Deloitte & Touche

European Foundation for the Improvement of Living and Working Conditions

External Evaluation
Final Report – Executive Summary

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1. INTRODUCTION

The European Foundation for the Improvement of Living and Working Conditions has been in existence for over 25 years. Its mandate is to contribute to the planning and establishment of better living and working conditions through action designed to increase and disseminate relevant knowledge. It has a tripartite governance structure, involving public authorities (EU Member States and the European Commission), employers, and trade unions. This structure is one of the key features of the Foundation, bringing a wealth of different motivations and experience to the organisation.

The objective of the independent and objective external evaluation was *"to support organisational decision-making through the provision of accurate and valid data on the operation of the Foundation's programmes, with a view to remedying problems and strengthening effectiveness, to improve resource allocation, and to ensure accountability to key stakeholders"*.

We defined the main evaluation criteria for the study as follows:

- **Relevance and Coherence**: – whether, to what extent and how the Foundation has managed to ensure that its work is of value to its different users.

- **Effectiveness:** – the Foundation's degree of success in achieving the objectives set out in the founding Regulation and in its own Work Programmes.

- **Impact**: – the incidence of action taken by desired targets of the Foundation's outputs, as a result of or influenced by their contents. We established from the beginning of the evaluation that the Foundation could not be expected to ensure that its outputs were actually used by users to direct effect in their work. There is great difficulty in tracing clear causal relationships between the actions of a body like the Foundation and those of policy actors in a crowded policy area. Nevertheless, we believe that the report offers useful insight into how and when the Foundation has had, and can hope to have, most impact as defined above.

- **Efficiency**: – the processes by which the organisation works across all aspects of its operations. It covers matters of governance, work organisation, support systems planning and procedures, awareness of cost factors, financial management, avoidance of dysfunctional procedures etc.

2. METHODOLOGY

The evaluation was carried out through a mixture of desk research, questionnaire surveys, 15 case studies and interviews. Our analysis of the relevance of the findings and conclusions emerged from a sequential process of desk research, interviews at the Foundation, questionnaire surveys, case studies and external interviews.
The questionnaire surveys were targeted at the following participants in the work of the Foundation and external recipients of Foundation material and services:

Administrative Board	National Government Officials
Committee of Experts	Employers and Trade Union Organisations
All Foundation staff	Researchers
Officials of the European Institutions	Media

The level of attention devoted to the evaluation of the Foundation's activities exceeded that given to the review of the organisation. This was a consequence of the fact that the study was the first global evaluation in the Foundation's 25-year history, thereby implying that the main focus was the manner in, and the degree to which, the Foundation has fulfilled the mandate laid down in its Founding Regulation. Moreover, our examination of the Foundation's organisation in the early stages of our work revealed few major issues of serious concern.

3. EVALUATION OF ACTIVITIES, OUTPUTS AND IMPACTS

3.1. Relevance and coherence

In terms of relevance, the EU's own policy programme has been the major influence on the Foundation in terms of themes and topics selected. The work of the Foundation is generally both relevant and faithful to the Regulation. Clearly the Foundation's key stakeholders (those represented on the Administrative Board) ascribe a much lower priority to Living Conditions than to Working Conditions and Industrial Relations. This reflects the background of the majority and explains calls for a narrowing of work on living conditions to issues with a clear "working life" dimension. Overall stakeholders do not feel a real need for any change to the Regulation.

Relevance is ensured through consultation with the Board and users of the Foundation when planning the work programmes. The process of developing these has become progressively more participatory, reflecting the requirement to take more account of user needs.

The priorities of the European Foundation's Programme of Work between 1997 and 2000 were consistent with those of the EU's Social Agenda and have evolved as the priorities of the Agenda have developed. Many of the Foundation's central themes have projects, which incorporate several priorities of the Social Agenda simultaneously. This reflects synergy between the different dimensions of the Social Agenda.

To achieve the objectives of the current (2000) Social Agenda, the European Commission specifically states that it seeks to draw on policy analysis and research from the Foundation. The important issue is to what extent the broad and satisfactory coherence between the Work Programme and the EU Social Agenda is matched by real linkages at operational or project level.

The Foundation's Regulation explicitly asks the organisation to identify the factors of change and carry out forward-looking anticipatory work. While this obligation can sometimes cut across the pressure on the Foundation to provide up-to-the-minute, directly usable policy-relevant information, most stakeholders feel it to be of great importance. It is clear that stakeholders want to see this function of the Foundation maintained, but limited to items where there is a broad appreciation of their likely future relevance. There is universal support for the creation of the European Monitoring Centre on Change, which is seen as a structured and organised way to deal with this important issue.

The area of living conditions presents a greater risk of a dispersion of effort into areas which may be of less immediate interest to the Foundation's stakeholders. The social partners do not have a first level interest in living conditions, except inasmuch they are of direct relevance to the workplace. However, the importance of including at least those "working world" elements of living conditions is

also seen as crucial, inter alia because the modern world shows much greater inter-linkage between periods of employment and unemployment, and between work and home. While the way in which the Foundation implements its Work Programme is generally faithful to the adopted text, the evolving context of the issues in the Work Programme has meant that the Foundation has had to adapt its work in line with these changes.

However, the overall coherence of the whole programme has suffered from the fact that there was insufficient integration between the content-related objectives and the information and dissemination plans connected to the specific items. A tendency to underplay the importance of the information function exacerbated this, and an integrated approach, where production of content and information actions were linked in an overall plan based on a strategy, would have given greater overall coherence.

The Foundation has a special relationship with the Commission compared to the other EU Institutions, which derives from their respective roles. This relationship does not show an optimal system where both organisations play their role to the maximum. The Commission does not appear to have seen the Foundation as a guaranteed participant in the Community system, whereby it could effectively and continually call on the Foundation to play a defined role in the "standard" policy making process. The Commission's officials do not have an automatic reflex to use Foundation outputs, although there are several examples of positive appreciation of the Foundation's work by the Commission. In addition, the Commission has not taken full advantage of its potential role in the Administrative Board.

On the other hand, many Board members do not want to see the Foundation become a body that works at the Commission's beck and call, while accepting that it should do its best to meet clear current policy needs. There are, of course, examples of useful and helpful co-operation between both parties. A renewed attempt to define the most coherent relationship would help both the Foundation and the Commission.

Liaison and networking with other EU agencies is proceeding smoothly. The potential overlap between part of the Foundation's mission and that of the European Agency for Health and Safety at Work should be further clarified and resolved.

Recommendations

Topic	*Recommendation*	*Addressed to*
Relevance of activities	• Tasks could be reviewed in order to pinpoint key elements of living conditions area (which may mean amending the Regulation). • Mission to be re-discussed by Board to reconfirm key objectives after 25 years and interpret them in the light of intervening developments and today's needs. • In one year, evaluate the working of the Advisory Committees. • Consider other innovative ways of ensuring that work place-level needs are built into project design.	Administrative Board
	• Develop closer links between the Foundation and European Commission to ensure the optimal interface of the Foundation's Work Programme with the Commission's activities, and initiate a Board discussion on the strategic relationship, with full Commission involvement, to review and improve cooperation between the two bodies.	Commission, Directorate, Administrative Board
	• Define general information and dissemination objectives and, in addition, define content of activity and dissemination for each project.	Directorate
	• For each project, define specific objectives and timing, covering desired result and hoped-for impact (relating back to user needs identified at the start of the process and bearing unpredictable issues in mind).	Directorate
	• Seek optimal relationship with Bilbao Agency and clarify roles.	Directorate with support of Board and Commission.

3.2. Effectiveness

Effectiveness relates to the Foundation's degree of success in achieving the objectives set out in the founding Regulation and in its own work programmes. Our role was not so much to measure the academic quality of the work, but more to focus on the perception of the target audiences and on the use to which they put the Foundation's materials.

The Foundation is seen as a major source of information in all three core working areas. However, it is neither significantly ahead nor behind other European-level sources, which indicates its general complementarity rather than dominance or irrelevance.

Effectiveness has improved over time. The Foundation has increased its professionalism in offering products more adapted to the needs of the target groups. It offers greater flexibility in its product range. As for the presence of innovative ideas, the use of clear and comprehensive language and the relevance of conclusions, opinions are more dispersed between noting an improvement and claiming a stabilisation.

As far as the European Commission is concerned, and in the light of the comments above, the Foundation is seen as a source of information and research, which can be used, when appropriate, in the policy-making process. The usage statistics show that the Foundation and the EIRO web sites are used regularly by Commission officials. The latter also use the Foundation's publications.

The European Parliament sees the Foundation as a source of expertise for specific needs at specific times. The Foundation's research reports and internet sites are used relatively little, but the Alert Service provided by the Foundation to the Parliament and the executive summaries of particular pieces of work are valued when they have a direct relevance to the Parliament's work. The Parliament also has a number of users who work directly with the Foundation's research managers on a case by case basis.

For the Member State authorities, the Foundation is little known outside the direct environment of Administrative Board members, but they report their appreciation of the Foundation's "flagship" outputs, such as the monitoring tools like EIRO.

We detect different views, and different levels and types of use, between European-level and national-level representatives of the social partners. None of the main constituencies (except to a limited extent the unions) carry out systematic distribution of the Foundation's outputs within their organisations. In conformity with its founding Regulation, the Foundation limits its activities to the provision of rather general information on living and working conditions, more for the purpose of policy making than for specific use in the field. This may explain why most information is used at a high level and is not distributed to a great extent to the lower layers (national, sectoral, regional) of the social partners' organisations.

Recommendations

Topic	Recommendation	Addressed to
Effectiveness	• Rationalise programme to fewer, more strategic items and link budget to strategic priorities • Work on timing of Programme elements to secure maximum impact. • Define and achieve the right mix of permanent tools and high-quality anticipatory work. • Discuss and agree an overall information strategy and policy. (This is underway at the Foundation). • Develop European and Member State-level information and dissemination programmes, with Board members from individual Member States, agreeing on objectives, key targets and implementation plans on an annual basis.	Directorate, Administrative Board
	• Concentrate on building/preserving quality in monitoring tools. • Deepen the work on quality assurance that has been started in the Foundation (other Agencies may provide useful examples of quality programmes). • Include a clear dissemination and targeting strategy in project plans and in work programmes • Design and establish a permanent evaluation system for the Foundation's projects.	Directorate
	• Reform the system of contact management, maximising the possibilities that technology offers to have a well functioning tracking system. Staff and Board members should be enabled to understand exactly what kinds of interaction are taking place with what kinds of users/customers at all times. One person should control and administer mailing lists. Clear guidelines regarding addition and maintenance of contacts should be developed.	Directorate
	• Ensure that all conference participants get the opportunity to complete an event evaluation form and continue to survey users on their perception of Foundation products and events. • Accelerate the time of publication of conference reports. • Review attendance, invitation and reimbursement policies.	Directorate
	• Renew links with Commission and Parliament through initiative to improve interaction, based on Commission representatives on Board working with Foundation staff to enhance the complementarity of work.	Directorate with support of Board

	• National dissemination strategies should help to boost awareness within national governments. • Consider tailored briefings for social partners (like service provided to EP Committee on Social Affairs).	Directorate
	• Maintain a budgetary allocation and develop an operating system for ad hoc short-term actions, whereby the Foundation can react to requests from the Board, Commission, Council Presidency or others for actions, which are not foreseen at the time the Work Programme is adopted.	Administrative Board, Directorate

3.3. Impact

The analysis of the Foundation's work has helped us to identify the following kinds of impact:
- influencing the elaboration of new policies
- adjusting of existing policies
- support for collective bargaining
- influencing practices in the field
- creation of a basis for further research

There are a number of examples, which show a clear interaction between the Foundation's work and policy development. This has to be tempered, however, by the long duration of projects in some cases and by the feeling that the Foundation's working methods do not always support inputs required in the short-term.

Impact on policy development depends also on the timing of the input to the debate. As identified in the evaluation of effectiveness, while user views differ, a majority agree that the Foundation is improving in this area. The Foundation's monitoring role provides it with insight whereby it can contribute to adjustment of policy, and its more anticipatory function can help in the elaboration of new policies.

The Foundation provides support for the development of positions in the context of collective bargaining. The impact could be more significant if the Foundation were able to respond more speedily through an openness on the part of the Board to adjust the Work Programme to deal with specific requests from stakeholders. On the other hand, the main role of the organisation is clearly to contribute to European level debate.

The Foundation also has a certain impact on working practices in the field and in the preparation of training activities within workplaces or other organisations, as a result of its research into practical situations and developments in Europe. This influence is understandably limited by the scope of the Foundation's work and by the large number of potential users (in theory all enterprises and organisations).

Finally, the work of the Foundation also constitutes a basis for further research, even though this is not the principal objective of the Foundation. The Foundation's activities are regularly cited in academic journals, and there is a steady stream of invitations to the Foundation for speaker appearances at relevant conferences. The financing of studies by the Foundation also has multiplier effects at national level, which are difficult to quantify. These include the continuation of research projects at national level following Foundation-sponsored work on the subject.

Recommendations

Topic	Recommendation	Addressed to
Impact	• Establish a system to track the use of the Foundation outputs. This would encompass data on the penetration of publications, citations in academic literature and in policy and stakeholder documents, conference invitations to Foundation speakers, and so on. In this way the Foundation will build up a record of how its material is being used. • Include desired impact as a feature in all project design and evaluation processes.	Directorate

3.4. Efficiency

The danger of fragmented or disjointed work planning has now been minimised. Existing stakeholders are generally satisfied with the approach.

Generally, the difficulties in forecasting the costs of specific activities are caused by the lack of transparency and coherence of the basis for justification of budgets. In addition, the existing budgeting processes in the units lack coherence, owing to the costs of research being budgeted by project and those of information and communication by activity. This causes different and non-transparent fragmentation of costs in each unit and increases the difficulty of effective monitoring. Integrated planning of all project costs and actions should be considered from as early a stage as possible in the process.

In terms of the organisation and planning of activities there are a number of efficiency issues concerning contract management, dissemination of outputs and quality management. In its research work, there are a number of factors, which make the efficient operation of the Foundation difficult. These include complex contracting procedures, delays in translation and publication of documents and the length of time taken for the work planning process. However, on the whole these are structural issues over which the Foundation has little control and it manages them to the best of its ability.

In areas where it has control, such as internal organisation of the work, it has made significant efforts to improve the internal co-ordination and support systems, which should have a beneficial impact on efficiency. Examples include the activity on centralising contact management, which is badly needed, and moving towards an in-house monitoring system, but we propose the Foundation enhance its efforts to introduce more internal quality control processes.

The publications unit has had only a very general idea of the intended publication plans and cannot estimate in detail the volume of material that might be contained in each planned publication. It does not therefore have more than a very general vision in advance and has tended to function on the basis of project outputs that it receives over the course of the year.

The lack of a professional knowledge management system makes it difficult to obtain a consolidated overview of the Foundation's activities. It also creates problems in terms of institutional memory when a staff member leaves. Information concerning the last two years is much more elaborate than that for the earlier years.

Recommendations

Topic	*Recommendation*	*Addressed to*
	• Continue to consult widely on work programme planning. Maximise contact with workplace/field level in this context. •	Administrative Board, Directorate
Efficiency	• Follow Commission reform plan closely to capitalise on any modernisation of procedures regarding multiannual budgets or contracts. • Consider framework arrangements to purchase small pieces of additional work. • Develop a project-based system to plan and track costs of all resources involved, including internal resources (staff time and overheads) and information/dissemination costs. • Create effective knowledge networks so that information is not lost to the Foundation. This would be partly ensured through integrated working between research management teams and the Information Section and also through tools such as the intranet, electronic databases and links to relevant external organisations. • Integrate work of Information Liaison Officers and events staff in an overall process within the work programme. • Seek better performance from the Translation Centre and if not possible, consider ad hoc arrangements under the Foundation's control. • Evaluate the working of the Advisory Committees and explore other ways of project-level tracking and monitoring (e.g. external experts). • Ensure that the Foundation pays market rates to consultants and researchers (to attract the best). • The list of successful contractors should also be published on a regular basis.	Directorate

4. EVALUATION OF THE ORGANISATION

In examining the organisational and administrative performance of the Foundation, it is important to take into account that it is constrained to work in accordance with its founding Regulation and with its associated Financial Regulation. It also has expectations imposed on it by the Court of Auditors, and takes on board many of the operating systems in current practice at the European Commission. Some of these are more adapted to the needs of a very large administration than of a relatively small organisation like the Foundation. However, this is a time of significant change and opportunities should be taken to identify and take advantage of possibilities for change.

4.1. Governance

The tripartite structure of the Administrative Board is seen as an essential element of the Foundation's structure and operations, at least by existing participants. Tripartism offers the potential for managing the otherwise totally unwieldy Administrative Board, which would exist following enlargement if the current system were maintained. However, this would require some adjustment to the working of the three Board groups, including increasing the time devoted to them, and possibly changing the timing. However, increasing the role of these groups should not detract from the transparency of the management process.

A debate on the expansion of the Board or other model to permit NGOs or other civil society representatives to participate could help to focus the Foundation's attention on its optimal role in the current situation. This would be a logical question in the light of the relative lesser importance currently accorded to living conditions and the social partners' focus on working conditions and industrial relations. It could also re-invigorate the Foundation at this level, given the low commitment of many Board members.

In general the Board does not appear to devote excessive time to questions of detail, enabling such issues to be delegated to the Bureau and the Directorate. However, it still feels it should have a stronger influence on policy and planning. A larger Bureau would help to give more Board members a greater sense of involvement and allow the Board to operate at a fully strategic level.

The role of the Committee of Experts, on the other hand, seems not to be clearly understood either by its members or by other stakeholders, despite attempts to improve this. The Committee's advice is neither highly valued nor effectively used. Whether Committee members' roles in the Advisory Committees will in some way address this problem is rather soon to say but it represents a positive step. If the Committee's role were better defined, the Council might be able to appoint members more in line with the needs of the Foundation.

Internal governance works relatively effectively. Clearer policies on the link between research and information and the instilling of a more unified organisational culture, are the key challenges.

Recommendations

Topic	Recommendations	Addressed to
Governance	• Adjust Board working methods to cope with larger numbers after enlargement. Meet Board request for more involvement/control through Advisory Committee/Working Group structures, as well as the national dissemination plan approach suggested above. • Circulate a "competence profile" and attributes/experience level, taking into account the diverse tasks of the Foundation, that would allow stakeholder organisations to nominate future Board members, who could both gain from and contribute usefully during their tenure. • Explore increasing the membership of the Bureau to allow more Board members to be involved. In any event consider sending Bureau minutes to the Board. • Review ways of involving civil society actors in the Foundation. A working group perhaps involving Commission and Parliament representatives might produce some useful ideas in this context. A start could be made by allowing external parties to play a role in the Advisory Committees.	Administrative Board
	• Work with Board members to define how to improve Group meetings, and compare inter-Group initiatives such as Advisory Committees with the traditional Group approach.	Directorate
	• Use Committee of Experts members' role in the Advisory Committees to assess whether this kind of involvement works better. • If not, replace Committee by tailored technical assistance to specific projects provided by outside experts. In this way, external research contractors could be supported by dedicated specialist resources.	Administrative Board

4.2. Internal organisation

The current system of financial reporting does not permit the Foundation to see clearly where all its costs are incurred, nor to see how internal resources are deployed. In common with the Commission's move towards Activity Based Management, the Foundation can be expected to make changes in this respect. The work planning and budget cycles are also not particularly coherent, but the Foundation has adopted procedures to overcome these constraints.

The administrative burden of the financial procedures is high. While some of these are inevitable given the procedures imposed by the Financial Regulation, (which may be changed in the light of Commission reforms) there are still some efficiency gains to be made within the Foundation.

The multicultural diversity of the staff is clearly considered a positive element for the Foundation. Staff members desire more information about the activities of other units.

Generally the Directorate should pay greater attention to top down communication, especially with regard to the goals and the policy/strategy of the Foundation, as decided by the Board.

Recommendations

Topic	Recommendation	Addressed to
Internal organisation	• Maximise use of the possibilities offered by SI2 for electronic approval of commitments and payments. • Move with the Commission to Activity Based Management (initially assess whether the Commission's Integrated Resource Management System is appropriate for Foundation use, and if not design a tailored system capturing internal time and administrative allocations as well as external spending). • Maximise flexibility of financial procedures through negotiation with the Commission; make a constructive input to the reform of the Financial Regulation and, through using the influence of all Agencies, press for changes that would suit the Agency environment. • Strengthen training of staff in financial procedures to smoothen existing system (ideally together with their Commission counterparts). • Link appraisals, goal setting and training more. Harmonise approach across the organisation and ensure an effective follow-up system of job planning and individual training plans. • Explain strategy of organisation in more detail to staff. • A regular communication from the Directorate could inform all staff members on decisions that have been taken, new initiatives under consideration or development etc. • Ensure that new IT department and strategy is closely linked with the new information strategy, contact management, project and impact tracking, shared databases, shared process monitoring systems and so on. • Capitalise on the potential of the intranet to transform it from a little-used archive for documents and unstructured masses of information to an efficient tool for communication, management and monitoring.	Directorate
	• The Directorate and Staff Committee should assess internal communication channels in common with the finalisation of the current organisational changes. • An induction system, incorporating an overview of Foundation activities from top to bottom for new staff, could provide a knowledge base to help them acquire the necessary skills and insights to perform their new jobs. This would also act as a store of information for all staff.	Directorate and staff committee

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