



Benchlearning Initiative External Assessment

Summary report – VDAB Belgium



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PES of Flanders - VDAB

Summary Report

Index

	Page no.
1. Introduction	2
2. Strengths	3
3. Contextual Influences	4
4. Current and potential Good Practices identified	6
5. Areas where improvements may enhance PES operations and outcomes	7
6. Recommendations	8

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VDAB

Summary Report

1. Introduction

This report outlines the results of the Benchlearning (BL) external assessment of VDAB, the Flemish PES, conducted on the 1-3 July 2015. The team of six external assessors comprised two peer PES staff (Slovak and Austrian PES), a PES expert from the European Commission and three experts (one as an observer) from ICON-Institute (the supporting contractor). The programme of the 2.5 day visit included meetings in VDAB Head Office with senior management/Directorates and a visit to a local PES office in Sint-Niklaas about 45KM northwest of Brussels.

A pre-visit briefing document was prepared and along with other background material, was reviewed by the assessors prior to the visit. Much of the material used to prepare for the visit was supplied by VDAB. They also provided their own self-assessment findings prior to the visit. This was all extremely helpful, and the time and resources invested in the preparation were regarded by the team as a key support to the success of the BL external assessment process.

VDAB is somewhat unique among the EU PES network in that it is also a training agency with a substantial number of training centres. In its mission statement VDAB describes itself as *‘a career conductor that provides the context for all Flemish citizens to develop their careers. Thus, we want to bring about a smooth functioning of the labour market and prosperity for everyone. As a service provider we assist citizens with the development of their career while taking into account labour market demand. In doing so, we cooperate transparently with other service providers. Particular attention is paid to citizens belonging to vulnerable groups’*. The mission statement is grounded in their core values that are described as “proud to be courageous, inspirational, honest and respectful (‘FIER = durF, Inspireren, Eerlijk zijn en Respect tonen’)”. The mission statement and the stated core values set the tone for the visit and this report.

VDAB employment services offers a wide range of services to jobseekers, employers and employees through various channels (face-to-face, call centre, website, video-chat, e-mail, apps). This can range from career guidance, advice on how to apply for a job, to vocational training provided in-house or contracted out. In its role as ‘conductor of the labour market’ (recognised as such by the Flemish government), VDAB works with a wide range of partners to jointly deliver services to jobseekers and employers and to implement the Youth Guarantee. It facilitates the initial registration of unemployed individuals and monitors jobseekers’ availability for work. In the latter regard, it has a relatively recent new task in that it applies conditionality to jobseekers and reports non-compliance with an activation offer to the National Employment Office (RVA), which in turn disburses the benefits or

sanctions recipients in certain cases that have been flagged by the PES. This new reinforced application of conditionality provides a challenge to PES staff who would have traditionally seen their role as providers of guidance rather than sanctioning jobseekers. VDAB is also responsible for processing and paying compensation to employers providing employment to disabled persons and distributes allowances to jobseekers who take part in vocational training.

VDAB consists of the Central Office and 6 provincial offices and approximately 80 job centres and as stated, 60 vocational training centres at the local level. Due to the complex Belgian system, VDAB is embedded into a network of agencies and public bodies. A main partner is the already referenced National Employment Office (RVA) which is responsible for the disbursement of unemployment benefits. A partnership agreement between VDAB and RVA was signed in April 2004 to strengthen the co-ordinated action of both institutions. The agreement also facilitated the data transmission between both institutions. As a consequence, the RVA can follow the employment and training actions proposed to the unemployed by VDAB. As outlined above the new imperative to apply conditionality is now a key element of the partnership with the RVA.

2. Strengths

A key strength of VDAB is its role in the Flemish economy and labour market where it appears to have reached a position of trust based on a long track record of delivering efficient and effective PES services. There appears also to be a high level of public confidence in its role as a key broker in the labour market in Flanders. This has allowed VDAB to reflect internally and reform itself without too much external pressure from the political level. This in turn has allowed the evolution of a stable, yet innovative and agile management model. Based on the evidence obtained during this external assessment it is also clear that staff are highly motivated and follow the overarching principle that VDAB is the 'key conductor' of the labour market (with a strong investment in an extensive array of partners). It is also clear that all staff whatever their official staff role, regard themselves as PES consultants, that they have very strong customer and career guidance orientations and see one of their main roles as the promotion of the 'self-sufficiency' of the job seeker.

Management, core and support processes are very well defined in a highly structured manner and provide an inner backbone and strength to the organisation. Being also a training agency, VDAB has utilised the training side of its operations in order to strengthen and support PES processes and service delivery. Another core strength is that the EFQM model is entirely embedded in VDAB. They have also been awarded a five-star quality award. As outlined above there is a high level focus on customer service and satisfaction. A set of 'warning lights' is available to team-leaders (and staff) to flag when a service level is breached. However it should also be noted that the new process approach is still in a transition and piloting phase and the previous input orientated controlling model is still in place at local level. Since this is the case, the evidential scoring in some areas of this report may be lower in the current transitional phase than they might be when the new processes orientations are fully embedded.

A notable and particular strength is its past and current high level of use of ICT. This has been a constant feature of VDAB within the PES Network and for many years has led the way in this area of expertise. There is a high level of e-tools available both to external clients and for staff. The ICT innovations are in many cases quite sophisticated and inclusive. For example the 'Labo' initiative combines university resources and students with a view to developing mobile apps for the PES and VDAB supplies user data and characteristics so that new e-products are targeted at particular client groups. Channel marketing in VDAB is highly developed and very impressive. For example client Profiling begins with the on-line assistant (OLA) and can be organised as self-service or face to face. In the new Business Process Management (BPM) the ICT systems will flag up any client that has not received a service post initial registration. The whole support system for holistic profiling is extensive and impressive.

The face-to-face service option is coupled with an individual action plan (IAP). But while conditionality must now be enforced by VDAB, a particular strength of the IAP is that the core values of VDAB and the guidance/counselling approach are reinforced. Extensive process maps for each type of client jobseeker interventions are in place. Team leaders coach and support their staff and can flag up issues via the internal ICT systems (EIS, BPM scorecards etc.). Extensive ALMPs are available and since this is also a training organisation, e-learning also features in the ALMP toolkit. An interesting aspect and strength of VDAB's work is its engagement in workplace guidance and counselling. This was even more extensive in the past where VDAB guidance counsellors were available to assist employees with career issues. Such employees would come to the PES office and those offices were also open in the evening to serve such clients who may have been working during the day. While the personal staff approach is no longer offered, it is possible for the employed to avail of career services on an outsourced basis using a voucher system.

Staff development is provided through a range of measures such as extensive training and coaching. Staff training plans are well designed and form an essential part of sector/unit business plans. The unique C-MOL leadership model is built on a troika of characteristics to be embedded in management training where the manager role is described as manager/leader/entrepreneur.

3. Contextual influences

The strengths of VDAB in evidence during the assessment outlined above and current challenges have developed within the particular context in which VDAB operates. The **institutional context** includes the fact that as stated above, VDAB is an autonomous public agency managed by an independent executive board under the responsibility of the Flemish Secretary of Work. The RVA partnership agreement specifies that guidance and monitoring of the unemployed must start at the beginning of unemployment. The agreement also aims in the longer term to create a 'right to guidance', as well as the duty of the unemployed to actively seek a job and to work together with advisors on all actions that strengthen their labour market chances.

At provincial/regional and local levels there is close collaboration with many other actors in the labour market such as municipalities, NGOs, sub-organisations of social partners including sectoral funds and also legally acknowledged bodies as follows:

- SERR: Social-economic council of the region which consists of representatives of employers' organizations, SMEs and agriculture and of an equal number of representatives from trade unions.
- RESOC: Regional economic and social council of the region which is composed of the members of SERR and representatives of municipalities.
- ERSV: NGO with the task to support members of RESOCs and SERRs. They are accredited and primarily financed by the Flemish government (additional resources can come from the province or the municipalities).

The local level is formed by the municipalities and several local, mostly publicly organised agencies. For example, there are one-stop- job centres established at the local level in which VDAB and social assistance centres cooperate. Local authorities have a legal role to operate as a coordinator or as an actor in relation to certain issues of local labour market policy. The Local Authorities act within the "local employment policy forum", i.e. local partnerships which are based on an agreement of all relevant actors and which were signed in 2005. In the context of these partnerships, the one-stop-job centres for unemployed persons were established. Local authorities must participate and they also develop their own indicators and targets on a number of issues related to employment and diversity. Coordination with VDAB's services happens through RESOC, consultation with provincial and central VDAB management and the local employment policy forum.

VDAB plays a leading role in coordinating the implementation of the Youth Guarantee. It has set up projects with partner organisations reach out to young people not in employment education or training. Since January 2014, local partners in cities have implemented a strategy to identify groups of disadvantaged young people. The aim is to draw up tailored action plans to remove the main barriers faced by this group of people to enter the labour market. VDAB works in partnership with the Ministry of Education and the Ministry of Labour to identify the most vulnerable young people, to develop systems for the recognition of prior learning and skills, and to offer work experience opportunities for young people.

Representatives of trade unions and employer organizations are included in the Board of Directors of VDAB. Furthermore, VDAB are members of the VESOC , RESOC, SERR and SERV (social-economic council representing employers and jobseekers advising the Flemish government) which have the possibility to influence labour market policy on different levels from strategic to operational.

Unique institutional contextual factors are the Training or Competence centres run by VDAB. Training is done in-house, outsourced or a combination of both.

The general **economic context** in which VDAB operates is one of cyclical improvement but longer-lasting structural issues. Prior to 2008, the Belgian unemployment rate compared

favourably with the euro area average as well as with the rates observed in most neighbouring countries. Since then, it has crept up to reach a ten- year high of 8.5% last year. As job creation in the private sector picks up, unemployment is expected to decrease to 8.1% in 2016. At the same time, vacancy rates have remained comparatively high, suggesting skills mismatch issues. Furthermore, a high proportion of the population of working age has left the labour market entirely, as reflected in a low activity rate, in particular for older workers. The various bottlenecks in the Belgian labour market are a deep-rooted challenge. There are wide labour market variations among the Belgian Regions. For example Wallonia and Brussels have persistently high long-term unemployment, amounting to 56.6% and 51.5% of total unemployment in 2013, respectively. This compares with 32.5% in Flanders. Bottlenecks would seem to be a key issue for the Flemish labour market, thus presenting particular challenges to VDAB, as is LTU.

4. Current and potential Good Practices identified during the assessment

VDAB strengths outlined above are supported by a range of potentially transferable good practices. These include the following:

- The good practices begin with the core staff resource of VDAB. The internal relations evident within the staff are best exemplified by their own term "everybody is a consultant". The concept that all staff are 'consultants' no matter what their official role, has the potential to override vested interests of sections, specialised teams or branches within VDAB. That approach has also great potential to release hidden creativity and increase motivation within staff as the focus changes to 'are we achieving our purpose' rather than the previous 'am I doing things right'
- Customer orientation is a fundamental feature of many PES. VDAB has taken the next step by building the processes around customer needs and expectations to a far higher level than usually observed in many PES. There is also a change in the attitude toward the individual client, focused more now on self-sufficiency strongly linked with the citizen jobseeker's personal responsibility. Consequently VDAB offers multiple tools and service channels primarily conceived to help the customers to help themselves.
- The highly developed Process definition and standardisation described in section 2 above is worthy of close study by other PES. Systematic process reflection and adjustment meetings are held regularly (currently every 6 weeks). Another key element is the focus on operational maps rather than in depth guidelines in the new process model. The process support structure is impressive. A high level of warehoused data supports all processes. A Key Domain structure is defined with defined ownerships and process owners are also defined. A collaboration RASCI model is defined. Products, sub-products and processes are well defined and follow a good internal logic. Expertise networks are in place to support the execution of

processes as well as providing a monitoring function. The emphasis on process maps rather than detailed operational guidelines has the potential to provide the staff more latitude in dealing with jobseeker clients. This has the potential to help defuse any negative impacts on staff regarding the new approach to conditionality. This practice may be worthy of study by other PES that are being pushed towards a more conditional approach to jobseeker guidance.

- The richness of potential good practices in VDAB also extends to items such as the 'Labo' initiative described above, new e-coaching tools for counsellor use (we met an e-coach in Sint Nikolas PES office) and E-learning on-line resources. Of particular note is the new competency-based matching on a rolling and automatic basis, using also the ROME classification system.
- The already referenced C-Mol leadership model built on a troika of characteristics embedded in management training where the manager role is described as manager/leader/entrepreneur.

5. Areas where improvements may further enhance PES operations and outcomes

The BPM is potentially very demanding for staff and management. Its necessary complexity requires continual evaluation of the impact of the model, in order to prevent undesirable side-effects such as some staff rejection due to lack of understanding of the model.

In this context it might be worth considering to better combine the different sophisticated management cycles already in place, for example the annual planning cycle for ALMP with the budget planning, thus linking labour market requirements with the right amount of resources. This would also facilitate real-time activity-based costing, clearly and comprehensively showing the costs of (single) active measures.

It may be useful to review the role of the skills-set of the specialised psychological service in the action planning process and to consider mainstreaming more elements of such in-depth guidance skills to all advisers.

It may also be useful to monitor and evaluate more intensively the processes of partnerships in terms of effectiveness and efficiency. In this context it may be worth examining if it is necessary to have a specialised unit for partnerships. In that regard it may be worth considering integrating at least parts of the management of partnerships into the processes at all levels of the organisation.

The realignment of teams on both the employment and training services sides within VDAB on an industrial/service sectoral basis has inherent risks in that sectoral silos could develop if the process is not managed. Increased vigilance of silo risks and constant review of the sectoral approach may be warranted.

6. Recommendations

Based on the evidence made available before and during the visit it is obvious that VDAB is way ahead of the curve when it comes to PES excellence and maturity. It would therefore be difficult to propose any fundamental recommendations other than to suggest that VDAB keep going on the current track and wishing continuing success. In that light our observations and suggestions are tentatively given, as it seems difficult to improve on the VDAB approach to Public Employment Service delivery. The following suggestions may be worthy of consideration by VDAB:-

- The concept that all staff are 'consultants' no matter what their official role, and the transformation in staff attitude and behaviour requires the maintenance of solid communication and support from senior management, middle management and across all staff levels. It is suggested that close attention be paid to these aspects.
- In order to provide for any risks to the BPM, it may be worthwhile to redouble efforts to reinforce the understanding of the benefits of the model for all, including to stakeholders.
- The concept promulgated within VDAB of jobseekers as 'responsible citizens' who are ultimately seeking work (and are not for instance 'gaming' the benefit system) requires continual staff support from management in order to maintain that perspective.
- It is suggested to continue the development of the system of staff incentives, while maintaining the current approach to avoiding perverse effects in this area.
- It is suggested to consider the mainstreaming of specialised guidance and counselling skills to all advisers. This could be done through the provision of staff training opportunities to all interested advisers (on a part-time and distance education method) and leading to a professional third-level qualification in adult guidance and counselling, in collaboration with a national university.
- Continue to promote the idea of VDAB as a 'sexy' place to work in order to encourage young staff recruits, in the context of the current staff age profile of VDAB.