B.Sc. European Public Administration | B.Sc. Public Governance across Borders
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The Reorganization of the German Public Employment Service

A Study of Success and Failure

Bewertung des Erfolges oder Misserfolges der Reform der öffentlichen Arbeitsvermittlung in Deutschland

Bachelor Thesis

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Abstract

At the beginning of this century the German parliament adopted a number of labor market reforms based on suggestions worked out by the so-called “Hartz Commission”. These reforms included a measures package for reorganizing the public employment service system. This bachelor thesis addresses the topic of the possible success or failure of the reorganization of the public employment service in Germany and wants to answer the following question: “To what extent was the reorganization of the public employment service in Germany successful?”. This success means to be the reform´s implementation at organizational level in general, even if the way the specific organizations - especially one of them which is examined in a case study – have or have not implemented the different aspects of the reform is a crucial element when it comes to determine this success. When it comes to achieve answers to the main research question and the sub-questions, policy documents and statistical data sets are analyzed, based on the study´s own theoretical concept of policy success and a derived methodological concept. One part of the study is a case study about the *job center* in the West German city Hamm. The case study examines an organization where only long-term unemployed people and recipients of tax-financed public assistance in general are guided. This investigation aims to provide special insights in the grave field of long-term unemployment.

The outcomes of the study indicate that the reorganization of the public employment service in Germany was successful to a relatively high extent in terms of the reduction of unemployment and long-term unemployment, and in terms of improving the matching between unemployed and firms with vacancies. In respects of the legislative goals of the employment service, it was not very successful, but at organization level the success in terms of the strategic goals prevails.

Zusammenfassung

Zu Beginn dieses Jahrhunderts hat der Deutsche Bundestag eine Reihe von Arbeitsmarktreformen beschlossen, die hauptsächlich auf Vorschlägen der sogenannten Hartz-Kommission basieren. Darunter waren zahlreiche Regelungen, die die Arbeitsvermittlung reorganisiert und umstrukturiert haben. Diese Bachelorarbeit beschäftigt sich mit dem Ausmaß des Erfolgs dieser Umstrukturierung der öffentlichen Arbeitsvermittlung und versucht die folgende Frage zu beantworten: „Inwiefern war die Umstrukturierung des Systems der öffentlichen Arbeitsvermittlung in Deutschland erfolgreich?“ Der mögliche Erfolg oder Misserfolg berührt die Implementierung der Reformen auf politischer und ökonomischer Ebene, sowie auf Organisationsebene. Insbesondere eine Organisation - das JobCenter in der westdeutschen Großstadt Hamm im östlichen Ruhrgebiet – wird im Rahmen einer in das Forschungsdesign integrierten Fallstudie näher beleuchtet. Zur Beantwortung der Forschungsfrage werden von der öffentlichen Hand - insbesondere der Bundesagentur für Arbeit – bereitgestellte Statistiken, Datensätze und evaluierende Dokumenten analysiert. Die Grundlage für diese Analyse bilden aus der Literatur abgeleitet Konzepte zur Messung des Erfolgs von Politiken und Reformen. Das Design dieser Längsschnittstudie Studie folgt einem qualitativ-deskriptiven Ansatz und konzentriert sich auf die Jahre 2005 bis 2016.

Die Ergebnisse bescheinigen der Umstrukturierung der öffentlichen Arbeitsvermittlung relativ gute Erfolge in Sachen Reduzierung der Arbeitslosigkeit und der Langzeitarbeitslosigkeit, sowie bei der Verbesserung des Vermittlungsprozesses zwischen Arbeitslosen und möglichen Arbeitgebern mit offenen Stellenangeboten. Bei der Erreichung der gesetzlichen Ziele der Arbeitsmarktvermittlung kann ein nur mäßiger Erfolg bescheinigt werden; auf Organisationsebene überwiegt aber der Erfolg bei der Erreichung der strategischen Ziele.

Dedicated to my parents.

Meinen Eltern gewidmet.

Table of Contents

1. Introduction

The unemployment rate in Germany has been on a historical high at the beginning of this century (cf. Launov & Wäldle, 2016, p. 143) and due to this and other factors of an ailing economy the international and national press entitled the country as the "sick man of Europe" (The Economist, 1999). To deal with this problem, in 2002 chancellor Schröder mandated a commission to evolve suggestions for policy reforms in order to significantly reduce the unemployment. This commission consisted of politicians and business professionals and was led by the then personnel manager at Volkswagen Peter Hartz which is why it was called the *Hartz Commission* and the later reforms based on the commission´s suggestions were called the Hartz reforms. The overall aim of these reforms was the acceleration of labor market flows and reduction of unemployment duration, and thus the reduction of the number of people detached from the labor market. One of these reforms was the so-called *Hartz III reform* - the "Third Bill for Modern Service at the Labor Market"[1] (Bundesgesetzblatt, 2003) which was – together with other acts - the basis for the reorganization of the public employment service. The Hartz III reform´s overall goal was to enhance the efficiency in the employment service through customer segmentation, service for employers, and case managers for long-term unemployed. Furthermore it aimed to "improve the matching between unemployed and firms with vacancies" (Fahr & Sunde, 2009, p. 285).

The Hartz reforms were implemented in three waves: The first one came into force in 2003 with the first and second bills for modern service at the labor market (Hartz I/II) and eased restrictions for temporary employment, created new forms of employments and brought new integration measures for the public employment service. Hartz III in 2004 brought most of the legislative background of the reorganization of the public employment service, especially the transformation of the Federal Labor Institution into a Federal Labor Agency. But the groundwork for the reorganization of the public employment service was not fully laid before the Hartz IV bill laid down the last rules for this reorganization, together with limiting the time for the recipients of the full unemployment benefits to twelve months. The policy implementation was finished with the commencement of the Hartz IV law on January 1st, 2005.

1.1 Context of the Reform

The main and overall part of the reorganization process was to transform the so-called *Arbeitsamt*[2] into an output driven service organization with the new name *Bundesagentur für Arbeit* (BA)[3]. An important change this reform brought was that all claims by a single unemployed client are now processed by a single case-worker and that the number of cases supervised by a single case worker has been reduced. The cases are segmented now into different groups of clients who are more or less easy to integrate into the labor market: *Market clients* (“Marktkunden“) only need small incentives to get integrated into the market and can overcome their difficulties by themselves mainly. *Consulting clients* (“Beratungskunden”) can overcome their difficulties in entering the job market with some help, but the unemployed within the group of *support customers* (“Betreuungskunden”) have so much difficulties that an integration into the job market seems to be impossible in the medium-term. (cf. Hielscher, 2006, p. 122).

As part of the segmentation, the Hartz IV law created so-called *job centers* (JCs) which did not exist before the reform. These job centers are either common organizations of the BA and municipalities or – as part of the *option model* (“Optionsmodell”) - organizations of the municipalities only. Job centers are only responsible for long term unemployed people and recipients of tax-financed public assistance in general and not for unemployed people drawing the regular insurance-financed unemployment benefits. The latter group is supervised by the BA. Every JC which is part of the option model is a subject to a specific *option municipality* (“Optionskommune”) which is a municipality which is part of the option model. The option model started with 69 municipalities and job centers in Germany, right now there are 108 of them. On the other hand, there are 300 regular JCs which are subjects to the BA in municipalities which are not part of the program. (cf. Deutscher Landkreistag, 2011, p. 1)

1.2 Research Question

In this bachelor thesis the possible success or failure of the reorganization of the public employment service in Germany shall be examined and analyzed, with focus on the self-defined goals of the German legislature. The intention was explicitly to improve the matching process by making the placement process through employment offices more effective. This practice derived problem leads to the main research question:

> “To what extent was the reorganization of the public employment service in Germany successful?”

The research objective is the German employment service system and the operationalization of the reforms of the last years. The reorganized Federal Labor Organization (BA) and the newly created job centers (JCs) are observable organizations implementing the tasks of the employment service model. One JC will be studied in detail to get insights into the reform´s success at organization level. Several sub-questions derive from the main RQ:

a) “In which respects was the reform successful at federal level?”

b) “In which respects was the reform successful at the organization level?”

The answers to the main research question and its sub-questions should be gathered with the help of a qualitative descriptive approach including a special form of case study. Furthermore, the design is longitudinal and is going to be described in a sub-section of the methodology part later in this paper.

1.3 Context of the Organization (Job Center Hamm)

Because the segmentation of customers and as a consequence thereof the establishment of the job centers was the core of the reforms, one job center will be studied in detail, namely the job center in the West German city *Hamm* which is part of the option model. This job center is the organization mentioned in the latter sub-question and will be studied in detail in a special idiographic form of case study within the study (see below). Hamm is a city in the federal state *North Rhine-Westphalia*. It has around 180,000 inhabitants and is located in the northeastern part of the Ruhr area, the largest urban area in Germany and the third largest in the European Union. As in other cities in the region, the economy and the labor market in Hamm changed during the last years. Historically most jobs were located in the coal mining industry, the steel industry, the chemical industry, and the car component supplier industry. These sectors became less important during the last years and other sectors - especially the service sector, the logistics sector and the healthcare industry - are expanding during the last years in Hamm and the adjoining areas. A high and growing share of nearly a third of the population (around 56,000 people) has a migratory background. The number of inhabitants with a foreign citizenship increased by 24.6% from 19,664 in 2010 to 24,501 at the end of 2015. At the end of 2015 the share of people with foreign citizenship among the group of unemployed benefit recipients was 32.5% and thus much higher than their share among the total population (13.6%). This is why the integration of newly immigrated unemployed benefit recipients is a significant challenge with growing importance for the local job center. (cf. JCH, 2016, pp. 3 ff.)

The relationship between the job center in Hamm (JCH)[4] and the federal level is as follows: Together with the 407 other JCs and the 600 branch offices of the BA it belongs to the system of public employment service in Germany. As every JC, it is responsible for those unemployed within its jurisdiction who are recipients of social welfare benefits, while the local branch of the BA in Hamm – as every branch of the BA - is responsible for those unemployed in its jurisdiction who are drawing the regular insurance-financed unemployment benefits. As mentioned above, the JCH is part of the option model and thus a subject of the responsible municipality only, while most other JCs are direct subjects to the BA. The clients of the job center are both, benefit recipients and potential employers. Also people who have work but do not earn more money than the public welfare receipts, receive public welfare benefits additionally to their salary so that they have more than those who live from public assistance alone. This is mostly the case when they are working part-time and respectively or have children with only one parent working. Furthermore also the children of the recipients of public assistance are maintained.

The JCH is divided into five departments. Department 1 is responsible for *administration, finances and accounting*, department 2 is dealing with *education, strategy and special projects*, department 3 is the *personnel service department*, in department 4 *vocational integration projects* are organized and maintained and department 5 is concerned with *transfer benefits*. Each department has a different number of subordinated sections, ranging from the amount of two sections for department 1 to fifteen sections for department 3. Every section has its own manager and assistance manager. A board of five people with a chairman or chairwoman as head of it presides over the departments and the entire organization which is subject to the municipality, represented by the mayor and the city council.

Department 1 is divided into section 1.1 for administration and section 1.2 for finances and accounting, while department 2 (education, strategy and special projects), is consisting of the following subordinated sections: Section 2.1 for *action planning*, section 2.2 for *self-employed benefit recipient*, two sections - 2.3 and 2.4 - for *single parents*, and section 2.5 for *adolescents´ vocational integration*. Department 3 (*personnel service department)* has section 3.1 for apprenticeship and case management with the subsections 3.1.1 (case management adults), 3.1.2 (case management adolescents) and 3.1.3 (apprenticeship placement), section 3.2 for job placement and employers service with the subsections 3.2.1 job placement U25 Team 1, 3.2.2 job placement U25 Team 2, 3.2.3 job U25 Team 3. 3.2.4 employers service Team 1, 3.2.5 employers service Team 2. Section 3.3 is the integration point with the subsections 3.3.1 for sectoral planning migration, 3.3.2 for integration of asylum seekers, and 3.3.3 for immigrants from south-east Europe. Furthermore the section for data base development and automatic data processing is also subject to department 3. The department for *vocational integration projects* (department 4) includes the sections 4.1 future factory, 4.2 affirmative employment action, 4.3 administration, and 4.4 occupation projects. Department 5 is responsible for transfer benefits with three sections (5.1 to 5.3) and seven sub-sections. (cf. ibid., pp. 5 ff.)

By analogy with the customer segmentation as implemented in the BA, the JCH differentiates its unemployed clients in different categories, but not into three but into four groups of clients: *Information clients* can be integrated into the labor and apprenticeship market without any limitations, *consulting clients* can be integrated with some limitations, and the so-called *case management clients* need a comprehensive support service to get integrated into the market. *Support clients* form the fourth group of clients and are not qualified for integrations into the labor market, apprenticeships or into any other measures of integration in the long term. Different strategies have been worked out to deal with each group of clients: For information clients only the matching of the clients with firms with vacancies is important, while case management and support clients also are guided to maintain and enhance their employability. The case managers work out an integration target planning for and with each case management client, taking account of personal circumstances and strains. For the work with support clients stabilization measures have priority. (cf. JCH, 2015, p. 16 f.)

1.4 Scientific and Societal Relevance

There is very limited research about the option model and no case studies examining a single organization in an option municipality were found in preparation of this paper which makes the study kind of unique. The research available on the Hartz reforms is primarily focused on Hartz IV and the amalgamation of unemployment assistance and social assistance. Other research focused on the Hartz reforms as a whole. Only few scholars (Hielscher, 2006; Launov and Wäldle, 2016) addressed Hartz III and the reorganization of the German employment service but not with a focus on its success or failure. The case study within this paper examines an organization where only long-term unemployed people and recipients of tax-financed public assistance in general are guided, which shall lead to special insights in the grave field of long-term unemployment. Because of the uniqueness of the case study - the special focus on not the outcomes of the Hartz reforms as a whole or on specific elements of the Hartz III bill only, but on the success or failure of the reorganization of the employment service - the scientific relevance of this thesis is given.

After the topic of the thesis was introduced in this introductory part of the paper, the next paragraph will discuss theoretical arguments and findings from previous studies and will derive a theoretical framework for the further development of this study. Another section will describe the research design and operationalizes the concepts from the theoretical framework. Then the used data is presented in another part of the text to be then analyzed in the analyses part. This analysis then shall lead to the outcome that the research question and the sub-questions could be answered. Afterwards the outcomes will be summed up and the results will be considered. Based on the analysis of valid data then a conclusion is derived, including hypothesizing based on the outcomes and afterwards new questions are asked which are derived from the outcomes and which could be the basis for further research on the topic.

2. Theory

In the literature many definitions of and discussions about success and failure of public reforms can be found. This section gives an overview of the different ways this has been addressed. Based on these different views, a conceptual framework for analyzing the reorganization of the public employment service system is going to be established. Furthermore, preceding research dealing with the Hartz labor market reforms and the reorganization of the German public employment service is going to be discussed. A subpart will introduce the study´s theoretical model. The involvement and examination of preceding research, as well as the elaboration and formulation of a theoretical framework lay the foundation for the further elicitation and analysis of the data and for answering the research question.

Howlett (2015) defines five stages of the policy process, namely agenda setting, policy formulation, decision making, policy implementation, and policy evaluation. He associates them to possible policy failures: For the stage of *agenda setting* these are “over-reaching governments establishing … over-burdened … agendas”, when it comes to *policy formulation* a failure could be that one attempts to deal with wicked problems without taking note of the problem causes and possible effects of alternatives to the policy. Regarding *decision making,* one has to anticipate also adverse consequences of the policy and possible system failure risks. Possible problems could arise in the field of *policy implementation* when it comes to funding, legitimacy issues and oversight, which is why one should stress those issues. Here, also principal-agent problems could arise. Also when evaluating *(policy evaluation*) failures could accrue, if lacks of ineffective monitoring or feedback processes lead to a “lack of learning”. Howlett equalizes success with the absence of failure. (cf. Howlett et al., 2015, p. 213)

One opportunity to measure the success of a reform could also be to connect it to the concept of Public Value (PV) which goes back to Moore (1995) who describes public managers as “explorers who … seek to discover, define and produce public value” and who should not focus on “simply devising the means for achieving mandated purposes” but should “become important agents in helping to discover and define what would be valuable to do” (Moore, 1995, p. 20 f.). By Moore public value was seen as equivalent of the shareholder value and then could be described as the value contributed to society by the organization or in our case by the reform. He advises public sector managers to behave like corporate managers and kind of “copy” the private sector to create public value. When it comes to defining and measuring the success of a policy it is crucial to Bovens, ’t Hart and Peters (2001) to distinguish between its programmatic and its political dimension (p. 20). While the *programmatic* mode concentrates on the policies` effectiveness, efficiency and resilience, the *political* one refers to the process of representation and evaluation of policies and policy makers in the political arena. And of course there are often refined distinctions as well as marked differences between program performance and political performance and “whether programmatic success is acknowledged, and how much it counts for in the overall judgment about its performance, is determined in political processes” (ibid.).

To decide whether a policy does achieve success or fails, it is important to classify different criteria and measures. McConnell (2010a) defined nine criteria of policy success and failure: Original objectives, target group impact, results, significance, source of support/opposition, jurisdictional comparisons, balance sheet, level of innovation, and normative stance. When it comes to the criterion *original objectives* one hast to decide or find out if they have been achieved or not achieved; when it comes to *target group impact* one distinguishes positive and negative impact; and as far as *results* are concerned, the problem could have improved or worsened. Whether it is or was important to act or failing to act are measurements of *significance*; and key groups could support or oppose the policy when it comes to *source of support/opposition*. Doing *jurisdictional comparisons*, the policy could be the best practice or superior performance but it could also be the case that someone is doing this better elsewhere. Furthermore, we can differentiate between high benefits and high costs (*balance sheet*), new changes or old response (*level of innovation*), and respective the *normative stance* between the right and wrong thing to do. (cf. Howlett et al. 2015, p. 212)

Due to the limitations of this study in terms of extent and because there is not enough data available for measurements of each of McConnell´s claims in the case of this reform process, only the claims original objectives, target group impact, results, and jurisdictional comparisons are going to be used in this study. Table 1 below presents McConnell´s basis claims as described above. The original objectives of the reorganization of the public employment service were to enhance the efficiency in the employment service and to improve the matching between unemployed and firms with vacancies. The target group of the reform are both, the unemployed job seekers and possible employers and the target group impact is also to improve the matching between them. The problem which should be solved (basis claim: results) was the high unemployment rate. A comparison of the performance on the organization (JCH) and federal level is going to be part of a jurisdictional comparison.

Basis of claim	Claim of success	Claim of failure
Original objectives	Achieved	Not achieved
Target group impact	Positive impact	Negative impact
Results	Problem improvement	Problem worsening
Significance	Important to act	Failing to act
Source of support/opposition	Key groups support	Key groups oppose
Jurisdictional comparisons	Best practice or superior performance	Someone is doing this better elsewhere
Balance sheet	High benefits	High costs
Level of innovation	New changes	Old response
Normative stance	Right thing to do	Wrong thing to do

Adapted from: McConnell (2010a: 106, 108).

Table 1: McConnell´s claims of success and failure

In his book *Understanding and Managing Public Organizations* Rainey (2014) submits the goal approach to measure success in terms of an organization´s effectiveness. This approach calls for determining the goals of one´s organization and assess whether or to which extent it achieves them. Organizations have many goals which vary among several dimensions and every goal is embedded in a set of goals which should be reached simultaneously. In the case of public organizations there are publicly espoused goals, legislative goals and actual goals for example. Other dimensions for measuring these goals are time and organization level. (cf. ibid, p. 157)

When it comes to the way in which the theory helps to address the research question, the focus lies on McConnell's claims of success and on the goal approach as described by Rainey. Both concepts seem to lay good foundations for a deeper analysis of the reform´s implementation. While McConnell´s claims set a good framework for reform success in general, the goal approach does so especially for organization level in terms of public organizations. Here the absence of success is equalized with failure and the other way around: if no failure could be detected in a specific field or category this is equalized with success in the specific conceptualized field.

According to Hielscher (2006) the BA-reform is formulated as a service reform to provide better service to both sides of the labor market, employers and job-seekers, but its essential parameters concentrate on an economic effect reform. He sees the inside-modernization of the BA on a good way when it comes to enhancement of efficiency and procedures, but to the disadvantage of the sociopolitical tasks of the agency. On the one hand, he alerts possible exclusion effects for several groups among the job-seekers. On the other hand he agrees that certain service aspects got highly improved compared to pre-reform times. Fahr and Sunde (2009) conclude that the Hartz III reform "appear to have had a … strong … effect on the speed of matching" and that "this effect is the strongest right at the beginning of the implementation period". They observed a significantly positive effect especially in the East of Germany, where the unemployment rate was and is higher than in the West before and after the reforms. Fahr and Sunde´s research made use of the matching function which is describing a functional relationship between the available stock of job seekers and vacancies on the one hand, and the inflows into these stocks on the other hand in an empirically relevant way (cf. Fahr & Sunde, 2009, p. 286). Findings by Klinger and Rothe (2012) confirm the result of Fahr and Sunde that the first waves of the Hartz Reforms improved the matching effectiveness, especially for placements of long-term unemployed (cf. Klinger & Rothe, 2012, p. 105). On the other hand Launov and Wälde (2016) demonstrated that an increase in matching effectiveness does not necessarily lead to less unemployment. Nevertheless, their findings come to say that around 20% of the reduction of unemployment between 2005 and 2008 can be explained by the Hartz III reform (cf. ibid, p. 159). Their study calls for a shift from concentrating on long-term unemployed to concentrating on short-term unemployed job-seekers and assume that the reduction effect on the unemployment would have been even bigger then. It is also said that during these reforms private sector approaches have been adapted to the public sector, especially to the BA (cf. Meynhardt & Diefenbach, 2012, p. 779).

2.1 Theoretical Model

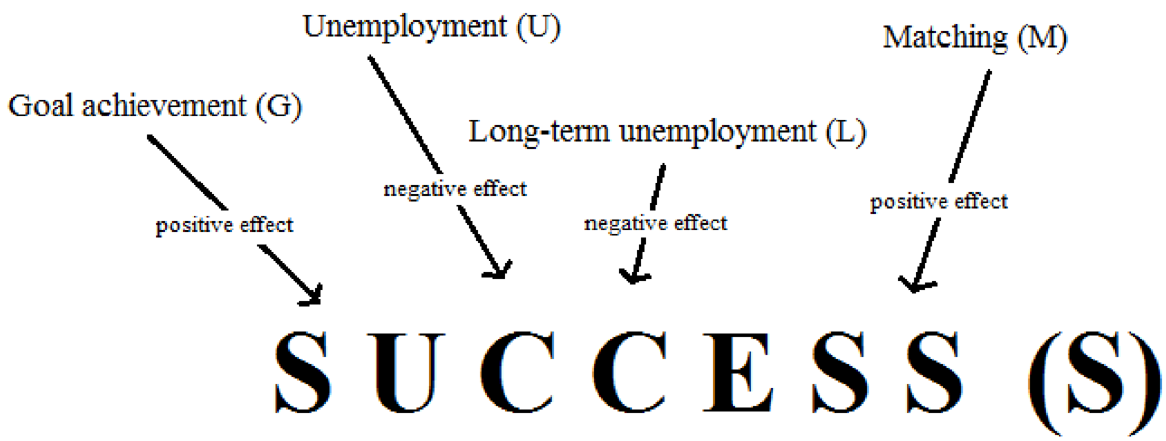


Figure 1: Visualization of the theoretical model

The theoretical model (see *figure 1* above) is based on McConnell´s criteria of policy success and by the goal approach as Rainey (2014) described it. The criterion matching (M) is derived from McConnell´s claim *original objectives* but also from the claim *target group impact*. The criteria unemployment (U) and long-term unemployment (L) are derived from McConnell´s *results* claim as the problem which should be solved by the policy. The criterion goal achievement (G) is derived from the goal approach. All these criteria are factors in the theoretical model which show how success is measured and are determining the policy´s success (S) which is the last variable in this descriptive model. The analyses will differentiate between success at policy level (federal level) and at organization level (JCH).

The original objectives of the reform as basis claim of McConnell´s model in the case of this study were to improve the matching between job seekers and firms with vacancies. The policy´s target group are both, the job seekers and the firms with vacancies; and the target group impact is to improve the matching (see above). The problem which should be improved (basis of claim: results) by the policy was the relatively high unemployment with a focus on the long-term unemployment (cf. Launov & Wäldle, 2016, p. 141). The publicly espoused goals of the reform in terms of the goal approach are consistent with the original objectives of the reform and the problems which should be improved as basis claims of McConnell´s model. But in this model the term "goals" stands for legislative goals and actual goals, in compliance with the goal approach. The legislative goals are also called statutory goals, and the actual ones are also called strategic goals. The achievement of these goals of the public employment service are used to measure the effectiveness of the organization and the public employment service system as a whole because the reform aimed to increase the effectiveness of the employment services. A comparison of the performance at the organization level (JCH) and federal level is going to be part of a jurisdictional comparison in compliance with McConnell´s eponymous basic claim.

This theoretical part of the text addressed theoretical arguments for criteria and measures of policy success, discussed preceding research dealing with the labor market reforms and the reorganization of the public employment service in Germany and introduced a theoretical model. The foundation for the further elicitation and analyses of the data and for answering the research question has been laid.

3. Methodology

This part of the paper is describing its research design and operationalizes the concepts from the theoretical framework. Based on this a methodological concept is derived and the collection of the data is described. Furthermore the reliability of the data sources and of the study and limitations of the study are discussed. Together with the theoretical framework given above this lays the foundation for the later analyses of the data which then shall lead to answers to the research question and the sub-questions connected to it.

3.1 Research Design

This study is following a qualitative descriptive approach. This approach is characterized by a focus on discovering the nature of the specific research object without claiming for explanations. Because reforms need some time to take full effect, the study´s design is longitudinal and thus compares the development of variables over a specific period of time which conforms with the years of 2005 to 2016 for the variables for which this is possible or for the years with available data within that period. The longitudinal approach was chosen to extend beyond a single moment in time and to be able to detect developments and changes of the target population at both, the federal and the organization level. Furthermore, the research design contains a special type of case study, which is also referred in the literature to as idiographic case study or single-outcome study (cf. Gerring, 2006, p. 710). This type of case study design is used in those parts of the paper which are describing the policy success on organization level in the case of the JC Hamm. This type of case study was selected to investigate the organization as part of a larger unit – the public employment service in Germany – to elucidate the reform´s success at this level as a single outcome within that unit. As a consequence, this single-outcome study is not able to reproduce features of a larger population which is also not the aim of this study. Because a set of rules for the later analyses is generated by reviewing existing literature on the measuring of policy success - leading to a theoretical framework - overtones of other qualitative research designs are given. This is the case because this is untypical for a qualitative descriptive approach, but typical for explanatory study designs, such as grounded theory, ethnographic, or phenomenological designs. (cf. Lambert & Lambert, 2012, pp. 255 f.)

3.2 Operationalization

This sub-part of the methodology section conceptualizes the variables which are going to be measured and analyzed in the analyses section and thereafter describes the way the data for measuring each concept is collected from the relevant literature, data and documents.

3.2.1 Methodological Concept

The table below gives an overview of the variables, the theoretical concepts connected with them, their definitions, measurements and the form of data collection. A more extensive textual conceptualization of the variables can be found below the table.

Theoretical Concepts	Variable	Definition	Measurement	Data collection
Problem improvement (McConnell)	Unemployment (U)	Unemployment rate	The amount of the labor force that is jobless, expressed as a percentage.	Policy documents
	Long-term unemployment (L)	Number of long-term unemployed; rate of long-term unemployed	The number of unemployed who are unemployed for more than a year; the amount of unemployed people who are unemployed for more than a year in relation to all unemployed people	Policy documents
Original objectives, target group impact (McConnell)	Matching (M)	Placement rate	The extent to which the placements through suggestions by the staff of the employment agency are responsible for new started employments	Policy documents
Goal approach (Rainey)	Goal achievement (G)	Extent to which the legislative goals (LG) and strategic goals (SG) are achieved.	Performance indicators indicate fulfilment of the LG. Operational goals (OG) are set to reach each of the strategic goals.	Policy documents

Table 2: Conceptualization table

In the following, a methodological concept between the model and concrete measurements is described on which the further research is based. To measure the variable U the development of the unemployment rate during the reference period will be used. This is done at federal and at organization level. The development at the organization level here means the development of the rate in the whole city of Hamm and it will be compared with the development at federal level. Furthermore the development of the ILO-unemployment rate at federal level will be compared to the development in the US and the EU (28). When it comes to the variable L, the development of both, the absolute numbers of long-term unemployed as well as the long-term unemployment rate will be used. This rate is measuring the amount of long-term unemployed among all unemployed which means that the rate could get higher even if the amount of long-term unemployed among the employable population is decreasing. Long-term unemployed are those unemployed who are without work for twelve months or more. Similarly to the procedure concerning the variable U, also for measuring the variable M the development of a rate will be analyzed and compared, but in this case it is the placement rate which gives the extent to which the placements through suggestions by the staff of the employment agency are responsible for new started employments.

There are two types of goals which are measured to determine goal achievement (G). On the one hand there are statutory goals, also called legislative goals (LG), which are laid down in the law. On the other hand, the JCH has set its own strategic goals (SG). The legislative goals are the same for the federal level and the BA as for the organization level and the JCs, so also for the JC in Hamm. There are three of these legislative goals and each of these goals is connected to a performance indicator ("Kennzahl"). The legislative goals are the following: *reducing the need of transfer payments* (LG1), *improvement of integration into occupation* (LG2), and *prevention of long-term benefit receipts* (LG3). This study assumes that the legislative goals are fulfilled if the development of the numbers for the performance indicators fit to the goals. The performance indicators are *total amount of transfer benefits* (K1), *integration rate* (K2), and *stock of long-term recipients* (K3). (cf. BA, 2017a)

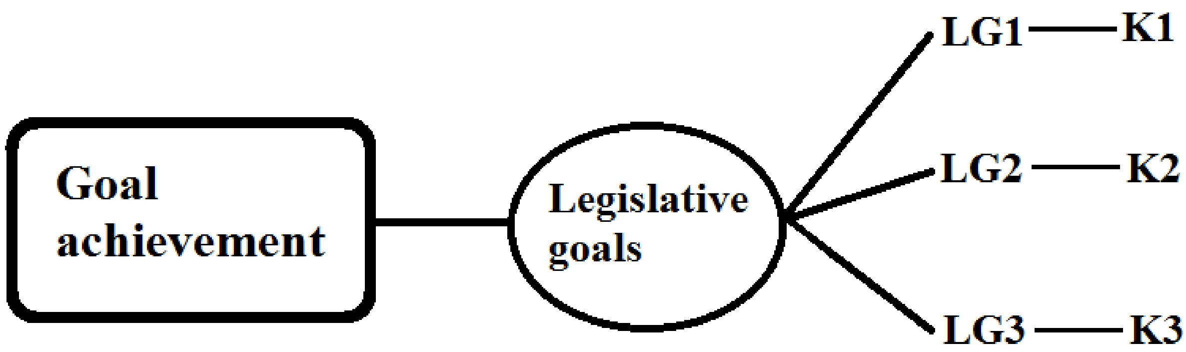


Figure 2: Conceptualization of goal achievement at federal level

The figure above visualizes the conceptualization of goal achievement at federal level. The strategic goals – as described below – do not play a role at this level.

The achievement of the JCH´s strategic goals ("Strategische Ziele") is indicated by the achievement of operational goals (OGs). The target figures for the OGs will be compared to the outcomes with available data from 2013 to 2016 which can be found in the organization´s labor market programs ("Arbeitsmarktprogramme"). These are documents which are both, planning and evaluations of the possible achievement of the institution´s goals (cf. Stadt Hamm, 2017). The strategic goals are the following: *improvement of integration into occupation* (SG1), *promoting equal opportunities* (SG2), *prevention of long-term benefit receipts* (SG3), and *enhancement and preservation of trainability and employability* (SG4). The operational goals which are connected to these strategic ones are: *integration into apprenticeship, occupation and self-employment* (OG1), *integrated single parents* (OG2a), *integrated migrants* (OG2b), *integrated women* (OG2c), *integration of long-term benefit recipients* (OG3), and *better integration in dual, scholastic, and university education* (OG4). The figure below shows the conceptualization of goal achievement at organization level where the strategic goals, as well as the legislative goals play important roles:

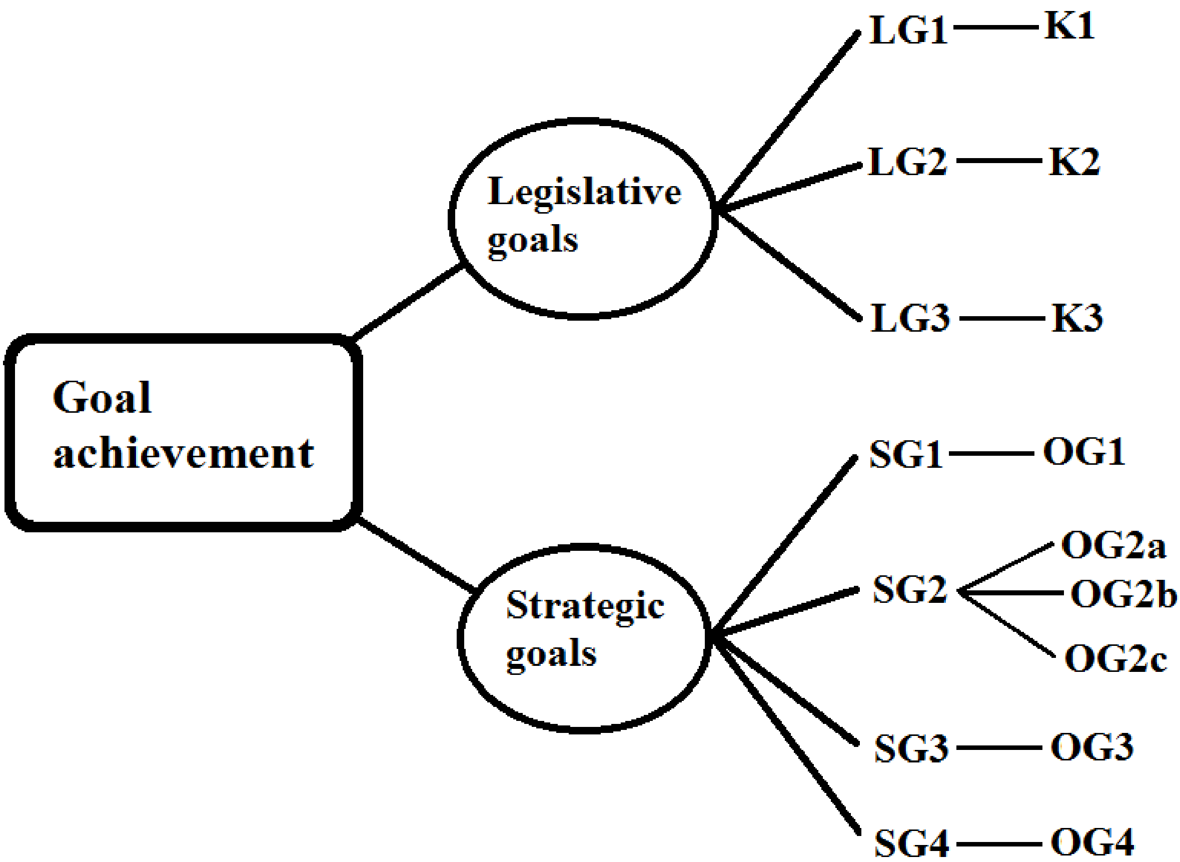


Figure 3: Conceptualization of goal achievement at organization level (JCH)

3.2.2 Data Collection

To achieve answers to the main research question and the sub-questions there will be made use of analyses of policy documents and data sets. After the theoretical knowledge about policy implementation, policy success and failure, and performance management was broadened based on academic literature in the section above to enhance the ability to study the research field, the non-academic literature will be utilized to collect empirical data for the later analysis. Information about the success or failure of the criteria will be collected in policy documents, and statistical data.

Unemployment as it is understood in this study is the unemployment as the Federal Labor Agency in Germany defines it: Employable job-seekers who are working less than 15 hours per week and are seeking for employments which are subjects to social insurance contributions.

The BA counts only those job-seekers as unemployed who have personally registered themselves at the branches of the BA or at a job center. These unemployment numbers are the basis for calculating the unemployment rate used in this study.

The absolute numbers of unemployed in Germany were taken from a data set published by the Institute for Labor and Qualification of the University Duisburg-Essen (IAQ, 2017). The data about the development of the unemployment rate in Germany and Hamm was ascertained by the federal labor agency. The data for the years 2005 to 2015 was adapted from an excel data set which was evaluated with the help of an analysis tool provided by the BA (2016b). The data for 2016 was adapted from a data sheet published by the local branch of the BA in Hamm (BA, 2017d). Additionally to the unemployment rate ascertained by the BA, this study makes also use of another unemployment rate which is in line with the rules set by the International Labor Organization (ILO). This rate is used to compare the development of the unemployment in Germany with the developments in the United States and in the European Union and is called ILO-unemployment rate in this paper to distinguish it from the rate ascertained by the BA. The data for the ILO-unemployment rates for Germany, the US, and the EU (28) between 2005 and 2016 was adapted from EUROSTAT (2017). The absolute numbers of unemployed for the city of Hamm were taken from an interactive visualization by the BA (2016d) about interregional comparisons of unemployment.

The absolute numbers for the annual average of long-term unemployed in Germany are adapted from another policy document of the BA (2017b). The data about the development of the amount of long-term unemployed among all unemployed (long-term unemployment rate) in Germany and Hamm was mainly taken (2007 to 2015) from the same excel data set as the unemployment rate data which was evaluated with the help of an analysis tool provided by the BA (2016b) again. This data was completed with numbers for missing years (2005-2006 and 2016) adapted from data sets by Statista (2017b) and by the local branch of the BA (2017d) in Hamm again.

When it comes to the matching between job-seekers and employers, the data for the placement rates in Germany (from 2007 on) and of the JC Hamm (from 2009 on) was taken from different data sets published by the BA (see Graphs 4 and 7). Furthermore this data is going to be connected to findings from Fahr and Sunde (2009) about the change of the speed of matching between unemployed and firms with vacancies during the first years after policy implementation. The development of the different rates (unemployment rate, long-term unemployed rate, and placement rate) at federal and organization level is going to be visualized in different graphs in the analyses part of this paper (see graphs 1 to 7 below).

The annual average values for the performance indicators which indicate the achievement of the legislative goals are calculated on the basis of monthly data adapted from data sets of the Federal Ministry for Employment and Social Welfare (BMAS). The values for the federal level are presented in table 3, and again – together with the values for the JCH – in table 5. The target figures and results for the operational goals which are indicating the achievement of the JCH´s strategic goals are adapted from the labor market programs of the JCH for the years 2015, 2016, and 2017 (see table 7).

3.3 Reliability and Limitations

Most data sources used in this study are policy documents which are secondary sources. As all secondary sources they have limitations, but due to the fact that they all have been downloaded from official government web pages their reliability has to be seen as very high. And using the same theoretical framework, the study would yield the same results if it will be repeated in the future. Because validity – internal and external - is regarding cause-effects or causal relationships, it is not relevant in most descriptive studies. This also counts for the paper at hand. There are several limitations of the data which have to be taken into account.

A limitation of the study is that the data for several variables is not available for the entire reference period from the moment of policy implementation on (2005 to 2016). This is the case due to organizational problems and delays of the responsible government bodies, but unfortunately this occurs as a relatively regular problem after the implementation of new methods of indicating performance. The data at federal level is available for the entire reference period for the variables unemployment and long-term unemployment, and for most parts of it for the matching variable (2007 to 2015). The data for the performance indicators about the achievement of the legislative goals at this level is only available from 2011 onwards. The same counts for this kind of data at the organization level, and even more for the data about the strategic goals at this level with available data from 2013 onwards only. Furthermore, the data concerning the matching at organization level is not available for years before 2010, and the data concerning long-term unemployment at this level is only available from 2007 onwards.

As a consequence of the data limitations, the outcomes concerning the parts of the study where they occur, cannot be generalized to the whole reference period. In the case of the matching variable the limitations could partly be limited by making use of findings of preceding studies about the development of the matching during the first years after the policy´s implementation (see below). Nevertheless, that the needed data for most variables and most years is available and to a high degree reliable are positive contributions of the study. The same counts for the availability of comparable data for both explored levels of the study.

4. Analyses

This part tries to answer the research question by a careful analysis of the used data. The possible success or failure of the reorganization of the public employment service in Germany shall be determined. The analyses are divided into sub-parts about the success at federal and at organization level and within these sub-parts into further sections about the different theoretical concepts and the variables which are connected to them.

4.1 Federal Level (Germany)

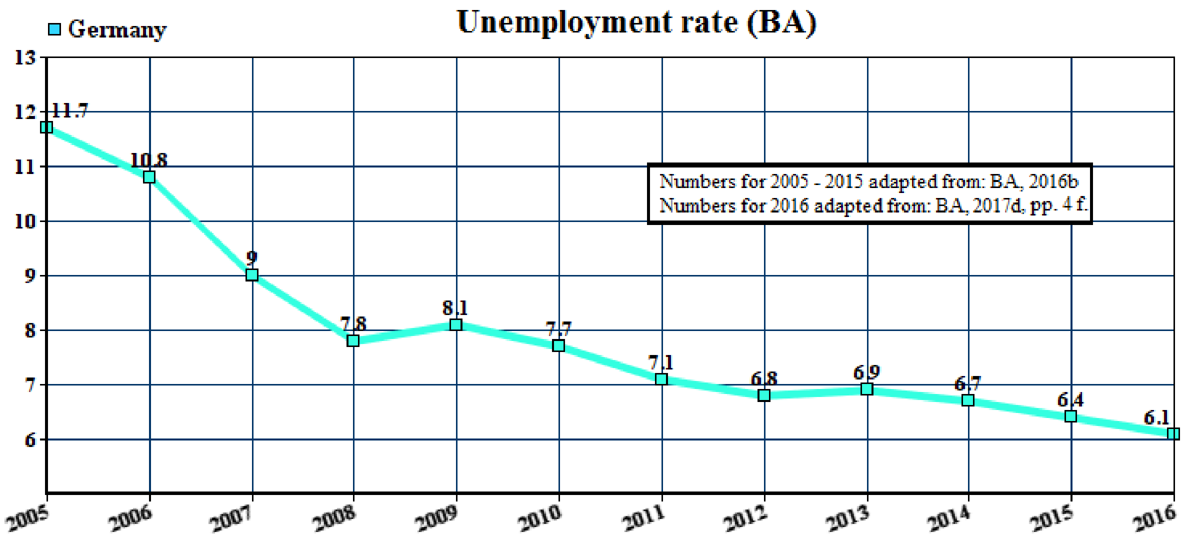
According to the theoretical framework and the methodological concept of this paper, the success at federal level is determined by problem improvement – measured by the development of unemployment and long-term unemployment -, the original objectives and the target group impact – the improvement of the matching between unemployed and firms with vacancies - and by achievement of the legislative goals of the public employment service (goal achievement). This sub-part will help to answer the main research question about the extent of the success of the reorganization of the public employment service in Germany and is going to lead to an answer for the sub-question in which respects the reform was successful at federal level.

4.1.1 Unemployment

The annual average of the absolute number of unemployed in Germany decreased from 4.86 Million in 2005 to 2.69 Million in 2016 (cf. IAQ, 2017, p.1). So, it has nearly bisected since the reform was implemented. Because the population in general and especially the employable population changed during this period, the relative numbers for unemployment are more important to look at for this study.

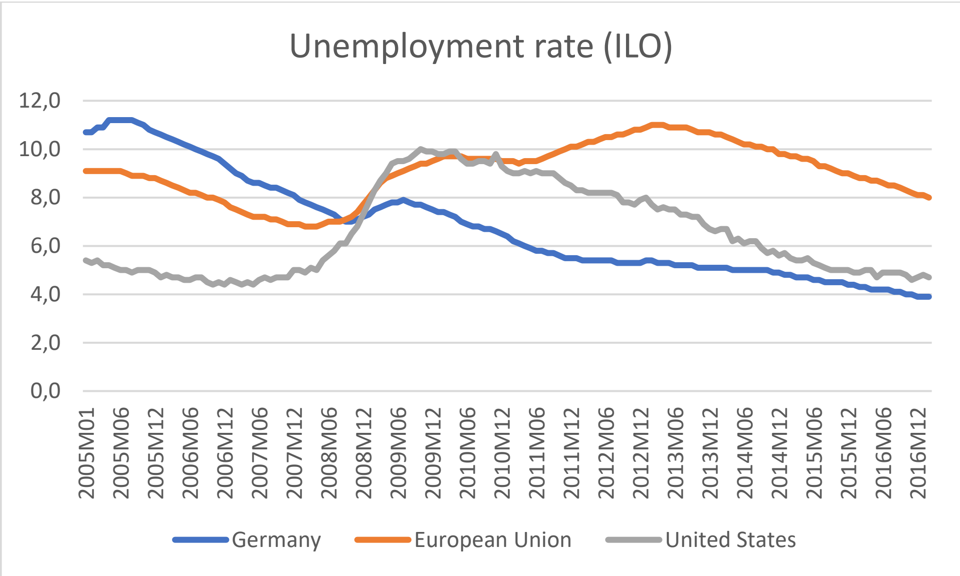
Graph 1 shows the development of the unemployment rate, as measured by the BA. The historical high of 11.7% was reached in 2005, shortly after the policy implementation. From then on, the rate decreased nearly constantly and reached its lowest state since the beginning of the 1980s in 2016 with 6.1%. The biggest part of this loss was reached during the first three years after the full implementation of the reform when the rate decreased by one third and by 3.9 percentage points (pp) down to 7.8%. Only in 2009 – in the midst of the global financial crisis – there was a noteworthy but very small increase of about 0.3 pp up to 8.1% and from

2012 to 2014 the rate nearly stagnated with a change from 6.8% to 6.9% and then 6.7%. All in all the rate decreased and nearly bisected from the year of policy implementation until 2016 by nearly 48% and 5.6 pp.



Graph 1: Development of the unemployment rate in Germany (in percentage terms)

The decrease of the unemployment rate seems to be even more considerable if it is compared to the development of the unemployment rates of the two world´s biggest economic zones: The European Union as a whole – with Germany as part of it and biggest economy within - and the United States. To compare the unemployment rates of these two economic zones with the unemployment rate in Germany it is important to use the same basis of calculation for the three of them. The *International Labor Organization* (ILO) set up a set of rules for measuring unemployment to get internationally comparable numbers, namely the *Labor Force Concept* (LFC). It counts those people among the employable population as unemployed who were "without work during the reference period, … currently available for work, … and seeking work, i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment" (ILO, 2016, p. 1). The unemployment rate for Germany which is ascertained by the BA is not suited for such a comparison because it is not calculated according to the rules of the ILO: For example, the BA statistic counts also those as unemployed who are working less than 15 hours a week (ILO: less than one hour). And while the number of unemployed used to calculate the ILO-unemployment rate is based on anonymous interviews and estimates, every unemployed in the statistics of the BA was really registered and counted. But luckily also an unemployment rate according to the LFC is ascertained in and for Germany, but not by the BA but by the Federal Office of Statistics – the *Statistisches Bundesamt* (StaBA). In German language this rate is called "Erwerbslosenquote" and does not find that much attention in the general public as the "Arbeitslosenquote" - which is the name of the unemployment rate ascertained by the BA – does. Also in the other economies of the European Union the ILO-unemployment rate is ascertained and EUROSTAT is accumulating these rates monthly and calculates an EU-wide unemployment rate based on them. In the United States this rate is ascertained by the *United States Census Bureau* for the *Bureau of Labor Statistics*. Visualized in Graph 2 below, it is recognizable how different the unemployment developed in Germany in comparison to the US and the EU (28 states).

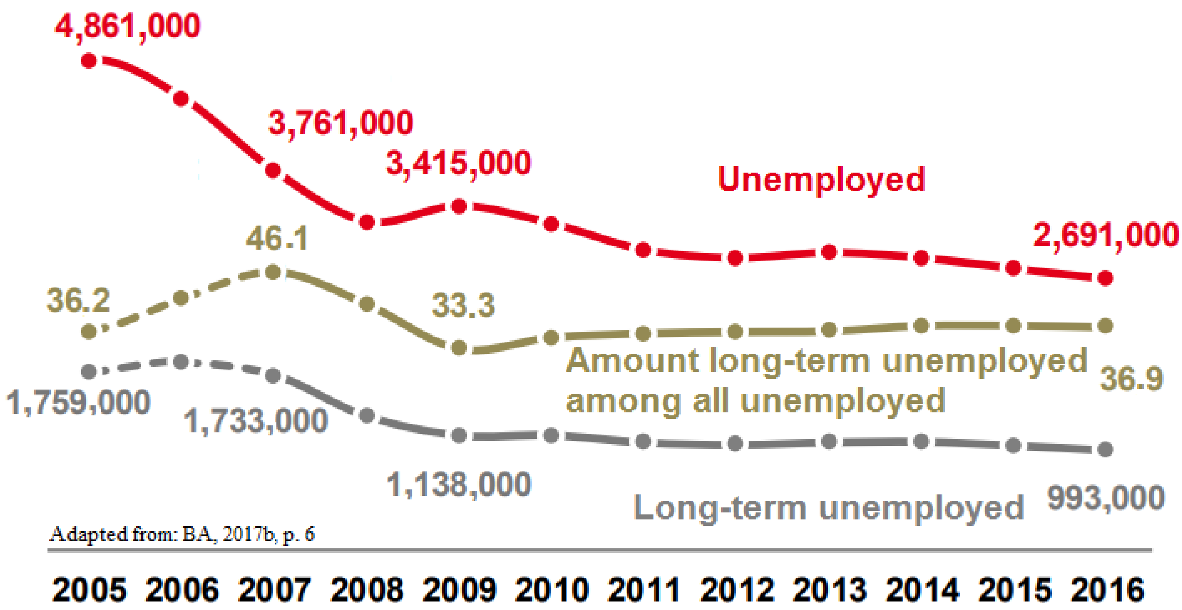


Graph 2: ILO-Unemployment rate in percentage terms (adapted from: EUROSTAT, 2017)

In 2005 the ILO-unemployment rate in Germany was between 10.7% and 11.2%, while it was between 8.9% and 9.1% in the EU at that time and in the US between 4.9% and 5.4% only. From 2005 on the ILO-unemployment rate decreased in all three areas. In the midst of 2007 it began to rise in the United States while it still decreased in the EU and Germany before it also began to rise there in 2008. But while this rise kept on going until the end of 2010 in the US with a total plus of 5.4 pp and – with exception of a short period of stagnation between 2010 and 2011 - until midyear 2013 in the EU with a total plus of 4 pp, the rise was stopped after a few months in Germany. Here, it only went up by 0.8 percentage points and started decreasing again from midyear 2008 on and has not stopped decreasing from then on during the period under observation. Since September 2008 the ILO-unemployment rate is lower in Germany than in the EU as a whole and since December 2008 it is also lower than in the US. In December 2016 it was at 3.9% and thus the second smallest ILO-unemployment rate in the EU (Czech Republic: 3.5%) while the overall rate was 8.1% in the EU and 4.7% in the US. (cf. EUROSTAT, 2017)

4.1.2 Long-Term Unemployment

Simultaneously to the general unemployment in Germany also the number of long-term unemployed was raising during the first years of the new millennium and reached its historical peak of 1.86 Million in 2006, one year after the peak of the unemployment. This might be related to the fact that one year is also the duration an unemployed needs to be without work to count as long-term unemployed. After the implementation of the reorganization of the public employment service accompanied with an economic recovery, the number of unemployed people went down quickly.

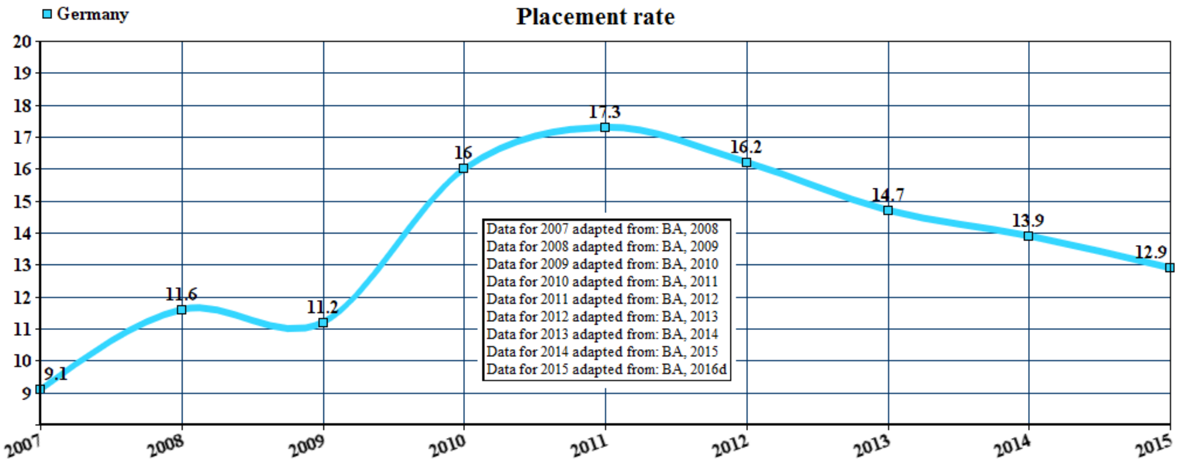


Graph 3: Development of unemployment and long-term unemployment

The reduction of the long-term unemployment needed more time to develop, starting in 2007. Due to the short-time growth of unemployment following the global financial crisis in 2008 and 2009 there were a lot of newly unemployed people leading to a strong reduction of the amount of long-term unemployed among all unemployed (long-term unemployment rate) from 46.1% to 33.3%. But also the number of long-term unemployed decreased during that period and thereafter from 1.73 Million in 2007 to 1.14 Million in 2009. (cf. BA, 2017b, pp. 6 f.)

Before 2007 the long-term unemployment rate even went up from 36.2% to 46.1% while the stock of long-term unemployed decreased. This was the case because the number of unemployed decreased much faster than the number of long-term unemployed. Since 2011 the stock of long-term unemployed decreased only very slowly again and was just above 1 Million during these years. This stagnation period ended with a significant drop and a number of less than a Million long-term unemployed in 2016. Because in a long-term comparison the stock of unemployed is still declining faster than the stock of long-term unemployed, the rate of long-term unemployed is a bit higher in 2016 with 36.9% than in 2005 - the year of policy implementation – where it has been 36.2%. Nevertheless, the number of long-term unemployed went down by 44% from 1.76 Million to 993,000 during that time. This decrease and the overall development of the stocks of unemployed and long-term unemployed and the amount of long-term unemployed among all unemployed can be seen in Graph 3 above.

4.1.3 Matching



Graph 4: Development of the placement rate (in percentage terms)

The placement rate ("Vermittlungsquote") is used as an indicator to measure whether the matching between unemployed and firms with vacancies was enhanced by the employment service or not. In graph 4 above the development of the placement rate between 2007 and 2015 is visualized. Data for other years is not available at the moment of writing (July 2017).

The placement rate shows to what extent the placements through suggestions by the staff of the employment agency were responsible for new started employments and apprenticeships during each reference year. In 2007 – the first year with available data for the placement rate after the policy implementation and the first year with available data for the placement rate in general – 9.1% of all newly started employments and apprenticeships went back to placements by the public employment service, including the different agencies of the BA and the job centers. This rate went up to 11.6% in 2008 and then a little bit down again to 11.2% in the year after. Then a big two-year growth of the rate began with the biggest gain up to 16% in 2010. This growth reached its maximum with 17.3% in 2011. Since then the placement rate is decreasing slowly but the latest numbers still indicate a much higher matching than in 2007: The placement rate for 2015 is still 42% and 3.8 pp higher than in 2007. There are no official numbers for the placement rate before 2007 but findings from Fahr and Sunde (2009) indicate that the Hartz III reform - which brought most of the changes of the reorganization of the BA and its local offices with the aim to increase the matching effectiveness - speeded up the matching process right after the policy implementation. The authors did not use the placement rate as an indicator but their own indicators including the vacancy stock, and the inflows into and the outflows out of unemployment. (cf. ibid., p. 305) Because a higher speed of matching would logically also mean more placements within one year, it can be carefully assumed that the placement rate would have increased in the first years after policy implementation if it would have been ascertained, especially because findings from Klinger and Rothe (2012) confirm the results of the research by Fahr and Sunde. But of course this is a matter of conjecture only.

4.1.4 Goal Achievement

The performance indicator for the first legislative goal *reducing the need of transfer payments* (LG1) is K1 = *total amount of transfer benefits in the reference month* (TTB_t) divided by *total amount of transfer benefits in the reference month of the year before* (TTB_{t-12}). Benefits for accommodation and heating are excepted. (cf. BA, 2016a, p. 1) In tables published in the reports of the responsible ministry it is represented as the rate of change:

$$K1 = \frac{TTB_t}{TTB_{t-12}} - 1$$

The performance indicator for the second legislative goal *improvement of integration into* occupation (LG2) is the *amount of integrations in the last twelve months* divided by the *average stock of employable benefit recipients in the last twelve months*:

$$K2 = \frac{\Sigma_{i=0}^{11} I_{t-i}}{\frac{1}{12} \Sigma_{j=0}^{11} EBR_{t-1-j}}$$

I stands for the number of integrations, *EBR* is the stock of employable benefit recipients, *t* is the reference month, and *i* and *j* are the preceding months. (cf. ibid., pp. 53 f.)

The performance indicator for the third and last legislative goal *prevention of long-term benefit receipts* (LG3) is the *stock of long-term recipients in the reference month* (LTR_t) divided by the *stock of long-term recipients in the reference month of the year before* (LTR_{t-12}). Long-term recipients are employable benefit recipients, who have been reliant upon benefit receipts for at least 21 months during the last 24 months. (cf. ibid., p. 122) Similarly to performance indicator K1 it is represented as the rate of change:

$$K3 = \frac{LTR_t}{LTR_{t-12}} - 1$$

Table 3 below shows the annual average for each performance indicator for the years of 2011, 2012, 2013, 2014, 2015, and 2016 for the whole country (Germany). Data for other years is not available at the moment of writing (July 2017).

Year	Performance Indicator **K1**	Performance Indicator **K2**	Performance Indicator **K3**
	Germany	Germany	Germany
2011	-4.9	24.7	-1.9
2012	-1.0	26.5	3.4
2013	2.1	24.5	-1.9
2014	2.0	24.5	-1.3
2015	1.9	25.2	-1.6
2016	2.1	25.0	-2.7

Table 3: Annual average of performance indicators at federal level[5]

The development of K1 indicates a decrease in the need of transfer payments for 2011 and 2012 only, while it indicates an increase from 2013 on. But the indicator is ignoring two important aspects: On the one hand, the standard rate of the Hartz IV welfare payments also increased from 359 € in 2010 to 404 € in 2016. On the other hand, the numbers used to calculate the indicator are not adjusted for inflation. Table 3.1 below shows the rate of change for the total amount of transfer benefits (K1) for each year again, and furthermore also shows the rate of change of the standard rate of Hartz IV welfare payments (*standard rate change: SRC*) (cf. Statista, 2017) and the *inflation rate (IR)* for each year (cf. Inflationsrate.com, 2017, p.1).

	2011	2012	2013	2014	2015	2016
K1	-4.9	-1.0	2.1	2.0	1.9	2.1
SRC	1.4	2.7	2.1	2.4	2.0	1.3
IR	2.3	2.0	1.5	0.9	0.3	0.5

Table 4: Performance indicator K1, standard rate change, and inflation rate (federal level)

Of course, one cannot just set these rates off against each other to calculate a new rate to replace performance indicator K1. This would ignore other possible influence factors and would go beyond the scope of this study. Additionally to that the performance indicators were defined by the legislature to measure the fulfillment of the goals it has set for itself which is why these indicators – including K1 – will be used to analyze the achievement of the statutory goals. Nevertheless, a change rate of about 2% per year seems to be less relevant when the inflation rate was between 0.5% and 2.3% and the standard rate increased by 1.3% to 2.7% each year. So the need of transfer benefits did not grow on a relevant level, but the goal to reduce the need of transfer benefits also was not fulfilled during the last years, with exception of the decreases of 4.9% in 2011 and 1% in 2012.

The annual average of the integration rate (K2) – measuring the improvement of integration into occupation - was relatively stable around 25 between 2011 and 2016. In the first reference year the annual average for the indicator was 24.7 and it went up to 26.5 in 2012 and after a small decrease in 2013, it stabilized on a level of around 25 for the last two reference years with 25.2 for 2015 and 25.0 for 2016. Even if K2 indicated a higher amount of integrations in between, the integration still was higher in the last reference year than in the first one and also has been higher than in 2011 in most of the other years. Thus, the goal to improve the integrations into occupation is achieved.

The annual average of performance indicator K3 was a negative number in all reference years, indicating that the stock of long-term benefit recipients is decreasing every year. The highest decreases were measured in 2012 with -3.4% and in 2016 with -2.7%, the lowest decreases were measured in 2014 with -1.3% and in 2015 with -1.6%. The average decrease of long-term benefit receipts was -2.1%. Long-term benefit recipients should not be mistaken with long-term unemployed. As mentioned above, long-term benefit recipients are employable benefit recipients – not all of them are unemployed - who have been reliant upon benefit receipts for at least 21 months during the last 24 months, while long-term unemployed have been without work for more than 12 months but not necessarily have been reliant upon benefit receipts. But obviously the overlap between both groups is quite big. The development of the performance indicator indicates that the goal to prevent long-term benefit receipts was achieved at the federal level.

4.1.5 Interim Conclusion

After the development of each variable defining the success of the reorganization of the public employment service at federal level was shown and analyzed in this sub-part, a first interim conclusion can be drawn.

When it comes to the results claim of the reform´s success according to McConnell, the problems which should be improved were identified as the high unemployment and the high long-term unemployment. These problems could have improved or worsened after the policy implementation; an improvement is identified with success while a worsening is a claim of failure. For both variables - unemployment and long-term unemployment – a reduction is equated with an improvement while an increase is equated with a worsening of the problem. The total number of unemployed as well as the unemployment rate have decreased in large parts between 2005 and 2016. This occurs even more considerable after it has been compared to the development of the unemployment rates of the two world´s biggest economic zones, the EU and the US. While the ILO-unemployment rate has been higher in Germany than in the EU and in the US in 2005, it was much smaller than in the EU and in the US in 2016. The amount of long-term unemployed among all unemployed in 2016 was not smaller than in 2005, but the amount of long-term unemployed among the employable population as well as the absolute number of long-term unemployed decreased on a relevant level. Thus it is a claim of success, that both problems – unemployment and long-term unemployment – have been improved after the policy implementation.

The target group impact as well as the original objectives claim was defined as an improvement of the matching between unemployed and firms with vacancies. The development of the placement rate indicates an enhancement of the matching by 42% between 2007 and 2015 and even bigger enhancements in between. Furthermore two previous studies independently of each other came to findings which indicate that the speed of matching was improved directly after the policy implementation. Thus, the improvement of the matching as original objective was achieved and as target group impact had a positive impact for the target groups unemployed and employers. Both – the achievement of the objective as well as the positive impact – are claims of success according to McConnell´s model.

The goal achievement at federal level was split into three legislative goals derived from the law: the reduction of the need of transfer payments (LG1), the improvement of integration into occupation (LG2), and the prevention of long-term benefit receipts (LG3). For measuring the fulfillment of the goals there was a performance indicator used for each goal. The results of the analyses indicate that the first goal was not achieved during most of the reference years, but at least the need of transfer benefits also did not grow on a relevant level. The second goal - to improve the integrations into occupation – was achieved to some extent, while the third goal – to prevent long-term benefit receipts – was achieved to a high degree. The overall extent of the goal achievement as variable measured at federal level thus is medium high according to the goal approach as described by Rainey.

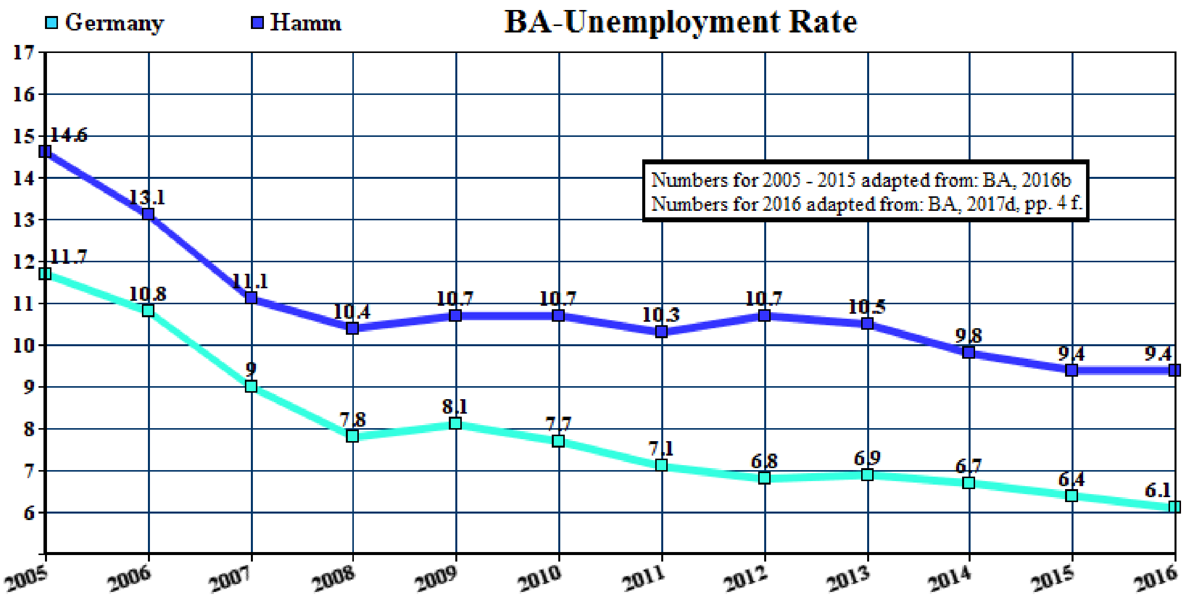
Summarized it can be concluded that the reform was very successful in respects of its results – the reduction of and thus the improvement of the problems unemployment and long-term unemployment - and also successful to a high degree in respects of its original objective and target group impact – the improvement of the matching between unemployed and firms with vacancies. When it comes to its legislative goals, it has been successful to a medium high degree.

4.2 Organization Level (Job Center Hamm)

This sub-part of the analyses section is a case study about the success of the reorganization of the public employment service at organization level. According to the theoretical framework and the methodological concept of this paper, the success at organization level means the success at the level of the JC Hamm. Similarly to the success at federal level, the success is determined by problem improvement – measured by the development of unemployment and long-term unemployment -, the original objectives and the target group impact – the improvement of the matching between unemployed and firms with vacancies - and by goal achievement – split into the achievement of legislative goals and strategic goals. This sub-part will help to answer the main research question about the extent of the success of the reorganization of the public employment service in Germany and is going to lead to an answer for the sub-question in which respects the reform was successful at organization level in the case of the JCH.

4.2.1 Unemployment

The annual average of the number of unemployed in Hamm decreased from 12,386 in 2005 to 8,515 in 2016 (cf. BA, 2016d). So, it has decreased by 31.2% while the annual average of the number of unemployed at federal level has nearly bisected (see above). Similarly to the whole country, also the (employable) population in Hamm changed during the reference period, which is why it is more important to look at the development of the unemployment rate again.



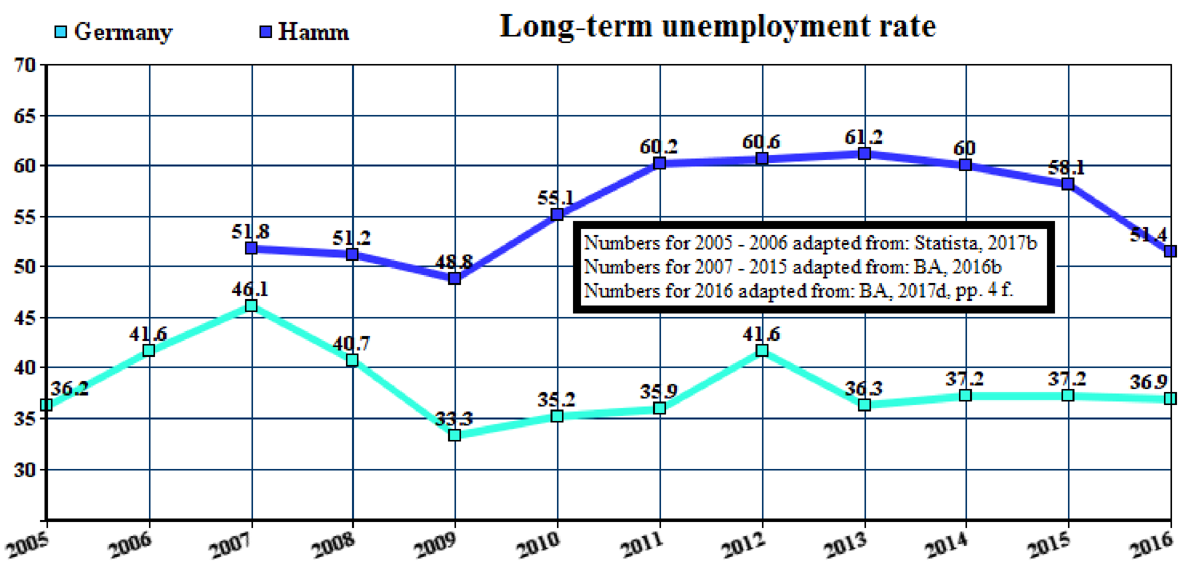
Graph 5: Development of the unemployment rate in Hamm and Germany (in percentage terms)

Graph 5 above visualizes the development of both, the unemployment rate of Hamm and of the whole country. As mentioned above, at federal level the historical unemployment rate high of 11.7% was reached in the year of policy implementation (2005) and decreased nearly constantly from then on and reached its lowest state since the beginning of the 1980s in 2016 with 6.1%. The development in Hamm was different. In total the unemployment rate decreased by 35.6% and 5.2 pp from 14.6% in the year of policy implementation (2005) to 9.4% in 2016. Compared to the development of the unemployment rate in the whole country, it is remarkable that the rate was higher in Hamm during the entire reference period and that the gap between the rate for Hamm and the whole country became bigger: In 2005 the unemployment rate for Hamm was 24.8% higher than for the whole country, in 2008 it was 33.3% higher, and in 2012 it was 57.4% higher. Then the gap became a little bit smaller again, but still was quite high in 2016 with a 54.1% higher unemployment rate for Hamm than for the whole country compared to a gap of 24.8% in 2005.

Similarly to the development at federal level, the biggest part of the decrease of the unemployment rate in Hamm was reached during the first three years after policy implementation when the rate decreased by 28.8% and 4.2 pp down to 10.4%. In 2009 there have been small but noteworthy increases of the unemployment rate for both, Hamm and the federal level, which were caused by the global financial crisis. But while the increase at federal level was followed by decreases in the years after, the rate for Hamm stagnated on a relatively high level between 10.3% and 10.7% during the following years before it started to significantly decrease again to 9.8% in 2014 and 9.4% in 2015 and 2016. Nevertheless, also the overall reduction of around a third of both, the number of unemployed and the unemployment rate, is a remarkable success.

4.2.2 Long-Term Unemployment

As mentioned above, the number of long-term unemployed in Germany was raising during the first years of the new millennium - simultaneously to the general unemployment - and reached its historical peak of 1.86 Million in 2006, one year after the peak of the unemployment. In the case of Hamm there is no data available for the number of long-term unemployed for years before 2007. The same counts for data concerning the amount of long-term unemployed among all unemployed (long-term unemployment rate). Graph 6 below shows the development of the long-term unemployment rate in Hamm from 2007 on, next to the development of the rate for the federal level from 2005 on.

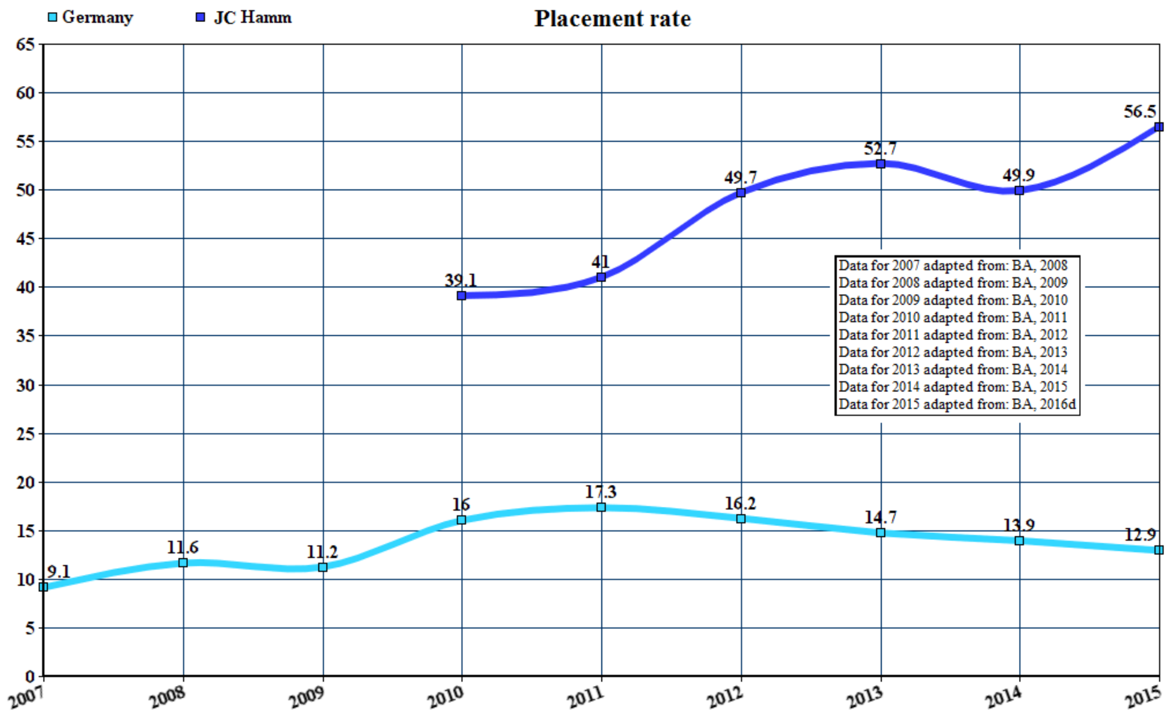


Graph 6: Development of the long-term unemployment rate for Hamm and Germany (in percentage terms)

Because the unemployment rates for Hamm and the federal level developed analogously to each other from 2005 to 2007, it seems to be likely that the development of the long-term unemployment in Hamm was analogous to the development at federal level, too. But while this is a matter of conjecture only, it is a matter of fact that the number of long-term unemployed in Hamm decreased from 4,998 in 2007 to 4,530 in 2009 (cf. Ba, 2016c) and the amount of long-term unemployed among all unemployed in Hamm decreased from 51.8% to 48.8% during that time (cf. BA, 2016b). From then on the number of long-term unemployed as well as their amount among all unemployed in Hamm increased every year until 2013 when a peak of 5,762 long-term unemployed and a rate of 61.2% long-term unemployed among all unemployed in Hamm was reached (cf. ibid.).

During the last three years the number of long-term unemployed in Hamm decreased to 5,253 in 2014, to 4,888 in 2015 and to a new low-point of 4,377 in 2016. Also the long-term unemployment rate decreased during that period and also reached a new low-point in 2016 with 51.4%. (cf. ibid.) While the number of long-term unemployed at federal level also reached its low-point in 2016, the long-term unemployment rate for the entire country was a bit lower than in the two years before but still higher than in the years of 2005, 2009, 2010, 2011, and 2013.

4.2.3 Matching



Graph 7: Development of the placement rate within the JCH and for Germany (in percentage terms)

When it comes to the matching between unemployed and firms with vacancies, the placement rate as the indicator to measure it was only ascertained from 2010 on for the job centers within the option model. Since then the placement rate for the JCH increased nearly constantly with exception of the year 2014. Graph 7 above shows the development of the rate at federal and organization level. It was higher than in the rest of Germany during the whole reference period.

The gap between the rates for the organization level and the federal level increased from 23 pp in 2010 to 43.6 pp in 2015 when the placement rate in Hamm was more than four times higher in Hamm than at federal level. Because Fahr and Sunde (2009), as well as Klinger and Rothe

(2012) found out that there has been a positive empirical connection between the implementation of the Hartz reforms and the speed of matching, it can be carefully assumed that the placement rate has also increased in Hamm in the first years after the policy implementation (see above). But of course this is a matter of conjecture again. It is a matter of fact on the other hand that the placement rate at federal level decreased from 2012 on while it still increased in the job center in Hamm. In 2015 the placements through suggestions by the case managers were responsible for the majority of all new started employments and apprenticeships of employable benefit recipients in Hamm. This placement rate of 56.5% is the highest one of all job centers in 2015 and a uniquely high value compared to the German wide average rate of 12.9% and a median of 14.2%. The placement rate for long-term unemployed was extra high with 59.6%, but also severely disabled unemployed (58.8%), and elderly unemployed who have been 55 years or older (58.3%) benefited notably more from the placements through the job center than the average of all benefit recipients in Hamm. (cf. BA, 2016d)

4.2.4 Goal Achievement

Additionally to the legislative goals which will be analyzed in the following, the goal achievement in the case of the JCH is also determined by the achievement of goals the organization has set for itself, the so-called strategic goals which are going to be analyzed after the legislative goals.

4.2.4.1 Legislative Goals

The legislative goals as described above are also measured to compare the outcomes of the job centers among each other and to the outcomes of the public employment service system as such. Again, the performance indicator for each statutory goal are used to measure the achievement of each goal: the *total amount of transfer benefits* (K1) is used to measure LG1 “reducing the need of transfer payments”, the *integration rate* (K2) measures LG2 “improvement of integration into occupation”, and the *stock of long-term recipients* (K3) measures LG3 “prevention of long-term benefit receipts”. K1 and K3 are given as change rates. Table 5 below shows the annual average for each performance indicator for the years of 2011 to 2016 for both, the federal level (Germany) and the organization level (JCH).

Year	Performance Indicator K1		Performance Indicator K2		Performance Indicator K3	
	Germany	JC Hamm	Germany	JC Hamm	Germany	JC Hamm
2011	-4.9	-1.2	24.7	18.9	-1.9	3.3
2012	-1.0	3.6	26.5	21.7	-3.4	2.1
2013	2.1	7.0	24.5	20.0	-1.9	2.4
2014	2.0	5.7	24.5	20.4	-1.3	1.8
2015	1.9	3.5	25.2	20.1	-1.6	1.1
2016	2.1	-0.6	25.0	20.5	-2.7	-0.6

Table 5: Annual average of performance indicators for JC Hamm and federal level [6]

The development of K1 indicates small decreases in the need of transfer payments for the years 2011 and 2016 only, while it medium and bigger increases for the years 2012 to 2015. Again the indicator ignores the increases of the standard rate of welfare payments (SRC) and the inflation rate, which is why Table 6 is showing performance indicator K1 for Hamm for each year again alongside the standard rate change and the inflation rate (IR). Because the standard rate is the same in the whole country also the SRC is the same for the whole country; the inflation rate is not compiled for different municipalities but for the whole country only.

	2011	2012	2013	2014	2015	2016
K1 (JCH)	-1.2	3.6	7.0	5.7	3.5	-0.6
SRC	1.4	2.7	2.1	2.4	2.0	1.3
IR	2.3	2.0	1.5	0.9	0.3	0.5

Table 6: Performance indicator K1 (JC Hamm), standard rate change, and inflation rate

When analyzing K1, the standard rate changes and the inflation rate shall get attention, but as for the federal level, it would also be wrong at the organization level to set off the change rate for the amount of transfer benefits against the SRC and the IR. The medium increments of K1 in 2012 and 2015 appear to be less crucial with a look at the standard rate changes and inflation rates in these years, but the bigger increments in 2013 and 2014 still appear quite big. Opposed to the development at federal level, the need of transfer payments increased on a relevant level for two years and on smaller levels also in two other years. The small decreases in 2011 and 2016 cannot detract from this overall development. But due to the fact that the annual average numbers for the rate of change of the performance indicator went down during the last three years, there might at least be a somehow positive trend. Here positive is understood in the way of being assertive of course, because in a numeric way the trend is negative coming from 7% and leading to -0.6%. Nevertheless, all in all the need for transfer benefits was not reduced but increased, contrary to the statutory goal LG1.

The annual average of the integration rate (K2) was lower at organization level than at federal level during all years with available numbers. But the gap between the integration rates decreased from 5.8 pp in 2011 to 4.5 pp in 2016 and in between to 4.1 pp even in 2014. The overall development of this indicator was positive in both ways - in the meaning of assertive and also in a numeric way – from 18.9% in 2011 to 20.5% in 2016 with an in-between height and the biggest growth of the indicator in 2012 with 21.7%. In most of the years the annual average values for the indicator have been higher than in the year before and even in 2013 and 2015 - when they decreased in comparison to the respective prior year - they still have been higher than in 2011. The relative growth of the integration rate between 2011 and 2016 was 8.4% for the JCH compared to 1.2% for the whole country. So the development of K2 indicates that the statutory goal "improvement of integration into occupation" (LG2) has been fulfilled.

The annual average of performance indicator K3 was a positive number in nearly all reference years – with exception of the last one - indicating that the stock of long-term benefit receipts was increasing for most of the time during that period. The highest increases have been measured in 2011 with 3.3% and in 2013 with 2.4%, but similarly to the development of K1 also the numbers for K3 have become smaller during the last three years which is why the trend could be described as assertive again. In the last reference year there even was a decrease of the stock of long-term benefit receipts with a K3 annual average value of -0.6%. Nevertheless, the legislative goal "prevention of long-term benefit receipts" (LG3) was clearly not fulfilled during the reference period as a whole.

4.2.4.2 Strategic Goals

The job centers within the option model are self-organized and set their own strategic goals additionally to the legislative goals. As mentioned above these strategic goals are connected to operational ones. Table 7 below shows the strategic and operational goals, and the available target figures and results for the years with available data. Because these goals are individually set for the organization, their achievement is more important for the overall goal achievement and due to this for the determination of the success at organization level in the case study. The legislative goals on the other hand do not fit individually to each organization within the public employment service model because the circumstances of the labor market are different from region to region and thus from organization to organization.

In the case of the JC Hamm, the organization´s management and the municipality - presented by the mayor – have laid down the strategic and operational goals and before the start of a new year they also have set target figures which should be reached for each operational goal. These target figures are absolute numbers of integrations which should be achieved in the respective field during each reference year. OG1 determines the number of all integrations, OG2a to OG2c determine the number of integrations of different socioeconomically deprived sub-groups of unemployed, OG3 determines the number of integrations of long-term benefit receipts, and OG4 determines the number of integrations into education. Unfortunately, the fulfilment of the operational goals was not ascertained before 2014. For 2013 the absolute numbers for the operational goals are available, but not the target figures. But it is interesting to notice that the results for all six operational goals in 2013 would fulfill the target figures of 2014 by more than 90%, the results for four of them would fulfill the target figures for 2014 by more than 95%, and the results for one operational goal by more than 100%. The target figures for 2017 are already available but the results of course will not be available before the end of the year.

The legislative goal LG2 and the strategic goal SG1 both are claiming for an “improvement of integration into occupation”, but the way of measuring is different. Not a calculated performance indicator is defining the success of the strategic goal, but the operational goal OG1 which asks for absolute numbers of integrations into employment. The overall annual number of these integrations increased by 9.1% from 3,811 in 2013 to 4,158 in 2016 and the goal was more than fully achieved in 2014 and 2016. In 2015 the operational goal was completed to a high extent of 98.4%. In 2017 the JCH plans to integrate 4,200 benefit-receipts. As a complementary factor, also the number of integrated adolescents was ascertained.

Strategic goal	Operational goal	2013	2014		2015		2016		2017
		Results	**Target figure**	**Results**	**Target figure**	**Results**	**Target figure**	**Results**	**Target figure**
(SG1) Improvement of integration into occupation	(OG1) Integration into apprenticeship, occupation and self-employment	3,811	4,000	4,049 (101.2%)	4,000	3,937 (98.4%)	4,100	4,158 (101.4%)	4,200
	Thereof adolescents	1,013	1,000	1,085 (108.5%)	1,000	1.003 (100.3%)	1,100	1.027 (93.4%)	1,000
(SG2) Promoting equal opportunities	(OG2a) Integrated single parents	335	350	332 (94.9%)	350	356 (101.7%)	360	399 (110.9%)	440
	(OG2b) Integrated migrants	1,126	1,120	1.341 (119.7%)	1,200	1.290 (107.5%)	1,500	1.519 (101.3%)	1,500
	(OG2c) Integrated women	1,424	1,500	1,506 (100.4%)	1,500	1,460 (97.3%)	1,500	1,529 (101.9%)	1,500
(SG3) Prevention of long-term benefit receipts	(OG3) Integration of long-term benefit recipients	1,860	2,000	1,949 (97.5%)	2,200	1,851 (84.1%)	2,200	2,052 (93.3%)	2,200
(SG4) Enhancement and preservation of trainability and employability	(OG4) Better integration in dual, scholastic, and university education	428	450	443 (98.4%)	460	463 (100.7%)	460	532 (115.7%)	500

Table 7: Strategic Goals of the JC Hamm[7]

The target figure of 1,000 integrations per year was met in 2014 and 2015 to more than a hundred percent, but after the target figure increased to 1,100 for 2016 it was not completely met, but achieved to 93.4% with 1,027 integrations of young benefit receipts. In 2017 the JCH reduced the target figure for this complementary factor and plans to integrate 1,000 adolescents during that year again.

The operational goals connected to the promoting of equal opportunities for socioeconomically deprived sub-groups of unemployed (SG2) ask for different target figures for different groups. The number of integrated single parents (OG2a) increased by 19.1% from 335 in 2013 to 399 in 2016. For 2017 the JCH aims to increase the number of integrated single parents to 440. After a decent 94.9% completion of the target figure in 2014, it outperformed in the next two years and was completed to more than a hundred percent.

The integration of migrants (OG2b) is a strong suit of the organization. The absolute number increased by 34.9% from 1,126 in 2013 to 1,519 in 2016. The target figure for 2017 is 1,500. Even though the target figure for this operational goal increased every year, OG2b is the only operational goal which was met by more than a hundred percent in every reference year. Also the number of integrated women increased, namely by 7.4% from 1,424 in 2013 to 1,529 in 2016. The target figure did not change and was 1,500 during the whole period and stays the same for 2017. The target figure was met to more than a hundred percent in 2014 and 2016 and to 97.3% in 2015. The added up total number of all integrations of socioeconomically deprived sub-groups could not be derived from the numbers of OG2a, OG2b, and OG2c. This is the case because a person could belong to more than one of these sub-groups; for example the successful integration of a migrant single mother would raise the number of integrations for all sub-groups.

When it comes to the prevention of long-term benefit receipts (SG3), the number of integrated long-term benefit receipts (OG3) increased by 10.3% from 1,860 in 2013 to 2,052 in 2016, but the target figure was never met to a hundred percent. At least it was met to more than 90% in 2014 and 2016, but in 2015 it was achieved to less than 85%. This is especially remarkable because the stock of long-term benefit recipients in Hamm increased during that time period (see above). Nevertheless. The organization has not raised the target figure for OG3 in 2017: It stays 2,200 as it has been in 2016.

The number of integrations into dual, scholastic, and university education (OG4) increased by 24.3% from 428 in 2013 to 532 in 2016. These integrations should enhance and preserve the trainability and employability of the benefit-recipients (SG4). The operational goal was completed to 98.4% in 2014, and to more than a hundred percent in the years after. The target figure completion of 115.7% in 2016 was the second highest of all operational goal achievements in the reference period, directly after the completion on 119.7% of the target figure for integrated migrants in 2014. The target figure for 2017 is to integrate 500 benefit-recipients into education.

4.2.5 Interim Conclusion

After the development of each variable defining the success of the reorganization of the public employment service at organization level was shown and analyzed in this sub-part, another interim conclusion – now about the success of the reform at the JCH - can be drawn.

Similarly to the development at federal level, the unemployment also decreased in Hamm. The absolute number of unemployed was reduced by nearly a third and the unemployment rate decreased by more than a third. Also the number of long-term unemployed was reduced in Hamm and decreased from 4,948 in 2007 to 4,377 in 2016. During all years with available data the long-term unemployment was higher in Hamm than at federal level, but the amount of long-term unemployed among all unemployed reached its low point in the last reference year (2016). Due to the reduction of unemployment and long-term unemployment and thus an improvement of these problems according to McConnell´s model, the results indicate a reform success in that field. The extent of this success is high, but not as high than at federal level.

The development of the placement rate was outstanding in the JCH, and thus the improvement of the matching between unemployed and firms with vacancies was reached to a high degree, especially when it is compared to the development at federal level. The impact of the target group thus can be seen as very successful in accordance to McConnell´s target group impact claim, and as the original objective that was achieved to a high extent, the improvement of the matching indicates also success in accordance to this claim of McConnell´s model.

The goal achievement was analyzed in terms of legislative goals – similarly to the analysis of the goal achievement at federal level – and additionally and more important also in terms of strategic goals which have been set by the organization itself. When it comes to the legislative goals, only the development of one of three performance indicators indicated the achievement of the goal it is connected with, namely the goal to improve the integrations into occupations (LG2). Contrary to the other statutory goals, neither was the need of transfer benefits reduced, nor have long-term benefit receipts been prevented, even if the development of the connected performance indicators was assertive during the last three years of the reference period. Thus, the overall achievement of the legislative goals was only partly successful, and indeed even failed for the greater part. The strategic goals on the other hand have been achieved to an overwhelmingly high extent for the greater part: The target figures for the operational goals have been met by more than 90% for all operational goals in nearly every year, and exceeded the target figures in two thirds of the cases. The integrations into occupation have been enhanced (SG1), and equal opportunities for socioeconomically deprived sub-groups have been promoted (SG2), especially for migrants. The organization had problems with the integration of long-term benefit recipients into occupation and thus with the prevention of long-term benefit receipts (SG3), but in two of three years under supervision the target figure for the number of integrations in that field was reached by more than 90% and the total number of annual integrations increased by more than 10% from 2013 to 2016. Nevertheless, the connected strategic goal was only partly achieved. But at the same time the strategic goal to improve and preserve the trainability and employability on the other hand (SG4) was achieved due to the growing number of integrations into different kinds of education and thus the high extent of the fulfilment of the connected operational goal (OG4). Summed up, the overall success of the goal achievement at organization level in accordance to Rainey´s approach was reached to a relatively high extent due to the overwhelmingly high extent of the fulfilment of the strategic goals, even if the achievement of the legislative goals failed for the greater part. This is the case because the importance of the achievement of the strategic goals is seen as more important at the organization level because these types of goals have been set especially for the organization while the legislative goals ignore the individual circumstances of the different organizations.

Summarized it can be concluded that the reform was successful in respects of its results at organization level – the reduction of and thus the improvement of the problems unemployment and long-term unemployment -, even if the success at federal level was higher in terms of problem improvement. In respects of the reforms original objective and target group impact – the improvement of the matching between unemployed and firms with vacancies – the reform was overwhelmingly successful within the JCH, especially in comparison to the federal level. And due to the high extent of the achievement of the strategic goals, the reform was successful in respects of its goal achievement at this level, even if the achievement of the legislative goals failed for the greater part.

5. Conclusion

This paper tried to answer the question to what extent the reorganization of the public employment service in Germany was successful. Furthermore, two sub-questions asked about the respects in which the reform was successful at the federal and at organization level. After the topic was introduced, theoretical arguments and findings from previous studies have been discussed, a theoretical framework was derived and conceptualized into a methodological concept. Based on this, then the data was collected and analyzed. The sub-questions could already be answered: At the federal level the reform was very successful in respects of its results and quite successful in respects of its original objective and target group impact. At the organization level the reform was also successful in respects of its results, but to a lower extent than at federal level. It was also successful in respects of the achievement of its goals, even if it failed in respects of the greater part of the achievement of the legislative goals. In respects of the original objective and target group impact – the improvement of the matching between unemployed and firms with vacancies – the reform´s success at organization level was overwhelmingly high. Based on the analysis of the data and the answer to the sub-questions, now a conclusion is going to be derived and afterwards new questions are asked which are derived from the outcomes and which could be the basis for further research on the topic.

The outstanding reduction of the unemployment in absolute and relative numbers, as well as the reduction of the number of long-term unemployed, is a matter of the reform´s success which was investigated at federal level, as well as in Hamm where the organization explored in the single-outcome study is located. Furthermore, the ILO-unemployment rates of Germany, the EU, and the US indicate that the development of unemployment in Germany was overwhelmingly successful in terms of its reduction while it increased elsewhere.

In retrospect of Hielscher´s argumentation - as cited earlier in this paper - that the reorganization of the public employment service in Germany is formulated as a service reform but concentrates on economic effects and not on the target groups – employers and job seekers – it has to be pointed out that the matching between job-seekers and firms with vacancies was improved on a relevant level which contradicts his argumentation somehow. In fact, the economic effects – the reduction of the unemployment and the long-term unemployment – stand out, but the positive target group impact also brought improvements to both sides of the labor market. This fits to the findings of Fahr and Sunde – corresponding with those of Klinger and Rothe - who observed relevant improvements in the speed of matching in the first years after policy implementation.

The achievement of the legislative goals of the public employment service was not outstanding at both levels: The need of transfer benefits was not reduced and even increased in the case of benefit recipients under supervision of the JC Hamm. And the integrations into occupation where only slightly improved at federal and to a bit higher level in Hamm. Long-term benefit receipts could have been reduced at federal level, but not within the JCH. On the other hand, the strategic goals the JCH has set for itself have been achieved for the greater part: The integrations into occupation have been enhanced (SG1), and equal opportunities for socioeconomically deprived sub-groups have been promoted (SG2), especially for migrants. The target figures for the integrations of long-term benefit recipients were not met to a high degree which corresponds with the failure in terms of the legislative goal to prevent long-term benefit receipts. But the enhancement and preservation of trainability was successfully implemented.

Summed up - and to answer the main research question -, the reorganization of the public employment service in Germany was successful to a relatively high extent in terms of the reform´s results, its target group impact and original objectives. In respects of the legislative goals of the employment service, it was not very successful, but at organization level the success in terms of the strategic goals prevails.

The limitations of this study lay in the missing data for some years for some parts of the variables, especially at organization level, but in terms of the performance indicators also to a high degree at federal level. This could be overcome by future research with making use of other variables only if the underlying data for these other variables would be complete, or if other measurements would be used to ensure the completeness of the data. The qualitative descriptive approach of this study was a good way to focus on discovering the outcomes of the reorganization of the public employment service without claiming for explanations. With the help of the special type of case study within the research design, this study was able to investigate the JC Hamm as part of the unit – the public employment service in Germany – to elucidate a single outcome – the reform´s success at this level – within that unit without the aim to reproduce features of a larger population. A more nomothetic type of case study could lead to outcomes which could be transferred to a larger population, in this case the public employment service in Germany in general. While most other research on the Hartz reforms primarily focused on explanations for several aspects of the reform´s outcomes – mostly giving priority to Hartz IV and the amalgamation of unemployment assistance and social welfare benefits – the paper at hand focused on discovering the nature of the reform´s outcomes without claiming for explanations. Due to the obtained outcomes of the study, it was able to add a relevant assessment of the extent to which the reorganization of the public employment service in Germany has been successful.

Further research could try to explain the outcomes with the help of an explanatory research design and empirical research to overcome the limitations of the design and methods of this paper. This further research could partly build on the findings of Launov and Wäldle (2016) which were mentioned earlier in this paper and who were able to ascribe 20% of the reduction of unemployment between 2005 and 2008 to the Hartz III reform. Additionally to that, explanations for the improved matching and the outcomes concerning the goal achievement would be interesting to gain. It would be interesting to know and scientifically relevant to find out which factors supported the achievement of the organizations´ goal and which factors impeded the goal achievement. Additionally to that, this study was able to describe the overwhelmingly higher placement rate of the JCH compared to the federal level, but was not able to explain this wide difference. This could also be explained by further research, as well as possible variations in the outcomes of the reform between job centers within and outside the option model.

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Endnotes

[1] “Drittes Gesetz für moderne Dienstleistungen am Arbeitsmarkt“
[2] Actually: *Bundesanstalt für Arbeit* (“Federal Office for Labor”)
[3] “Federal Labor Agency“
[4] Kommunales JobCenter Hamm, AöR (“Municipal Job Center Hamm, Public-Law Institution”)
[5] Calculated on the basis of data from BMAS (2014) and BMAS (2017)
[6] Calculated on the basis of data from BMAS (2014) and BMAS (2017)
[7] Data for 2013 and 2014 adapted from: Stadt Hamm, 2015, p. 2. Data for 2015: Stadt Hamm, 2016, p. 4. Data for 2016 and 2017 adapted from: Stadt Hamm, 2017, p. 4