended to make a contribution to securing employment and reducing unemployment – in particular youth unemployment. The focus is on strengthening the ability to act of public employment services and on the idea of social partnership.

## The EURES reform strengthens cross-border placement



EURES (European Employment Services) is the network of labour market service providers in the EU and Iceland, Norway, Liechtenstein and Switzerland the aim of which is to promote the cross-border mobility of employees.

A new charter came into force on a European level in December 2013 with the aim of developing EURES further into an even more effective employment instrument.

With this, a services catalogue was established throughout Europe as a quality standard for cross-border job placement.

In Germany, the BMAS authorised the BA to coordinate and develop the national EURES network in accordance with the specifications of the EURES reform. The National Coordinating Office (NCO) for Germany was established in the BA for this purpose. In addition, the BA is responsible operatively for the provision of obligatory EURES services.

EURES services are an integral component of the BA's range of services and are intended to be available nationwide and accessible from all agencies. Customers are interested in various EURES services in the areas of vocational training, studying and working abroad.

Employees at all customer contact points should be familiar with the range of EURES services, offer them and be in a position to smooth the path into the orientation system for customers. In the first half of 2014 multipliers were trained on a nationwide basis for this purpose. In addition, cooperation in border regions was developed further taking the structures in neighbouring countries into account.

Entry and consolidation in the international placement of apprentices have been successful: in the framework of MobiPro EU over 2000 apprentices from other EU Member States were placed in Germany.

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## *MOVES FORWARD:*

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## Opening up integration perspectives and securing existences

### // Offering a perspective to all customers

All our customers are important to us. We pay special attention to those who are dependent on our support for a new occupational perspective. And their numbers are growing: the proportion of unemployed customers with more than one obstacle to placement has increased in the past few years. To reach our objective of permanent employment for these people, they need individual encouragement and support, a 'one size fits all' approach is no help here. Because our task is to secure existences reliably.

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# IV

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## We support customers remote from the market intensively

### Competent and individual counselling as the key to successful integration work – ‘Beratungskonzeption’ (Beko, counselling concept)

The transition of the labour market and the increasing requirements for improving the chances of participation – for long-term unemployed customers in particular as well – on the one hand, and the opening up of additional skilled personnel potentials on the other, have triggered a growing demand for competent and individual counselling. The BA regards the further strengthening of counselling competence as the key to successful integration work. Individual, professional and technically grounded counselling offers individuals, in combination with further service ranges, approaches to solutions for the next steps in the labour market. The BA’s counselling concept was developed to take these aspects into account. It consists basically of three levels: the organisation of counselling as a process, the use of methods and techniques, and working out the values and principles of action that are advantageous for counselling.

The counselling concept is oriented towards customers’ resources, bolsters their own responsibility and integrates them actively and appreciatively in the work of integration. For people who have not had continuous work experience for some time in particular, the personal counselling interview is the moment to jointly develop individual, and at the same time reliable, starting points for integration in the labour market.

For this purpose the methods repertoire is extended continually and in accordance with requirements, e.g. by means of ‘explanatory videos’. For example, the methods and techniques were compiled in a manual as a text source. The newly developed, systemic approaches are of benefit in particular to customers with multiple placement obstacles, because they enable a holistic approach. In addition, to improve professionalisation, a training module for strengthening knowledge of the methods was commissioned. Responsibility for stabilising following the introduction was passed to the regional directorates and employment agencies. The challenge in the coming business year will consist above all in broadening and intensifying the quality level that has been achieved up to now.

The counselling concept was already introduced in the unemployment insurance scheme in 2009, and in 2012 it was then also brought into the basic income support for jobseekers scheme as well. The introduction is being carried out in waves up to the end of 2016. In contrast to the unemployment insurance scheme, it is not obligatory. The joint institutions decide autonomously, and around 90 per cent make use of it.

In view of the comparatively high proportion of long-term unemployed, low-qualified and health-challenged customers in particular, the focus in basic income support is on a resource- and solution-oriented approach. This is intended to contribute to strengthening individual employment capabilities, broadening opportunities for action, boosting own initiative and thus achieving sustainable integration in the labour market. For this purpose, an innovative system of learning transfer support was created and tried out for the first time. This is intended to support the BA’s counselling experts in the transmission and application of what was learnt into everyday work.



## ‘Interne ganzheitliche Integrationsberatung’ (Inga, Internal holistic integration counselling) in the unemployment insurance system

Customers remote from the market have far greater difficulties in searching for work than those who have only minor, or no, placement obstacles. The BA wants to take account of the particular support needs of this group of persons with the development programme ‘BA 2020’ by striving for even more intensive support for customers remote from the market.

One of the central offers for this customer group in the area of unemployment insurance is ‘Interne ganzheitliche Integrationsberatung’ (Inga, internal holistic integration counselling), which has been available to all 156 employment agencies since 2013. The aim here is to increase the chances of integration clearly through intensive individual support, to make a contribution to securing skilled personnel through the use of employment potentials and to prevent the creation of long-term unemployment. Customers have direct access to their counsellor, who not only provides them with individual advice, but also offers instructional support, e.g. in the form of job application training, group advice sessions and assisted placement. In June 2014, 1517 integration counsellors looked after over 91,000 customers, which corresponds approximately to an average support ratio of 1:61.

### Certification in ‘employment-oriented case management’ and in ‘internal holistic integration counselling’

Certification procedures exist for the further professionalisation of employment-oriented case management in the basic income support scheme and of integration counselling in the unemployment insurance scheme. There have already been over 1000 certifications in employment-oriented case management. Training in integration counselling started in the first six months of 2014, so that the first certifications will be issued in 2015.

The outcomes from 2013 and the first six months in 2014 have shown that the integration chances of customers who are supported in this way can be clearly increased and the length of their unemployment reduced. In 2013, more than 79,000 integrations were realised, which corresponds to an integration rate from stock of just about 93 per cent. In the same year, the duration of unemployment for Inga customers on leaving unemployment was 215 days in comparison to 295 days for customers who were not supported in the framework of Inga.

Customers also made positive statements on the Inga offers in the framework of a survey.

All integration counsellors are now being trained to secure the quality of the service. In-depth training in counselling competence, seminars on the conception and implementation of group events and in-depth instruction for help in self-searching are components of the training, which ends with certification. The first employees will complete this in 2015.

On the basis of experiences from the nationwide introduction the technical concept for integration counselling was revised and introduced in all employment agencies in 2014. The objective was better support for employees in identifying the ‘right’ customers for the service and ensuring the fastest possible support.

Further steps towards improving quality are planned or have already been initiated. The objectives here are increasing the sustainability of entries into employment, the more successful use of group counselling events and a brief training period for Inga team leaders to facilitate their technical leadership.





## Sustainable integration of long-term unemployed persons

The improved integration of long-term unemployed persons is a particular challenge.

With the model project 'Perspektiven in Betrieben' (Perspectives in companies), which is being trialled in North-Rhine Westphalia and in Saarland, the BA is creating new chances for people who are very remote from the labour market. In contrast to other projects, they are being integrated through employment subject to social security contributions in companies, in other words in the regular labour market. Companies conclude permanent employment contracts, where possible, with long-term unemployed persons. The employees are accompanied intensively on their re-entry into working life, trained and qualified. Employers are advised on workplace design, given close support on request and receive financial support in compensation for employees' performance-related limitations.

The employment relationships that have started are running largely steadily in 2014. Being able once again to participate in working life, and in a company as well, has a motivating effect on previously long-term unemployed persons. Some of the employers taking part in the measure see chances for their participants of being given a permanent contract of employment.

### ESF programme for the integration of long-term unemployed claimants in accordance with SGB II in the general labour market

The goal of the ESF federal programme that was announced in the coalition agreement is to create perspectives for occupational integration in the general labour market for long-term unemployed claimants remote from the market who are covered by the basic income support scheme. The focus of the activities is on the specific approach to and advice for employers, employee coaching after starting employment, and payment of a wage subsidy.

Support is available for employable claimants who

1. have been unemployed without interruption for at least 2 years,
2. are over 35,
3. do not have any usable vocational training (no vocational training, or not in the occupation for which they trained for at least four years) and
4. who probably cannot be integrated into the regular labour market in any other way.

The programme is aimed at motivated claimants. The decision on taking part in the programme is voluntary.

The programme contains two main pillars:

Acquiring, advising and supporting employers through a company canvasser in the jobcentre on the one hand, and assisting and supporting employees taking part in the programme after the conclusion of a contract of fully insured employment on the other. The participants are assisted through employee coaching and training. The employer receives degressive wage subsidies to compensate for the reduced performance.

The programme will start in the first quarter of 2015 and is geared for a total of 33,000 participants. Financing consists of EUR 885m from the European social fund (ESF) and federal resources.



## We are striking out in a new direction

### Support above and beyond placement – the BA strikes out in a new direction!

The sustainability of integration is very important in the framework of the development programme 'BA 2020', because a remarkable number of people frequently become unemployed again a short time after taking up employment. The BA is dealing with this situation with the project 'INA! – Integration nachhalten!' (Sustain Integration!). The aim of the project is to determine various possibilities for stabilising employment relationships.

If people have never been in employment, or not for a long time, they need someone to support them in this situation. A new job, no matter how much it was wished for, brings changes that some customers find it difficult to cope with by themselves. For them, it is good to know that familiar contact partners are still there for them, listen to them and offer help. Finding solutions to problems together, and not giving up too soon, this goal is to be achieved in the end through back-up support.

For example, customers who take up employment subject to social security contributions continue to be supported for a period of six months. The aim here is to identify risks that endanger the employment relationship at an early stage and to find solutions together. Following trials in 2012 in two joint institutions, the new strategy for action was now being trialled in a further pilot phase from September 2013 to August 2014 in nine employment agencies and 18 joint institutions over all legal bases for providing benefits and support. The findings were further consolidated in the course of the extended pilot phase and will then be available at the beginning of 2015.

#### Initial findings of the INA! project

Customers who are given back-up support stay longer in the employment relationship.

Over 70 per cent of customers who are given back-up support assess INA! positively.







‘AusBILDUNG wird was – Spätstarter gesucht’: (Training is worth it – late starters wanted): the focus is on future skilled workers from the group of young adults

Aus**BILDUNG** wird was <sup>↑</sup>  
 Spätstarter gesucht

Following intensive preparation in the Board of Governors, the initiative ‘AusBILDUNG wird was – Spätstarter gesucht’ started in 2013 for both legal bases for providing benefits and support. The background was that a large number of young adults between the ages of 25 and 35 do not have a vocational qualification (1.5m) and because of this they are disproportionately affected by unemployment (329,000). During the term of the initiative (2013 to 2015) about 100,000 young adults in both legal bases for providing benefits and support are to be motivated to start qualification-oriented training. The existing potential in this group of persons that is mobilised in this way contributes to covering skill needs in Germany.

The initiative started successfully in the first year: 27,600 young adults entered subsidised qualification-oriented training in 2013. In addition, 5,200 started non-subsidised vocational training. Up to September 2014 the number increased to 59,300: 28,000 customers from the unemployment insurance scheme entered, 19,700 receiving basic income support, and a total of 11,600 inflows in non-subsidised vocational training since the start of the initiative. In order to achieve the initiative’s goal – 100,000 inflows – by the end of the term, all participating players are called on to contribute to its realisation.

Various marketing activities were already started in 2013 in support of the initiative. In 2014 employers are to be increasingly motivated to give young adults an opportunity for training or in-company retraining.

### Inflows into qualification-oriented training and non-subsidised training with regard to the objective ‘100,000 inflows!’

Report month September 2014



Source: Federal Employment Agency Statistics



## We support with cash benefits

### Unemployment benefits: insurance benefit on unemployment

In certain circumstances, e.g. completion of a qualifying period, persons who are unemployed are entitled to unemployment benefit. In 2014, the BA expended €15.37 bn on unemployment benefit and partial unemployment benefit, including reimbursements to foreign insurers. This sum includes €2.66bn health insurance contributions, €3.35bn pension insurance contributions and €0.35bn nursing care insurance contributions. This means that in addition to the total net amount of €8.99bn paid out directly to claimants, approx. 41.4 per cent are spent on their social security.

Since 1 February 2006, carers, employed persons outside the EU and self-employed persons have had the possibility of voluntary insurance in the unemployment insurance system upon application. Periods of voluntary insurance upon application establish entitlement to unemployment benefit. A total of 23,675 applications for voluntary insurance upon application were submitted, of which 2070 were rejected. Contribution income amounted to around €94.02m.

#### **New online offer: application for unemployment benefit**

An online form for applying for unemployment benefit has been available on the Internet since December 2013.

In the online application customers are led through the form with specific questions and supported comfortably with appropriate information. Once completed in full, the application can be transmitted electronically. This ensures, among other things, that queries for customers on the facts are usually unnecessary.

### Short-time working allowance maintains jobs

Cyclical short-time working allowance can enable continuing employment of employees in the event of temporary loss of work and thus avoid redundancies. This means that employers have their familiarised workforce available immediately when the order situation improves. In 2014, claims for cyclical short-time working fell in comparison with the previous year and is on a low level in a long-term comparison. Expenditure for cyclical short-time working allowances amounted to €157.38m.

The aim of seasonal short-time working allowance and supplementary benefits is to prevent construction industry employees from becoming unemployed during the seasonal stoppage of work in the bad weather season, but instead to keep them in the company and hence to stabilise employment relationships. In the months of January to March 2014, 306,000 persons received seasonal short-time working allowance. A total of €180.37m was spent in 2014 for the contributions-based benefit. The pay-as-you-go expenditure on cost-increase winter allowance, additional winter allowance and the reimbursement of social security contributions to employers amounted to €275.66m.



## Insolvency payments safeguard wages and salaries

If an employer is insolvent and his employees have, for this reason, not received their wages and salaries, or only part of them, in certain circumstances the outstanding salary payments are made to the affected employees for a period of up to three months in the form of insolvency payments. Apart from this, the BA pays the total social security contributions to the health insurance as the responsible collection office. In 2014, a total of €694.41 m was spent on insolvency payments. A total of 189,000 applications for insolvency payments were submitted in 2014, of which 164,000 were approved.

## Benefits under basic income support for job seekers

Members of the public in need of help are supported by a comprehensive range of continuous and non-recurring payments to cover the cost of living.

Beneficiaries receive the following as continuous benefits:

- Unemployment benefit II for persons able to work, or social allowance for persons not able to work and children in a community of dependence (benefits for normal requirements, individual special requirements as well as communal payments for accommodation and heating),
- Contributions and subsidies for health and care insurance,
- Benefits for apprentices,
- Communal benefits for education and participation.

Non-recurring payments include the following:

- Communal benefits for the basic equipment of an apartment, for basic clothes requirements, in case of pregnancy and at childbirth,
- Benefits for purchasing and repairing orthopaedic shoes as well as the rent and repair of therapeutic devices.

## A large part of the expenditure goes on payments for accommodation

A total of €25.84bn was paid out in 2014 for non-recurring and continuous payments in the basic income support scheme for job seekers. Payments for normal requirements make up the largest part of this sum with €14.87bn, closely followed by the benefits for accommodation and heating, on which €10.49bn were spent in the previous year.

### ALLEGRO – the new benefits software

In order to provide better support for the implementation of the statutory remit, namely paying out benefits to cover the cost of living to claimants punctually and in accordance with the law, the previous IT procedure A2LL was replaced by the ALLEGRO system, which takes its name from the initial letters of the system's full name in German (**AL**g II – **LE**istungsverfahren **GR**undsicherung **ON**line).

The successful introduction of this new procedure is an important step to make the provision of benefits fit for the future. Practitioners and representatives of local authorities contributed to ensuring that a procedure is now in use that takes the best possible account of the concerns of all participants.

### Reducing bureaucracy simplifies laws

The BA works constantly on improving the provision of services. The aim in the framework of the process of reducing bureaucracy is to relieve the burden on jobcentres (JC) and the public by simplifying the law and procedures. Since the basic income support system came into force the BA has continuously submitted suggestions to the BMAS for simplifying the law and procedures the aim of which is to create more transparency, acceptance and customer friendliness in the basic income support scheme for jobseekers and to enable more effective administration.

Recently the BA, which has been a member since 2013 of the Federal Government-Länder working group 'Regulatory Simplification in the SGB II System' of the 'Arbeits- und Sozialministerkonferenz' (ASMK, Conference of Ministers of Labour and Social Affairs), was able to collaborate in promising suggestions for simplification. Various subject fields were discussed here with experts from the judiciary, administration and science. The BA contributed a total of 24 of its own suggestions to the discussion. The extension of the approval period from six to twelve months is just one example. Thirty-six generally agreed suggestions, including ten suggestions from the BA, were submitted to the AMSK. Based on current planning, the generally agreed suggestions from the working group are to be realised in a 9th Amendment Act to SGB II.

A joint working group from the BMAS, the BA and practitioners from the JCs drew up suggestions for amendments to the law to simplify social security law for persons receiving unemployment benefit II. Two of the material suggestions for amendments from the working group (introduction of a flat rate for health and nursing care insurance contributions and the abolition of priority for family insurance) have been included in the law on the further development of the financial structure and quality in the compulsory health insurance scheme. This has considerably simplified processing in the JCs, and the error rates in this area can probably be greatly reduced. The appropriate amendments come into force on 1 January 2016.

On the whole, the BA, jointly with the staffs of the JCs, has already made a considerable contribution to the simplification of the law in the basic income support scheme. However, the process of minimising the complexity of this system is still on-going. The BA will continue to submit suggestions for improvements to the Federal Ministry of Labour and Social Affairs and work closely with practitioners from the JCs. As before, there is an Intranet platform for suggestions from the agencies.

### Family benefits office – reorganisation is completed

The realignment of the family benefits offices has now been completed, the new management structures have been put in place and adapted to the changed requirements. The electronic file (eAkte) was introduced nationwide and synergy effects from the merger of technically specialised teams have occurred.



### The family benefits office in figures

**8.9 m**  
claimants in Germany

**14.7 m**  
children

**2 m**  
applications settled

**14**  
family benefits offices

**102**  
locations

Approx.  
**3500**  
employees

**€ 342 m**  
for child allowance

**€ 33.5 bn**  
for child benefit

Process handling in the special area of responsibility child benefit with reference to 'zwischen- und überstaatlichen Recht' (zür, interstate and supranational law) was consolidated in accordance with countries of origin and sending countries and concentrated in five family benefits offices. This further organisational bundling was also necessary because, in consequence of judgments by the 'Europäischer Gerichtshof' (EuGH, European Court), there were considerably more applications than in previous years. For this reason 2014 was characterised heavily in this area of responsibility by handling bottlenecks and an increase in complaints, which had to be countered intensively.

The Federal Government intends to bundle the tasks of the currently existing approx. 8400 federal, state and public authority family benefits offices and corporations under public law with the BA's family benefits office. It has specified this in the coalition agreement. A statutory basis for this has not yet been created.

#### Child benefit and child allowance

The BA's family benefits offices support claimants throughout Germany. Along with child benefit, which is granted upon application for all children up to the age of 18, and after this under certain circumstances, the family benefits office approves applications for child allowance to supplement child benefit, if this contributes to avoiding neediness.

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## *MOVES FORWARD:*

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VII



## Using all employment possibilities

### // Offer employers suitable solutions

We support employers who request our services in filling vacancies. Each registered vacancy means an opportunity to end the impending or existing unemployment of applicants.

Our aim is satisfied employers – with regard to our guidance, our placement suggestions, to all our services.

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V

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## We support employers

### Providing needs-based service offers for employers

The labour market is going through a phase of upheaval: the market situation is determined by the increase in the need for skilled personnel and the simultaneous reduction in the potential labour force. It is becoming more and more difficult for employers to cover their staff requirements, because employees can choose more and more frequently between different employment opportunities.

The changing framework conditions in politics, industry and society, and the changing expectations of employers, mean that the BA has to face up to the new challenges in the labour market and follow innovative paths. Against this background, the BA is realigning its services, key responsibilities and resources.

In the future, the focus of personal support for the BA will be increasingly on companies that need the BA's intensive support to be able to cover their staff requirements. Small and medium sized companies (SMEs) in particular, which characterise the corporate landscape in Germany, are frequently disadvantaged in competition for skilled personnel with regard to large companies. The BA wants to take this need for support into account with a better range of services. Other companies, for example large companies or temporary employment companies, do not usually need this intensive support, because they carry out personnel work and development systematically. They are primarily supported with user-friendly online offers that enable them to cooperate around the clock with the BA in an efficient and resource-friendly manner.

At the same time, applicant-oriented activities are being developed. The aim is to use existing employment potentials comprehensively to cover companies' staff requirements. The potentials of customers who are even more remote from the market are to be included increasingly in the placement processes. This objective is served, among other things, by the ESF programme for the integration of long-term unemployed claimants, which starts in 2015, in which possible employers can be acquired, advised and supported by company canvassers in jobcentres.

The BA supports employers by placing suitable applicants in registered vacancies. In order to be able to bring the 'right' applicants together with the 'right' vacancies, the vacancy requirements are recorded in detail and contrasted in the framework of technical and personal matchings with the competences of applicants. If suitable applicants are found, they are informed about the vacancy. If suitable applicants are not found, the employer is contacted in order to discuss alternatives for filling the vacancy. The demographically induced reduction in applicants and simultaneously increasing skill needs mean that, with increasing frequency, registered vacancies cannot always be easily filled through the placement of applicants registered as looking for employment. This means that the demand for alternative strategies and comprehensive and competent counselling is increasing, e.g. on subjects such as family oriented personnel policy or age-appropriate workplace design. The BA has fleshed out and extended its guidance services here in a future-oriented way. For example, it offers advice on





alternative possibilities for securing skilled personnel, if all efforts to cover a company's staff requirements from existing potential applicants fail. In the framework of the guidance possible in-company fields of action are identified, for example, alternative recruiting strategies, personnel development, developing unused employee potentials or ways of retaining staff.



### — Project 'Qualification-oriented training in temporary employment agencies'

The comprehensive development of employment potentials to secure skill needs is a central field of activity for the BA – now and in the future. More intensive use of the potential of low-skilled workers in the context of temporary work is the aim of the project 'Abschlussorientierte Qualifizierung in Zeitarbeitsunternehmen' (Qualification-oriented training in temporary employment agencies).

The project is implemented jointly by the BA and selected temporary employment agencies. In the framework of the project, taking account of the special features of temporary work, possibilities are worked out and tested to see how low-skilled unemployed persons and low-skilled employees of temporary employment agencies can be guided towards a recognised vocational qualification. Training takes place in the framework of certified, modular partial training in three occupational fields, which were chosen on the basis of local skill needs. The project is being implemented at five locations.



# We are intensifying our advisory services

## Professionalisation of the labour market advisory services for companies

The availability of qualified employees is a key factor for the competitiveness of the German economy. Demographic change, globalisation, rapid technological progress and other development trends are challenging companies more and more. Parallel to the forecast decline in the potential labour force, companies' skill needs will continue to intensify in the medium term. For this reason, it is becoming more difficult for them to cover their staff requirements through external recruiting.

Labour market advisory services therefore make an important contribution to securing skilled personnel by sensitising companies for strategies for the sustained securing of staff requirements and identifying in-company fields of action.

Companies in particular whose vacancies cannot be filled because of lack of suitable applicants must be informed in the first place about the current situation and the foreseeable development of the labour market. In the next step, alternative strategies for the sustained securing of staff requirements – taking account of companies' own responsibility for this subject – are to be developed jointly and in-company fields of action to be identified. In the first place, this is about

- alternative recruiting and vacancy filling strategies,
- strategic personnel development in the own company and
- further measures that can contribute to the acquisition of personnel, but in particular to long-term employee retention as well.

What is important here is to apply low-threshold, needs-based instruments when providing advice with the aim of supporting employers in their ability to cover their company staff requirements in the long term.

## Training advice

One possible strategy for the sustained securing of staff requirements consists in identifying the potentials of employees in the company, making better use of them and developing them systematically in the framework of continuing training in the company.

In-company further training activities tend to be concentrated on employees who are already well qualified, or on managers. The focus is less on the potential of other groups of employees, for example, semi-skilled employees, employees with a migration background or older employees. A promising approach to the further increase in continuing training in the company are advisory services that support companies professionally in their design. This target is being pursued with the nationwide implementation of the advisory service 'training advice' by the regional 'Arbeitgeber-Services' (AG-S, employer services). The great majority of employment agencies (86 per cent) work in the employer services in a joint employer service with the joint institutions in the framework of employer support.



In the framework of this offer the BA intends to encourage a systematic and forward looking further training management system, to move employee groups into the focus of in-company further training that were previously left out of the equation to a great extent, and to contribute to the upward mobility of employed persons. As a consequence, a contribution to avoiding unemployment and opportunities for unemployed persons to enter employment will be opened up.

The AG-S takes over the function of a pilot in the overall advisory process. Employers are shown opportunities for action and they themselves make the decision on realisation and on the use of specific instruments. Insofar, the advisory service is organised as 'Help for self-help'.

#### — Network partners

Not all individual advice and support needs that are identified in connection with securing staff requirements can be covered by the BA. In some cases they exceed the technical competences of the AG-S staff, or their statutory remit. For this reason, with the aim of the most uniform advisory services possible, other advisory service providers from the regional networks are brought in on a subject-related basis. These include above all professional associations, social insurance bodies, employer associations and business development associations, but also regional initiatives and charitable associations that have special advisory competences and support structures.



#### Innovations in the 'Zentrum für Kunden- und Mitarbeiterbefragungen' (ZKM, Centre for Customer and Employee Surveys):

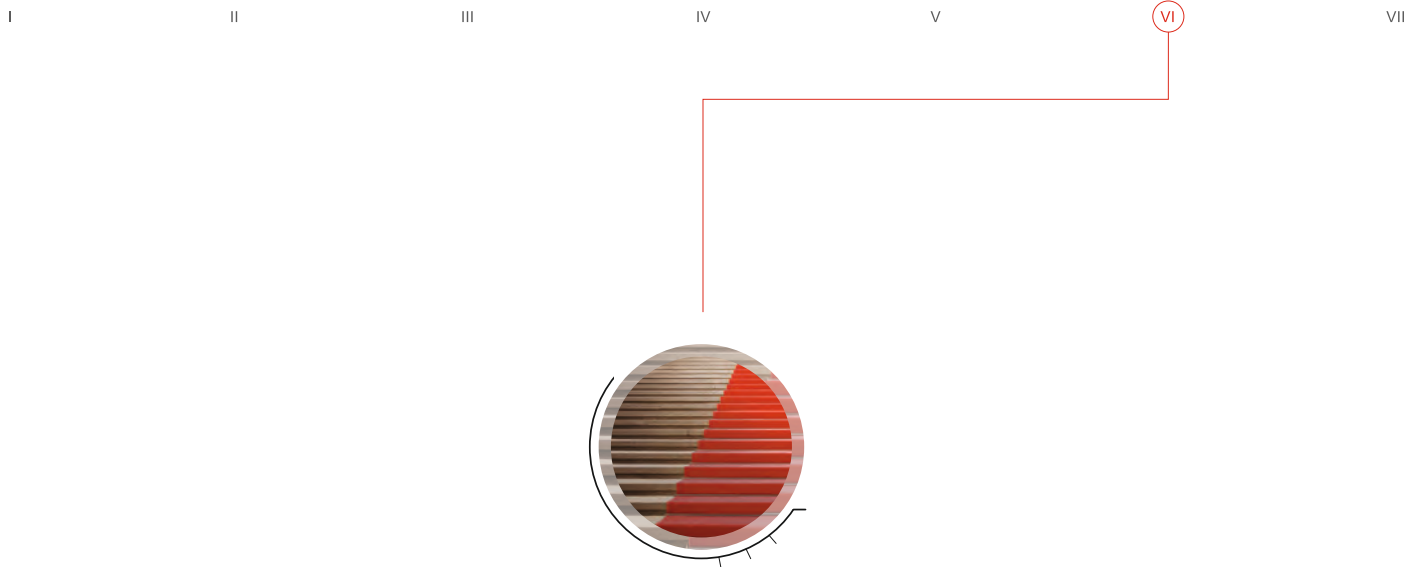
Since mid-2014, the ZKM has been represented in the Internet as a scientific unit in order to point out the benefits of surveys to customers, and to employees of the employment agencies and joint institutions as well, and thus to promote participation actively.

At the same time, a large-scale poster campaign was started that was intended to inform both employees and customers about the new offer.

[LINK, https://www.arbeitsagentur.de/web/content/DE/Veroeffentlichungen/Befragungen/index.htm](https://www.arbeitsagentur.de/web/content/DE/Veroeffentlichungen/Befragungen/index.htm)

One important partner is the 'Initiative Neue Qualität der Arbeit' (Initiative new quality of work), which, as an overlapping network, brings companies, institutions, networks and associations together on the subject 'Zukunft der Arbeit' (The future of work). Under the motto: 'Zukunft sichern, Arbeit gestalten' (Securing the future, designing work), the initiative contributes to embedding the subjects personnel management, equality of opportunity and diversity, health and knowledge and competence in society.

## MOVES FORWARD:



# Being an attractive employer and an efficient service provider

## // Trendsetting as an employers

The BA has set itself the target of being an attractive employer that offers interesting and multifaceted work to committed and motivated employees. The working environment should be appreciative, modern, health conscious and reliable.

For its customers, the BA wants to be an efficient service provider, offering individual solution approaches for different circumstances – and at the same time always friendly, competent and oriented towards the common good.



**VI**

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## We ensure attractive working conditions

### Healthy and committed working: commitment index fosters industrial relations

Motivating employees, recognising and utilising potentials – this is one of the BA's overriding corporate policy objectives. This is where the commitment index starts. It is used as the basis for organising healthy and commitment-fostering working conditions together with the staff.

The results of the first commitment survey in the BA triggered numerous activities in the agencies: strengths and improvement potentials were analysed in workshops, setting a process in movement in which managers and employees developed and realised initial measures jointly and constructively. The concrete results are aimed above all at work organisation, communication and information exchange and participation. Appreciation is an important subject here. The commitment survey is carried out yearly to enable dialogue-based, continuous work on commitment, management and cooperation.

#### Total E-Quality title for the BA's equality policies

For the fifth time in succession the BA was awarded the TOTAL E-QUALITY title for the years 2014 to 2016 and therefore the sustainability prize for equality of opportunity.

The jury explained the award among other things with the embedding of promotion of equality of opportunity as an explicit management task, with the life phase-oriented personnel policies, diversity management, the compatibility of work and family or private life, and with the further development of industrial relations.

### Remaining fit for the future: further development of life phase-oriented personnel policy with lifelong learning

The demographic development will lead to an increase in the numbers of older employees in the BA as well. In order to counter a loss of expertise when they retire, the focus is turning to subjects such as lifelong learning and knowledge transfer. For this reason, two instruments with which practical knowledge can be secured and transferred have been tested at ten locations since summer 2014. Learning partnerships are intended to promote the continuous exchange of knowledge, in particular between old and young employees, and in this way to facilitate lifelong learning. Findings from the pilot phase flow into the development of a global concept, the aim of which is to maintain and support performance capability and the quality of task completion.

#### Important ratios from personnel

Figures are rounded

10%

Ratio of severely disabled persons

70%

Proportion of women

28%

Ratio of part-time employees

47%

Proportion of women in management

41%

Employees aged 50+

16%

Employees with migration background<sup>1</sup>

<sup>1</sup> The data are based on voluntary information in the framework of an internal employee survey in 2013



### BA's employee capacity in full-time equivalents

	Total		Unemployment benefit and service basic income support <sup>1</sup>		Basic income support for jobseekers <sup>2</sup>		Family benefits office	
	Previous year	Actual	Previous year	Actual	Previous year	Actual	Previous year	Actual
Total	94,300	95,600	53,800	53,900	36,900	38,200	3600	3500
Of whom permanently employed	82,900	84,400	47,400	47,600	32,600	33,900	2900	2900
Of whom temporarily employed	11,400	11,200	6400	6300	4300	4300	700	600
For reporting purposes only <sup>3</sup>								
Students	800	1000						
Trainees	1400	1000						

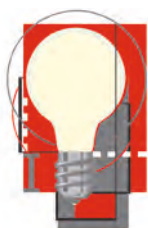
<sup>1</sup> Employment agencies, regional directorates, special agencies and head office, including internal service and services for basic income support for jobseekers, without administrative tasks to be carried out on a supralocal basis

<sup>2</sup> Joint institutions and overlapping fulfilment of tasks for basic income support for jobseekers

<sup>3</sup> Junior staff are shown in the total numbers for reporting purposes only.

To improve continuously, our motto is:  
'For our customers we don't just work  
in the BA but also in it.'

### Continuous improvement is firmly embedded in the organisation



Last year, continuous improvement was able to come a long way towards this vision. For example, employees developed a procedure with which setting dates for counselling interviews was based on the urgency of the matter. With several hundred workshops on improving processes, continuous improvement has become part of their daily experience for many employees. In addition, it is embedded permanently in the organisation as a fixed component in training, studies and management development and in this way contributes to increasing performance.

Continuous improvement shows effects among other things through creative ideas management, the BA's employee suggestion scheme. Creative suggestions from 2014 led to total savings in the amount of €4.3m.



## We provide our services efficiently

### Targets – labour market conditions require more applicant-oriented integration work and training in line with the market

In the context of the increased requirements on the labour market, integration-oriented targets in unemployment insurance and basic income support represented the greatest challenge in the 2014 business year.

The target system for unemployment insurance that was further developed for 2014 focussed more intensively on those customers who depend to a particular extent on the BA's support services: young persons with and without a lower secondary school leaving certificate, unemployed persons who have been unemployed for a longer period, and SMEs. Integration-oriented targets were reached on the whole in 2014: in one in four cases it was possible to avoid impending unemployment before it commenced. In over four out of ten cases unemployment, insofar as it had already started, was ended by employment being taken up again. It was not possible to better the results on the training market in comparison with the previous year: the targets were just missed.

In the target system for basic income support taking up and maintaining employment, preserving, improving or restoring the ability to work and independent securing of a livelihood are embedded as central concerns. In 2014, about one quarter of persons eligible for benefits who were capable of work took up employment subject to social security contributions. This corresponds roughly to the results for the previous year. However, because of a lack of formal qualifications, employment opportunities for customers are often found only in the low-wage sector and in temporary work via an employment agency, which limits the chances for over-coming the need for help in the long term. Expenditure on securing livelihoods increased this year, also as a result of the adjustment of the standard rate, but the stock of long-term recipients continued to fall slightly.

### Target reached – lower expenditure and higher contribution income as a consequence of record employment ease the strain on the budget

In the past business year the BA achieved income in the amount of €33.72bn in the unemployment insurance budget and paid out expenditure in the amount of €32.15bn. This resulted in a positive operative financial balance of €1.58bn. After transfer to the pay-as-you-go reserves for insolvency payments and the promotion of winter employment there was a surplus in the amount of €978.40m, which increased the BA's general reserves to €3.42bn. This result exceeded the expectations at the time the budget for 2014 was prepared. However, the achieved level of the reserves is still not an adequate financial cushion for possible periods of crisis.

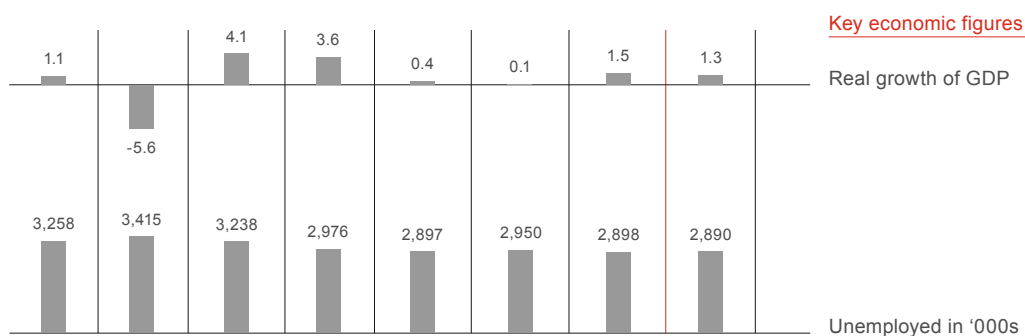
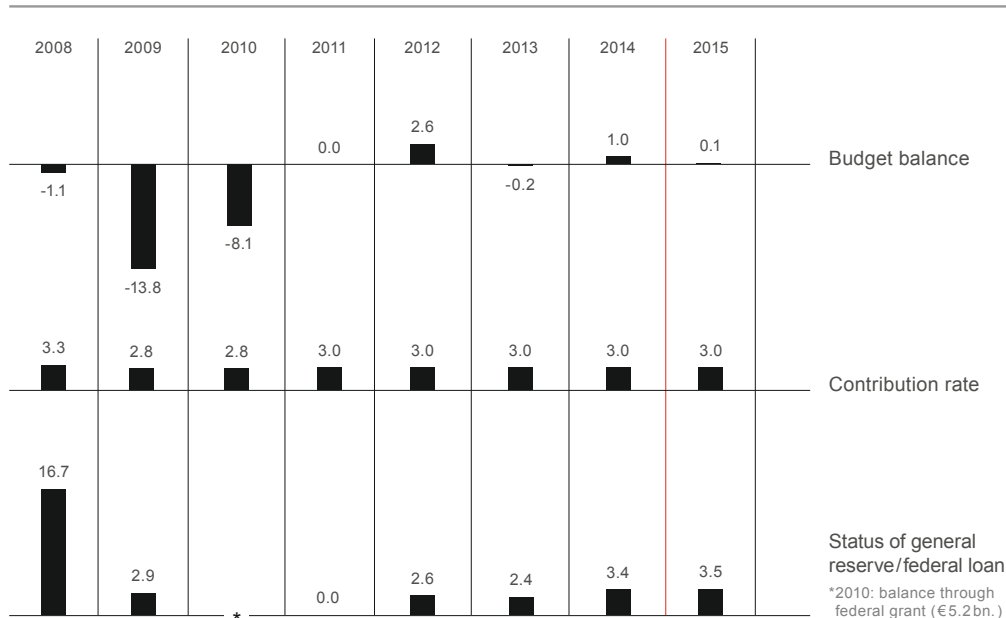
The greater part of the easing effect on the total results was contributed by the downward expenditure trend. In comparison with the expected €33.28bn, a sum €1.13bn less than this was spent. In the area of active employment promotion, the expenditure for nearly all benefits was less than the targets that were assumed when the budget was prepared.





## Financial development in the unemployment insurance scheme

Amounts shown in billion euros



Rounding differences possible, Source: Federal Employment Agency

In contrast, expectations were not fulfilled with passive services. During the course of the year structural problems on the labour market were still visible, so that it was not possible to reduce unemployment to the same extent that it was possible to develop employment. The consequence was that the calculated appropriation for unemployment benefit in the case of unemployment in the amount of €14.72bn was exceeded by €639.96m.

The income situation improved in the course of the year, as a result above all of the increase in the numbers of employees subject to social security contributions and the associated increase in contribution income by €288.52m vis-à-vis the planned amount of €33.44bn.

## ‘BA 2020 moves forward’ – continuation of the BA’s development programme

The BA stabilised its development and action programme in 2014. Along with projects and measures that had already been initiated, the focus was on the reflection of relevant developments for the labour market and other subject areas in particular.

In the continuation of the programme ‘BA 2020’, the BA’s Executive Board attaches great importance to the contents being supported equally by the ‘Hauptpersonalrat’ (HPR, main staff council) and the ‘Verwaltungsrat’ (VR, Board of Governors). For this purpose, the members of the Board and the Chair of the HPR came to an understanding regarding the essential topics in a workshop. The Executive Board and the Board of Governors discussed specific contents of BA 2020 in a strategy workshop.

Communication on BA 2020 was linked closely to the BA’s new positioning aspiration ‘bringt weiter.’ (Moving Forward). This was derived from the BA’s marketing campaign of the same name, which is itself based on BA 2020. The five core subjects also form the framework for this business report.

The intention is that communication is to be focussed further through the close interlinking of the programme with the BA’s positioning aspiration. The aim here is to make the core statements of BA 2020 much more familiar than before. For example, the significance of the five mainly abstract core subjects for the daily work of the BA’s employees is transferred into practice through suitable means of communication such as flyers, posters and presentation templates. This enables them to concern themselves more intensively than before with the programme BA 2020 and to contribute to its realisation.

Because only if all employees know what is hidden behind the core subjects and the direction in which they are pointing can they contribute their knowledge and their experience purposefully.





## — SGB II internal advisory service as a cost centre

The SGB II internal advisory service is managed as an entrepreneurial cost centre and is thus taking the innovative path of a service aligned consistently to demand. Purchasing the advisory services by the managements of the joint institutions from their local administration budgets demands intensive cost-benefit considerations and promotes the sustained realisation of solutions that are worked out. As a 'pioneer' of entrepreneurial thinking and action, the cost centre model of the SGB II internal advisory service certainly acts as a signal for other areas in the public sector. In the complex administration and management structure of the basic income support system, the SGB II internal advisory service offers a value-added contribution to achieving business goals to the joint institutions with their relatively wide room for manoeuvre through 'advisory services on a level playing field'. The advisory teams develop customised local solutions with the involvement of specialists and managers from the jobcentres that they advise. Along with organisational and process advisory subjects, advisors are increasingly providing support on questions of the strategic alignment of the joint institution as well as on overlapping advisory subjects that are the responsibility of a manager in the joint institution, e.g. on the local labour market strategy or on the effective uses of funds. In 2014, the SGB II internal advisory service achieved a turnover of €3.96m.

## — Advancing with innovation – the BA's IT system

The BA has set itself the target of offering innovative and efficient IT solutions in the framework of the development programme 'BA 2020' and on the subject of IT strategy 2020.

The development towards a knowledge and information society assigns a special key function to IT in a changing business. Modern IT should generate added value for customers; it supports employees in their daily work through simple handling, relieves them of administrative tasks – as far as possible – and helps to avoid errors.

Without a steadily functioning IT system, the BA's work in future will be even more inconceivable than ever. The BA modernised its internal IT thoroughly in accordance with the 2015 IT strategy at an early stage and developed it further. This means that efficient and modern IT processes and platforms are available today with which tomorrow's tasks can also be carried out. The potentials that are already contained in the IT system are not yet being utilised to the full. The innovative services are to be given optimum digital support. For this purpose, existing IT solutions will be developed further and improved. In addition, more eServices are being developed (among others, electronically supported benefits payments, electronic file management). New developments will be started if demand and long-term benefit are verified.

### Numbers, data, facts

**35 m**  
emails per month

**12 m**  
postal items  
per month

**10,000**  
servers

**17 m**  
bank transfers  
per month

**160,000**  
networked PCs

As one of the largest providers of IT services in Germany the BA must drive standardisation forward consistently in order to guarantee efficiency. With regard to the fields of action in the coming years, summarised in the future IT strategy 2020, the BA's IT system is faced with four essential tasks:

- Technology developments and future customer needs must be subjected to an on-going analysis and – as far as this is relevant for the BA – taken into consideration when updating their fields of action.
- Where support potentials can still be seen for internal users, new IT service processes, such as ALLEGRO in the field of basic income support, contribute to the further improvement of services and skills.
- Overlapping initiatives for the support of the business with IT solutions are being driven forward. These include the further expansion of online platforms for BA customers, but also internal professionalisation and flexibilisation of the business processes.
- High service quality and adherence to budgets and schedules are and will remain the internal quality standards.

#### ‘BA Online 2020’ – the path to the digital future

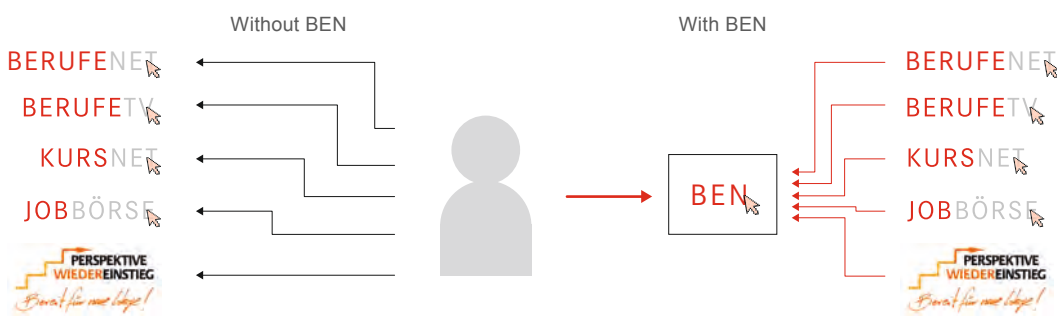
Future online access channels were specified and an overlapping portal architecture and strategy were developed in the framework of the programme ‘BA Online 2020’. In this programme the BA sketches its path to tomorrow's online world.

#### BEN – the platform for the leap forward

With the ‘Berufsentwicklungsnavigator’ (BEN, occupational development navigator <http://ben.arbeitsagentur.de>) the BA has realised a pioneering step for implementing the programme BA Online 2020. In a modern, user-friendly interface BEN presents information on career development, occupations, further training opportunities and labour market chances.

The many and various offers from the BA, such as BERUFENET, KURSNET and BERUFETV, are integrated on a platform. BEN is directed mainly at adults interested in a change of occupation, advancement, re-entry or further training. Information can be explored on over 5000 activities or occupations, 1500 training or educational courses, over 700 study courses or subjects and 1400 advancement options.

**Problems searching for information because of different interfaces and structures are solved by customer-oriented design and intuitive operation in BEN**





## — Online benefits application portal (APOLLO)

The processes for identical business transactions are being standardised and digitalised for all access channels in the framework of business process management. In future, customer requests in benefits matters will be processed through an online portal. This includes, e.g., online application processes for benefits (unemployment benefit, short-time working allowance, insolvency payments, training grant and integration allowance), online process services (notifications of changes, transmission of decisions, tracking the processing status and scheduling). The portal's functions will also be available via mobile devices. In a first step, forms for applying for unemployment benefit and notifying changes, e.g. change of address, bank details, absence or deregistration, and, for employers, the certificate of employment, were made available online. A targeted user interface, plausibility checks and spoken assistance and information texts help to complete the forms and enable efficient processing of incoming applications and notifications.

## — Social media

The Internet and social media have developed into components of social life. This development is an obligation for the BA to participate increasingly in these media. In doing this, the customers' media use behaviour has to be considered appropriately and suitable offers made. The use of social media is carried out, embedded in the BA's business processes, with the help of a social media kit, which takes account of core activities, media and customer groups. Social media guidelines were drawn up for the BA's employees that support a successful dialogue in the Internet.

### 'Anwendungs-Portal und Online-Kunden-zugang' (APOK, Application portal and online customer access)

A standardised and customer-oriented online portal is created with 'APOK'. Individual online applications differ considerably today with regard to visual attraction and user guidance. For this reason, the range of information is not opened through a central access point, and therefore customers cannot find it intuitively. For this reason, the new portal offers a uniform layout for all relevant contents and will be accessible via all mobile devices with Internet capability. The 'APOK' project will also take new customer channels, such as the German postal service's DE-Mail, into account in its concept. Optimisation of customer services through the use of new technologies such as chat or co-browsing is also to be made available.

### New online forms

As the first initiatives of the programme 'BA Online 2020' it was made possible for the BA's customers to file applications for benefits online and to notify changes online

Customers can now

- apply for unemployment benefit online,
- notify changes of address, bank details or details of absences online,
- deregister from job placement or vocational guidance.

The information is transmitted to the competent office in the BA via a secure channel. A user interface, plausibility checks and spoken assistance and information texts help customers to complete the forms.

# Corporate Governance report

Good corporate management, greater efficiency and transparency are extremely important for public sector companies and organisations as well. For this reason, the management of these companies and organisations must be oriented to the further development of modern governance structures. In connection with the Federal Government's investment policy, the Federal Ministry of Finance has created the 'Public Corporate Governance Code', a compilation of the principles of good corporate management. The BA would like to inform about its governance structures on the basis of this Public Corporate Governance Code. The Corporate Governance report is now being published in its fifth year.

## 1. PREAMBLE

The BA submits its corporate governance report for the 2014 business year based on the Federal Government's Public Corporate Governance Code. The aim is to create transparency and traceability with respect to corporate management and monitoring.

According to Point 6.1 of the Public Corporate Governance Code, the BA's Managing Board and its Board of Governors declare that its recommendations have been and will be complied with as a basic principle. Deviations arise from the circumstance that legal regulations take precedence over the Public Corporate Governance Code.

The stringent separation of the responsibility for the operative business of corporate management and of control and advice from the self-government board is established legally.

## 2. MANAGING BOARD (s. 381 SGB III)

The Managing Board manages the BA, carries out its business and represents it in and out of court. It consists of a chair and two other members. In accordance with ss. 9 ff. of the rules of procedure of the BA's Managing Board, the chair of the Managing Board determines the guidelines of day-to-day management, taking account of the objectives set by the Managing Board with the consent of the Board of Governors, or agreed upon with the Federal Ministry of Labour and Social Affairs. He or she monitors the implementation of the Managing Board's resolutions and compliance with the key points of corporate management. Members of the Managing Board and managers report to the Chair for this purpose. Each member of the board is responsible for the business divisions assigned to him or her, carries out the duties assigned to them within the corporate management guidelines independently and in doing so represents the Managing Board internally and externally. All members of the Managing Board have equal rights in carrying out these tasks. The BA is managed by the Managing Board as a 'collegial body'. In this respect, the chair of the Managing Board represents the Managing Board internally and externally.

The BA has not in fact taken out pecuniary damage liability insurance for the members of the Managing Board – but D&O insurance with effect from 1 January 2013. No loans were made to the members of the Managing Board or of the Board of Governors.

In the scope of corporate governance, the Managing Board has developed an institutionalised risk management system for the BA through which it obtains regular information about the risks that have occurred and about possible future risks. The objective is to plan preventive measures for safeguarding the organisation. The semi-annual information is passed on by the chair of the Managing Board to the steering committee of the Board of Governors. In accordance with the management principle described above, in this risk management system responsibility for identifying risks and the measures planning resulting from them continues to lie with the business divisions.

Corruption prevention as part of the performance of duties by the legal/data protection/compliance departments is directly assigned to the Managing Board. The BA is a member of Transparency International.

At the suggestion of the Board of Governors, the members of the Managing Board are nominated by the Federal Government and are appointed by the Federal President. The members of the Managing Board are in public employment. The term of office of the members of the Managing Board is five years. Several terms of office are permitted (s. 382 SGB III).

In addition, the legal status of the members of the Managing Board is regulated, in particular with regard to pay, by contracts that the Federal Ministry of Labour and Social Affairs concludes with the members of the Managing Board and that require the approval of the government (s. 382 (6) SGB III).

### 3. BOARD OF GOVERNORS (ss. 371, 373 SGB III)

#### 3.1 Organisation and tasks

The Board of Governors has 21 members and is made up, in equal shares, of members representing employees, employers and public corporations. Each group can nominate up to five representative members. Proxies are permitted only if a member is absent. A member representing a public corporation cannot preside over a self-government body.

The Board of Governors supervises the Managing Board and the administration and advises them in all questions relating to the labour market. It approves the budget prepared by the Managing Board (s. 71a SGB IV). The definition of the strategic alignment and the BA's business objectives are also subject to approval by the Board of Governors (Article 4 of the Charter of the BA).

For the purpose of preliminary deliberation on topics, the Board of Governors has established two committees (s. 14 of the Rules of Procedure of the Board of Governors):

- Committee I for strategic decisions, questions related to the budget and to self-government,
- Committee II for the subjects of labour market policy, labour market research and cash benefits.

Both these committees are also concerned with the audit reports from Internal Audit and of the Federal Audit Office and in this way act as an audit committee.

To ensure continuous and prompt cooperation with the Managing Board, the Board of Governors has formed a presidium consisting of the Chair, the Deputy Chair and the spokesperson of the group of public corporations of the Board of Governors (Article 6 of the Charter of the BA).

Committees and the presidium cannot take decisions on behalf of the entire Board of Governors. Resolutions are reserved for the Board of Governors.

The Board of Governors and its committees check the quality and efficiency of their activity.

### 3.2 Appeals procedure ( ss. 377 ff. SGB III )

The members of the Board of Governors are appointed by the Federal Ministry of Labour and Social Affairs. In the process, men and women are to be considered with the aim of their equal participation in the groups. Staff of the BA cannot be members of the Board of Governors.

The following are eligible to submit nominations for members of the groups

- employees: unions that have signed wage agreements and their associations,
- employers: employers' associations that have signed wage agreements and their federations that are of key significance for representing the interests of employees or employers.

The following are eligible to submit nominations for the members of the group of public corporations in the Board of Governors

- the Federal Government: three members
- the Federal Council: three members and
- the umbrella association of local authority self-regulatory corporations: one member.

The term of office of the members of the Board of Governors is six years ( s. 375 SGB III ).

The members of the Board of Governors carry out their activities in an honorary capacity. They may not be hindered in taking over or exercising the honorary office or be put at a disadvantage on account of taking over or exercising such an office ( s. 371 (6) SGB III ). They are not subject to any instructions of the organisation by which they were delegated ( Article 2 (3) of the BA's Charter ).

In its recommendations to the administrative committees, the Board of Governors shows that a collision of interests is to be avoided. It generally recommends that members disclose their concerns if a conflict of interests exists or if partiality in view of the pending consultation is suspected.

No service or work contracts have been signed with the members of the Board of Governors.

## 4. REMUNERATION

### 4.1 Remuneration of the Managing Board

During the previous year, the business of the BA was conducted by Mr Frank-J. Weise ( chair of the Managing Board ), Mr Heinrich Alt ( member of the Managing Board ) and Mr Raimund Becker ( member of the Managing Board ). In 2014, the salaries paid to the members of the Managing Board amounted to around €871,000.



#### 4.2 Remuneration of the members of the Board of Governors

The members of the Board of Governors did not receive any remuneration. The BA reimburses members and representatives for their cash expenses and grants an allowance (s. 376 SGB III), which is currently €26 for each session day.

### 5. AUDITING

The provisions of the Federal Budgetary Regulations apply analogously to the preparation and execution of the budget as well as to the BA's other fiscal management activities.

The general principles of fiscal management of the Federal Government are to be followed (s. 77a SGB IV).

The BA's annual financial statement is audited by the Federal Audit Office.

## Statistical Information

Statistical data on the application of employment and training measures and on cash benefits (e.g. unemployment benefit, unemployment benefit II, short-time working allowance) is available only with a time delay and is extrapolated based on latest figures. Only the annual totals or the annual averages were taken into account for this report.

Annual values based on extrapolated results were used to show entries in employment and training measures. For some instruments (among others, WeGebAU, IFlaS, promotion of participation) and detailed information (e.g. share of women), flexible annual values of the months of October 2013 to September 2014 were taken into account with the territorial status of December 2014. Support data from the field of basic income support for job seekers were reported only for the job centres in the form of joint institutions, because corresponding budgetary data was also available here.

Extrapolated results for the year 2014 were used for the data of beneficiaries. In the process, flexible annual values for the months of November 2013 to October 2014 were used for some detailed information (e.g. share of women) for the area of unemployment insurance, and flexible annual values for the months of October 2013 to September 2014 were used for the area of basic income support for job seekers.

The information on the funds invested reflects only the support programmes in the employment agencies/job centres (joint institutions) and refers to the full year of 2014.

The data on unemployment map the full year of 2014.

The entire data on support through employment and training measures is mapped without non-recurring payments.

Employment and training measures not mentioned in this present business report and further data on the labour market and on basic income support for job seekers can be seen on the website of the BA's Statistical Service <http://statistik.arbeitsagentur.de>.

## Awards and prizes

### January

BA awarded the 'top4women' Employers' Signet for the explicit desirability of women in the company and support for their careers

### May

The BA's Management Academy awarded the 'Deutscher Bildungspreis 2014' Excellence Seal for exemplary training and talent management

### June

The Comenius EduMedia Medal in the category 'Didactic Multimedia Products' awarded for [LINK, www.planet-beruf.de](http://www.planet-beruf.de)

The Comenius EduMedia Seal awarded for the online course range 'Perspectives for Re-entry'

### October

The BA's Information Technology awarded the Oracle Excellence Award in the category cloud applications

Award of the Inclusion Prize 2014 (patron: BMAS, initiators: UnternehmensForum, BDA, Charta der Vielfalt and the BA)

The BA awarded the TOTAL E-QUALITY title for the long-term and successful implementation of equality of opportunity

### November

The BA's IT system house honoured as Customer Centre of Expertise (CcoE) of the year in the category 'Support Operations' for the further development and maintenance of the SAP system and application architecture

# Board of Governors



— EB

## Executive Board

**Frank-J. Weise**  
Chair of the Executive Board

**Heinrich Alt**  
Director Labour Market

**Raimund Becker**  
Director Regions

Executive Board



— EEG

## Employees Group

Members

**Dr. Wilhelm Adamy**  
German Federation of Trade Unions

**Egbert Biermann**  
Mining, Chemical and Energy Union

**Annelie Buntenbach**  
German Federation of Trade Unions

**Dietmar Schäfers**  
Construction, Farming,  
and the Environment Union

**Burkhard Siebert**  
Food and Catering Union

**Dr. Hans-Jürgen Urban**  
Metalworkers Union

**Eva Maria Welskop-Deffaa**  
United Services Union ver.di

Deputies

**Dr. Stefanie Janczyk**  
Metalworkers Union

**Matthias Jena**  
German Federation of Trade Unions  
Bavaria

**Ansgar Klinger**  
Education and Science Union

**Isolde Kunkel-Weber**  
United Services Union ver.di

**Uwe Polkaehn**  
German Federation of Trade Unions  
Northern Region

— ERG

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## Employers Group

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**Bertram Brossardt**

Bavarian Industry Association

**Peter Clever**Federal Association of German  
Employers' Association**Gunter Erb**

Siemens AG

**Gerhard Handke**Federal Employers' Association of  
Personnel Services Providers**Ingrid Hofmann**Bundesarbeitgeberverband der  
Personaldienstleister**Holger Schwannecke**

Central Association of German Craft Trades

**Oliver Zander**Employers' Association in the Metal and  
Electrical Industry (Gesamtmetall e. V.)**Valerie Holsboer**Federal Fast Food and Catering Association  
Food and Catering Employers' Association**Dr. Lutz Mackebrandt**

Federal Liberal Professions Association

**Christina Ramb**Federal Association of German  
Employers' Associations**Gabriele M. Walther**Alliance of German Film Producers –  
Film and Television**Alexander Wilhelm**Federal Association of  
German Employers' Associations

— PBG

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## Public Bodies Group

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**Renate Augstein**Formerly Federal Ministry of Family Affairs,  
Senior Citizens, Women and Youth**Daniela Behrens**Lower Saxony Ministry for  
Industry, Labour and Transport**Hartmut Fiedler**Formerly State Ministry for  
Industry, Labour and Transport, Saxony**Dr. Thomas Gerhardt**

Federal Ministry of Finance

**Dr. Elisabeth Neifer-Porsch**

Federal Ministry of Labour and Social Affairs

**Dr. Wilhelm Schäffer**Ministry of Labour, Integration and Social  
Affairs, North-Rhine Westphalia**Prof. Eberhard Trumpp**Landkreistag (District Assembly)  
Baden-Württemberg**Verena Göppert**Deutscher Städtetag  
(Association of German Cities and Towns)**Michael Höhenberger**Bavarian Ministry for Labour and Social Affairs,  
Family and Integration**Jochen Staschewski**Formerly Ministry for Economics, Labour and  
Technology, Thuringia**Christiane Voß-Gundlach**

Federal Ministry of Labour and Social Affairs

**Dr. Jeromin Zettelmeyer**

Federal Ministry of Economics and Energy

Board of Governors



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