



Benchlearning Initiative External Assessment

Summary report – LE FOREM



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1. INTRODUCTION

This report outlines the results of the Benchlearning (BL) external assessment of the PES of Wallonia (LE FOREM), conducted between August 28th and 30th, 2017. The team of six external assessors comprised two peer PES staff (from the Austrian and Norwegian PES), two from the European Commission, and two experts from ICON-Institute (the supporting contractor). The programme of the three-day visit included meetings in LE FOREM's head office with senior management and directorates as well as a visit to the territorial and local office in Namur (Jambes). The time and resources invested in the preparation for the Benchlearning visit by LE FOREM, and in particular their internal self-assessment, were crucial to its success. The team gratefully acknowledges these efforts.

LE FOREM is the Walloon Office for Vocational Training and Employment. Its mandate includes the integration of jobseekers into the labour market, with a view to jobseekers obtaining sustainable and quality employment through the provision of individualised jobseekers' support services (including training) and the support of employers. LE FOREM is an autonomous public agency with its own management committee, which includes employers' associations and trade unions. The supervising authority for LE FOREM is the Walloon Minister responsible for employment and training.

The PES is structured in four Territorial and one Central Office. As part of the Sixth State Reform, since the end of 2015 and the beginning of 2016, LE FOREM was given new responsibilities (including checking the availability of jobseekers - see also section 3) and, as a result, the number of staff grew. In addition, a complete reorganisation was launched in the middle of 2016, consisting in particular of clustering the previous 11 territorial offices into four Territorial Directorates, an increase in the territorial responsibilities and a reorganisation of the Central Office.

Le Forem is managed by an executive committee, made up of the General Administrator, the Deputy General Administrator, the Directors of the three central Directorates ("strategy and external relations", "products and services" and "support services"), the Head of the Information Systems Department and the Directors of the four Territorial Offices. This committee is responsible for day-to-day management, the steering of strategic projects as well as the preparation of budgetary decisions taken by the Management Committee. The Territorial Offices are the operating headquarters of the activities of the local offices in the territory. Their primary task is the operational management of the services provided by the local offices.

LE FOREM is not responsible for the payment of unemployment and social benefits, though it does the initial registration and the on-going monitoring of peoples' eligibility for unemployment benefit. All recipients of unemployment benefit, as well as all anyone applying for an "integration allowance", must register with the PES.

2. STRENGTHS

As mentioned above, LE FOREM has recently (since the middle of 2016) started a fundamental reorganisation process with the aim of increasing the impact and the efficiency of its activities by increasing the autonomy of the territories and "breaking the silos" between employment-orientated jobseeker services, training, and employer services. Better integration of activities and (re-)focusing on the core business to simplify the "customer journey" and increase service quality are at the heart of the reform. This is a very ambitious change agenda, similar to jumping over hurdles at a sports event, and LE FOREM deserves every support as it puts

the change agenda into practice. Based on the impressions collected during the site visit, the external assessor team were convinced that with its considerable achievements within one year, LE FOREM has now laid the basis for a successful completion of its reorganisation.

Continuing the hurdle metaphor, LE FOREM has managed to build its running track ("refocus on core business"), it has clarified the course for the athletes ("increase the impact and efficiency of activities"), it managed to get off to a good start and it has jumped the first hurdles. One of the major achievements so far is the transfer of responsibility to the four Territorial Offices together with the implementation of a management-by-objectives scheme based on multiannual planning with annual updates, aiming to empower the territorial level and ensure accountability. This is underpinned by the establishment of a portal/dashboard for the monitoring of target achievements and the introduction of fixed formats for performance dialogues.

Another major achievement is the stronger focus on employers through the establishment of the Single Employers Units at the central and territorial level. They are in charge of pooling all contacts with employers in a systematic way, as they are a very customer-oriented single contact point. A unique IT system with a database (the Employers' Customer Relationship management) is currently being developed. The work of employer counsellors is organised by responsible territory and economic sectors. Employer counsellors regularly participate in "Points CoM", i.e. the information sessions organised by LE FOREM to update and improve their knowledge.

One of the biggest strengths of LE FOREM is the high level of commitment among senior management to organisational change. Senior management is also very aware of the need to modernise and refine the provision of services using multi-channelling, and concentrate its resources on those client groups where it is most likely to make the biggest difference. Together with the very evident team spirit among motivated and dedicated staff, which was very apparent in the site visit, this constitutes a fundamental asset of the organisation.

Furthermore, LE FOREM stands out for its well-developed and systematic management of partnerships and stakeholders, where all levels of the organisation are actively involved. This is currently under further development as an action strategy and a "map" of the institutional partners are refined. LE FOREM is also working on a strategic positioning as conductor versus service provider according to clear criteria. Hence, it speaks in favour of the self-reflective attitude of the organisation that it aims at strengthening strengths.

Finally, the well-developed system of target-setting is a clear strength of LE FOREM. This system follows a clearly defined plan in a structured way according to a defined timetable, and it involves all levels of the organisation. The targets are part of annual business plans, which are derived from the five years management contract with the government. Embedding the multi-annual business plans into the greater context of the five-year strategic contract implies a promising combination of strategic planning with annual operational planning.

In conclusion, LE FOREM can be characterised as an organisation on the move which is full of good ideas for improvements and many initiatives were still in development at the time of the site visit¹. The external assessors, therefore, want

¹ The external assessment and especially the scoring is, however, based on the observed status quo at the time of the visit.

to encourage the organisation to proceed and offer some food for thought in section 5 to support LE FOREM on its journey into the future.

3. CONTEXTUAL INFLUENCES

Institutional context

Within the boundaries of the relevant legislative framework and the five-year management contract between the Walloon government and LE FOREM, the PES is relatively autonomous. The management contract is concluded every five years and it gives priorities and objectives for LE FOREM's activities as well as the relevant monitoring indicators. The contract is broken down into a multi-annual business plan (five years) as an operational translation of the priorities of the management contract describing the various strategic projects to implement it. This business plan is updated every year. The current management contract has been launched in March 2017, and it has four major priorities: (i) full implementation of the internal reorganisation, (ii) (re-)focusing on core business, (iii) the development of a multi-channel interaction strategy and (iv) implementing the new responsibilities transferred from the federal level.

The fourth priority refers to two recent reforms in Belgium. Firstly, at the beginning of 2016, the Belgian regions were given new responsibilities, including checking jobseekers' availability for work, the Local Employment Agencies at the municipality level, and professional redeployment. Secondly, four new employment incentives were introduced in July 2017 and given an additional budget.

Economic context

The economic background in which LE FOREM operates has been characterised by increasing unemployment between 2011 and 2015 in the Walloon region of Belgium. According to Eurostat data, the unemployment rate for the 20-64 year olds climbed from 9.2% in 2011 to 11.7% in 2015. In 2016, Wallonia experienced a decline in unemployment to 10.4%, which is almost equivalent to the average unemployment rate over the previous ten years. This picture resembles the pattern for Belgium as a whole, though on a different level. Therefore, in the most recent decade unemployment was persistently high with relatively small deviations around the mean. During the same period, the growth rate of gross value added (i.e. an approximation of gross domestic product which is available at the NUTS-2 level) was 1% on average. Economic growth, therefore, was modestly positive, but it had considerably larger movements around the mean than the unemployment rate.

4. CURRENT AND POTENTIAL GOOD PRACTICES IDENTIFIED DURING THE ASSESSMENT

The strengths of LE FOREM outlined above are supported by a number of potentially transferable good practices. These include the following:

- The checking of individual action plans (IAPS) as a quality assurance tool. Every three months, three randomly selected IAPs from every counsellor are analysed and discussed re-grading their strengths and finding room for improvement.

- The quality barometer that manages and improves the quality of services for employers works as a tool for systematic and continuous improvement.
- The mentoring system of young people, where an actively employed person offers time and expertise to a young person to support, advise and provide coaching during their job search.
- The "Points CoM" information sessions to update and improve employer and employment counsellors' knowledge of certain sectors.
- The "lunch debates" as a tool to mobilise staff for change and to foster horizontal exchange within the organisation.
- The well-developed system of partnerships with the Ministry, social partners, service-providers and other stakeholders, various multi-partnership places, and the competence centres of LE FOREM as multi-partnership structures.

5. AREAS WHERE IMPROVEMENTS MAY FURTHER ENHANCE PES OPERATIONS AND OUTCOMES

Returning to the image of the hurdles, four major remaining hurdles are outlined from the perspective of the external assessors. To help jump over these hurdles, some peer PES, that can serve as valuable exchange partners to support them by offering some orientation and inspiration, are suggested. It is, of course, not possible to simply copy their solutions.

The first remaining hurdle is to make full use of an impact-orientated strategic performance management. At the time of the visit, the set of key performance indicators was primarily process-, input- and throughput-orientated. A change from input-orientated activity to systematically using impact and efficiency indicators at all levels of the organisation is strongly suggested. This should establish targets giving every staff member an individual mission with clear priorities and to reflect LE FOREM's global mission to ensure "sustainable and quality employment". Furthermore, they could help LE FOREM make its business case by signalling what the organisation stands for, and how it adds value to society. Embedding this in the well-developed system of target-setting and using the promising combination of strategic and annual operational planning could help LE FOREM in achieve its overarching reform objective of increasing the impact and efficiency of its activities. Possible partners for an exchange in this regard are the Austrian, Estonian and German PES.

Systematically setting up process management and quality management is the second hurdle. This area was also identified as offering considerable room for improvement by LE FOREM in its self-assessment. With the description and standardisation of processes, a good deal of work has already been done. As a next step, this should be linked to an overarching strategy of LE FOREM and its primary objectives. This is a precondition for identifying process indicators to improve the transparency, effectiveness and efficiency of the whole organisation. Furthermore, it is a central prerequisite for the establishment of a holistic quality management system. Currently, many helpful tools for improving quality assurance in every-day business are available. They need to be embedded in a systematic and integrated quality and process management system which also permits systematic mutual learning among the different territories as well as the services for jobseekers and services for employers. This requires a clear definition of quality objectives, a transfer of these objectives into measurable targets and indicators, as well as a translation of them into "personal contributions" for all staff. Staff need to know what is expected from them in terms of offering high quality services, and how this

can be achieved in their everyday work. For these issues, the Austrian and Flanders PES, can offer orientation and inspiration.

The third remaining hurdle is the establishment of an efficient jobseeker support model based on multi-channelling. Again, LE FOREM is aware of this issue and the ideas for a refinement of profiling (e.g. by the introduction of a statistically assisted profiling tool), skills assessment and jobseeker segmentation - together with the skills-based matching that is summarised in the “predictive pathways” approach - deserve full support. This will enable the organisation to devote its resources to those jobseekers where they promise to make the biggest difference in terms of labour market outcomes. The Austrian, Croatian, Estonian and Flanders PES can serve as exchange partners on these issues. For the practical implementation of the “predictive pathways” approach, the intensified use of e-services, and especially e-counselling for those jobseekers who are the closest to the labour market, will be of particular importance. In this regard, the “personal work folder” used by the Dutch PES, and the solutions found by the French PES are worth studying.

The final hurdle refers to the interface between jobseekers’ support and employer services. One of the central aims of LE FOREM’s reorganisation is breaking the silos between different service areas. Against this background, an employee-orientated mediation approach could be strengthened by reducing the “barriers” between the two counsellor groups. Employee-orientated mediation can be especially helpful for jobseekers who “on paper” appear unattractive for employers because, as typical examples, they suffer from a fragmented labour market biography or they lack formal qualifications, while their counsellors could be convinced that these jobseekers show potential for success in the labour market. For these “unpolished gems”, employer counsellors can act as a door opener by actively offering them to employers during their visits. A more permeable design of the interface between jobseeker and employer counsellors is currently also an issue in the German and Swedish PES, so contacting these organisations for an exchange of ideas could be helpful. Furthermore, the experiences of the Flanders PES establishing a matrix organisation is certainly also interesting in this regard.

Finally, for LE FOREM on its move it is essential to ensure strategic coherence. Hence, the development of a “2025 Development Strategy”, which pins down the desired end state of all changes and the essential steps needed to achieve them, could support the organisation in its endeavour to look beyond the current management contract period. This strategy could also help LE FOREM take the initiative as a driver of change ensuring that clients, partners and staff are not only “passive spectators” but “active hurdle removers” in LE FOREM’s race to become a “premium partner FOR Employment”.

6. RECOMMENDATIONS

Our main recommendations are already contained in the previous section. In the following, we present some related recommendations as a series of bullet points as follows:

- Fully establish performance dialogues at all levels, based on a set of indicators that reflect LE FOREM's main missions, and intensify non-monetary incentives to further stimulate staff ambition and maintain motivation.

- Consider piloting the provision of post-placement services for those former jobseekers with a high risk of losing a newly found job quite quickly. For this, the German PES can serve as an exchange partner.
- Communicate a clear and attractive employer strategy to both employers and LE FOREM staff at all levels of the organisation. This strategy should explicitly address the segmentation of employer services and offer a clear concept for whether employer services should be provided universally or in a segmented way. A strategic overarching document would bring together the essential information about the core working principles of LE FOREM towards businesses and the direction for future development. An example of a similar document can be found in the Slovenian PES.
- Consider organising a meeting space (either virtual through the intranet or in person) for employer counsellors from different territories to provide an opportunity for the regular sharing of experiences and innovative approaches when communicating with employers. The French PES has an interesting example to study in this regard.
- Consider developing a knowledge strategy, like the Norwegian PES, to identify those areas where more evidence is needed, and implementing it by systematically involving external expertise.
- Consider taking a stronger role in defining LE FOREM's and partners' expectations in terms of outcomes for labour-market insertion. A gaps analysis of missing partnerships could be the starting point for pro-actively seeking new partnerships.
- Consider further increasing local responsibility and – in the medium run – strengthening the link between resource allocation and target achievement as well as a larger involvement of local staff in recruiting, analysing training needs and ensuring employees have the necessary competences.

