



# **Benchlearning Initiative External Assessment**

Summary report 2<sup>nd</sup> cycle – Belgium (Wallonia)



*Written by ICON Institut Public Sector GmbH*

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Summary report 2<sup>nd</sup> cycle – Belgium (Wallonia)



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## **Le Forem – the PES for Wallonia (Belgium)**

### **Summary Report 2<sup>nd</sup> cycle**

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## 1. INTRODUCTION

This report outlines the results of the second Benchlearning (BL) external assessment of Le Forem, the Public Employment Service (PES) of Wallonia (the French-speaking part of Belgium), conducted between December 3<sup>rd</sup> and 5<sup>th</sup>, 2018. The team of six external assessors had four peer PES staff (one Croatian, one Dutch, one French and one Norwegian), one representative from the European Commission and one expert from ICON-Institut (the supporting contractor). The three-day programme included meetings with senior management from the Head Office in Charleroi and visits to two regional offices, in Namur and Mons. The time and resources Le Forem put into preparation for the Benchlearning visit, particularly its internal self-assessment and the accompanying documents, were crucial to the success of this visit.

As the Wallonian Public Employment Service, Le Forem's mandate includes the integration of jobseekers into the labour market, working the support of employers to run individualised jobseekers' support services (including training). Le Forem pursues three objectives:

1. Strengthening jobseekers' support with a view to their sustainable integration into the labour market.
2. Ensuring a proactive and effective approach to employers.
3. Providing services that recognise and develop skills focused on occupations of the future, and on occupations facing labour shortages.

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. As part of the Sixth State Reform (2015/2016), Le Forem was given new responsibilities, including checking the availability of jobseekers and their job search.

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 Wallonian Minister responsible for employment and training. The long-term Management Contract between Le Forem and the Minister determines the goals of the organisation, as well as the objectives and deadlines of the reform process. The term of their current contract is from 2017 to 2022.

The PES now has one Central and four Territorial Offices. 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. All in all, Le Forem is running 72 contact points for jobseekers. Furthermore, Le Forem has its own training facilities where occupational training measures are offered to jobseekers. Finally, the PES runs its own Academy for staff induction and further staff training.

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, as well as the Steering Support Department. This committee is responsible for day-to-day management, and strategic projects, as well as the preparation of budgetary decisions taken by the Management Committee.

The main source of funding is the governmental budget, topped up by European Funds.

## 2. SHORT SUMMARY OF THE CHANGE AGENDA

In the middle of 2016, a reorganisation of the PES was launched. It included converting the previous eleven Territorial Offices to four Territorial Directorates, while devolving new responsibilities to these four new Directorates, and a simultaneous reorganisation of the Head Office. In 2017, they boosted the reform process, and Le Forem is currently in the middle of an ambitious change programme. The basis of the change programme is in the already mentioned Management Contract (2017 – 2022) requested by the new government of July 2017, and it also results from the first Benchlearning visit in August 2017.

The main goal of the reforms is for Le Forem to become the *central* player in the Walloon labour market. The reform agenda has three thematic areas:

1. Strategic performance management: the number of key performance indicators (KPIs) has been reduced. The 13 current KPIs result from the three strategic objectives mentioned above, they measure four production processes and there are nine impact indicators. Besides the introduction of the new KPI system, the availability of KPI data was re-organised, and performance dialogues were introduced.
2. Multi-channel services: this is a new concept for customer services. It is mainly formed by the new digital strategy which uses a so-called 'phygital' approach - combining both a physical (face-to-face) and a digital service delivery. The clients are free to use either the physical or the digital channel, or even both together. In this strategy, new online services have been made available for jobseekers and for employers. The reform is accompanied by various training offers for staff offered by both Le Forem's own Academy and also by external providers. Furthermore, a new segmentation model for grouping employers has been rolled out.
3. Knowledge management: the implementation of new evidence-based processes means acquiring new knowledge. Elements of this strategic strand are the improvement of knowledge mobilisation (e.g. by encouraging exchanges of experience amongst staff) and the stronger use of evidence in strategic thinking and decision-making. In this context, the ongoing efforts towards improving the exchange of information between jobseeker counsellors and employer counsellors are also important.

The three thematic reform areas are completed by one cross-functional reform theme which deals with occupations where there are shortages.

The outstanding feature of the reform strategy is the digital strategy which has of five axes. For each axis, an operational manager has been appointed:

- Axis 1 describes the professionalisation of data management.
- Axis 2 deals with the construction of Application Programming Interfaces (API) and the IT architecture.
- Axis 3 is the roll-out of online services.
- Axis 4 is the development of staff skills and the support of staff.
- Axis 5 considers how to create users' autonomy.

The main principles of the reform agenda can be summarised with the "three E" approach standing for equity, efficiency and evidence-based services. Equity means the delivery, throughout the process, of a high quality service for all types

of clients and to every single client. Efficiency means offering effective and sustainable support to clients by delivering the best value, while using reasonable resources. Finally, evidence-based services require the practice-related design of tailor-made and individualised services. Although the 'three E' slogan is not formally approved of, or laid down in, the strategic reform papers, this slogan (resp. its French translation or equivalent) could potentially guide the reform activities appropriately. Simultaneously, the reform focuses on three thematic issues, firstly career management for clients, secondly closing or reducing the skills gap, and thirdly fostering life-long learning.

### **3. RELEVANCE, COHERENCE AND CONSISTENCY OF THE REFORM AGENDA**

The first Benchlearning assessment report showed that Le Forem had implemented a very ambitious change agenda, and Le Forem therefore deserves every support as it puts its change agenda into practice. Based on the information collected during the first site visit, the external assessor team was convinced that, armed by its considerable achievements within the first year, Le Forem has now laid the basis for the successful completion of its reorganisation.

In the meantime, Le Forem has further developed its reform agenda, taking into account suggestions and recommendations laid down in the first Benchlearning feedback report. As a follow-up to the Benchlearning visit 1.5 years ago, Le Forem could set up several improvements, including speeding up various processes, recognising Benchmarking and mutual learning as instruments to facilitate the reform process, introducing of more dialogue and more cross-functional discussion, and, finally, exploiting synergies.

A very important factor in these changes is the government. The new government, elected in 2017, and the Management Contract, which it brought into force in 2017, are relevant drivers for the PES change. As well as these external factors, internal needs, the recommendations of research activities and from staff were further impulses to start the reform process. In this context, the assessors are aware that their visit took place in the middle of the implementation process. Some of the elements of the reform were therefore not finally developed or completely rolled out.

Le Forem has carried out intensive labour market analyses which showed that, despite a surplus of jobseekers, the labour market was characterised by a shortage of candidates. Furthermore, the analyses showed that 88 occupations are critical, and that 55 of these occupations are already in shortage. Consequently, the problem of labour shortages in various occupations has been declared a cross-functional reform issue (see section above).

In the framework of the reform agenda, Le Forem introduced a new segmentation system for employers to improve service quality. Employers are now segmented according to their use of PES services into five groups, and their significance as a strategic employer (further two groups). A new grouping system for registered jobseekers, through datamining on the basis of their individual pathways, has been piloted. Whilst the employers' grouping is currently being set up it is currently only used for planning and overviewing purposes, the segmentation of jobseekers is still in the planning and development phase. The assessors got the impression, however, that there is some uncertainty regarding the consequent practical use of these sophisticated profiling and segmentation models. This carries the risk that the advantages of sophisticated profiling and segmentation models not being fully exploited.

With regard to the reform process, the external assessors appreciated that the staff were involved in its different stages, but the assessors think that the involvement of staff, in particular front-line staff, could be organised more intensively and systematically, in order to take full advantage of staff skills. During the visit the assessors met a highly committed and service-oriented staff, with a great interest in quality issues. All these aspects should be exploited for the further development of the PES towards a high quality service provider and a (permanent) learning organisation.

Besides segmenting employers and jobseekers into groups, Le Forem has reacted to the new labour market challenges with a new digital strategy. Several new and innovative e-services for jobseekers (e.g. 'My Profile') and for employers (e.g. 'I recruit') have already been developed and rolled out. These efforts and the progress achieved deserve respect and recognition. The considerable expansion of e-services may, however, have caused a bias in the perception of the success of the reform agenda. From the perspective of the external observers and obviously also some of the staff, the change agenda consists primarily of the digital reforms.<sup>1</sup> This has the risk that other elements of the reforms are being neglected, challenges<sup>2</sup> are underestimated, and the overall objective of the reforms is getting out of sight.

Following a recommendation in the first Benchlearning visit, Le Forem has reduced its list of KPIs. With the introduction of the new KPI system, several improvements in the use of the indicators could now be realised. Progress so far includes information on the achievement of the KPIs now being available for all managers so the possibilities for corrective actions have been improved, a system of alerts and analysis of deviations has been developed, and the exchange of good practice is now organised. The assessors want to encourage Le Forem to go further forward in this reform path through completing the reforms with some new elements, such as fostering performance dialogues and improving the involvement of front-line staff through a bottom-up dialogue.

Finally, the assessors suggest that the importance attached to quality in the reform agenda should be reflected in the development and the implementation of the reform. Le Forem should take the opportunity to develop and implement effective quality management in parallel to the redefinition of processes. Implementing quality management later on carries the risk that quality management is then only an 'add-on', and is not integrated into the overall management and everyday work.

## 4. ASSESSMENT OF CHANGE MANAGEMENT

The starting point of the change management programme is the goals and deadlines laid down in Management Contract with the supervising ministry. Based on these principles, the current change management programme is largely composed of three elements:

1. Evidence-based investigations in the early stages.
2. Anchoring the roll-out process to reality, ensuring that the aims are feasible.
3. Reinforcing and consolidating changes.

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<sup>1</sup> Within the change management programme – for instance – the implementation of new digital services seems to receive more attention than other components (see also sections 2 and 4).

<sup>2</sup> For instance, challenges effecting the organisation's culture.



The following precautions have been taken to develop and roll-out the new online services:

- The creation of a change unit (two people).
- A proposal to the Academy and the Human Resources Department of a change management action plan which includes communication, training and 'appropriation'.
- Communication at all levels of the PES, cascaded down through the hierarchy.
- Conducting an impact study for each speciality represented in Le Forem.
- A training course to improve staff digital skills, including where it helps them to guide clients.

Furthermore, Le Forem draws on the experiences and the expertise of other PES. As well as its working relationship with the PES for the Flemish region of Belgium (VDAB), Le Forem received support from the Norwegian PES for developing and implementing a knowledge strategy, and from the German PES for the digitalisation of its organisation and its services.

With regard to the change management programme, the assessors recognised the deep significance of piloting new processes, measures and activities. These pilots are prepared accurately, and permanently monitored and evaluated.

The successful implementation of reforms is facilitated by the staff's openness to innovation at all levels, and its distinctive service orientation. In this context it should be mentioned that the training offers, in Le Forem's Academy and from external providers, support the reform process effectively. The training does not only cover functional issues, but also soft skills such as communication skills (e.g. for handling difficult situations), organisational skills and training to foster individual resilience.

Le Forem has decided to plan and implement the reforms step by step, carefully observing the changes caused by each single reform project. This approach has the advantage that the risks of personal or organisational overloads are minimised. However, there is only a rudimentary commonly accepted vision ("roof") for the reform activities. The goals, the deadlines and so on, of the reforms are laid down in the Management Contract and the annual business plan (both are agreed with the Ministry). However, a summary presenting the vision, its strategic objectives, the principles behind the internal reforms and the reforms of the service delivery, the expected added value of the reforms, and so on, is missing. Le Forem does not have its 'own' strategic paper on this. A 'reform masterplan' should, *inter alia*, show what the PES stands for and what the organisation is trying to achieve in the coming years. It could also help Le Forem to make its business case with important stakeholders. Furthermore, the overall strategic paper could also serve as a guideline for the reform process, facilitating a coherent strategy, and also starting roadmaps for all the individual changes. Taking over more ownership of the reform agenda is therefore recommended.

Le Forem has made considerable progress in its change management in the last 1.5 years. Against the background described above, the assessors see more room for improvement mainly in two areas. Firstly, the change management programme could be a bit more comprehensive, and bit more stringent. This could be done by adding further elements to it. Secondly, the assessors think that the organisation lacking its own general masterplan and detailed roadmaps, is probably the main barrier to bringing the different strands together into a coherent whole. However, the assessors are convinced that the current change manage-

ment programme forms a solid basis for further development. They submit some ideas and suggestions in the next chapter.

Finally, the assessors would like to stress the importance of creating a change management strategy focussing on the needs of the organisation and the reform agenda. Frequent unexpected external requirements (particularly when they are combined with tight deadlines) affect the proper management of change. In the worst case, the management is busy with chasing external requirements while losing sight of the organisation's substantial needs.

## 5. SUGGESTIONS AND RECOMMENDATIONS

Firstly, the assessors would like to highlight how the current reform agenda of Le Forem means fundamental changes which will affect the administrative culture of the organisation. Therefore, the reform process needs to be well anchored and enough time for the careful development of changes. As already mentioned, Le Forem has already shown that it has a good basis for further development of the reform agenda, and also of the concepts, tools and procedures. The assessors see Le Forem as heading in the right direction and they encourage Le Forem to go forward purposefully on its reform path.

In the following paragraphs, some ideas with references to other PES are presented which could improve the change management process, in particular binding together the different strands into a coherent whole, which would support the reform process.<sup>3</sup>

### *Vision and objectives*

There are several PES in Europe which are currently undergoing basic reforms. These highly developed PES are characterised by comprehensive and clearly structured general plans indicating the vision of the organisation, and the objectives and priorities of the reforms. In order to ensure coherence for its reforms, it may be worth Le Forem studying the following PES activities:

- The Estonian PES has a well-structured reform agenda with strategic goals which provide overall direction for the change agenda. These goals are laid down in the Multi-annual Development Plan, which is extensively communicated to stakeholders and staff. To achieve these goals, two key activities are defined and underpinned by goals and 'sub-goals'. The latter are clearly and precisely linked to its annual action plan. Furthermore, its Development plan contains the core values of the organisation such as openness to innovation, trust and co-operation. Together with the organisation's mission<sup>4</sup> and its vision,<sup>5</sup> its core values form the basis of its organisational activities which are also described in its Development Plan. As it has a description of the understanding of customers, partners and the principles of operation, the Development Plan contains a precise and concise description of its organisational basics.
- In France, Pôle Emploi's change agenda is also clearly structured and well communicated to all levels of the organisation. It is strongly supported by all the relevant stakeholders. The main objectives of Pôle Emploi's Strategic Project are to increase customer satisfaction and to increase the number of jobseekers returning to employment. Within these two strategic objectives, four 'action fields' have been identified – first, the digitalisation of

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<sup>3</sup> For further details see the tables in section 7.

<sup>4</sup> "We support finding work and workers."

<sup>5</sup> "We are the best and most inspiring labour market organisation in Estonia and Europe".

processes and the improvement of online services, second, an increase in efficiency regarding the payment of benefits, third, a further strengthening and improvement of partnerships at the various different levels, and finally developing a trusting relationship with employers to support them when they need to recruit.

- The Norwegian PES transformation process is based on a comprehensible and encompassing corporate strategy, complemented by a long-term plan, as well as regularly conducted strategic overviews and risk assessments. The long-term strategy has ambitious but achievable objectives for the organisation itself as well as for its clients. A systematic approach to reforming the organisation has therefore become apparent.

A common characteristic of these countries is that the reform agenda, or similar strategic papers, have been discussed with the supervisory institutions and the relevant stakeholders, such as the social partners. As these groups approve of, or agree on, the entire reform agenda, the PES can rely on the support of important stakeholders. In Wallonia, the Management Contract is also discussed with supervisory authorities (Minister) and social partners. However, the above mentioned PES from other Member States took strong ownership of the reform agenda and made the reform to their “own” matter. Finally the whole reform agenda is discussed with staff intensively in these PES.

*The three principles of change and service delivery: equity, efficiency and evidence-based*

These reform basics may serve as an overall guideline, ensuring that all units and all measures follow the pathway of the reform agenda. With its three ‘E’s’ (resp. its French translation), Le Forem has already formulated basic elements, but it has not yet integrated them into its reform agenda. The integration of these principles in the reform agenda would unveil their potential as guidelines for a target-oriented roll-out of the different reform steps and also help create high quality service delivery. The following countries may serve as examples for using principles in practice:

- In Denmark, the evidence-based approach is very important for convincing all the actors in the highly decentralised Danish system. The strong evidence-based approach can be seen as the backbone of its governance system and it is embedded into its change management programme. The PES has established a very deep knowledge on which activation measures work (and for whom) by collecting relevant data, and through making an extensive use of randomised control trials (RCTs). Furthermore, a stringent system has been elaborated to transport and transform new ideas into the local offices’ every day work.
- The Dutch PES introduced the S+MCA model (Secure and Measure, Control, Accounting) to reinforce the implementation phase, and to guarantee a high quality of service provision. The S+MCA model is based on five core components: (1) compliance with the policy principles, (2) integrated measurement points in the work process, (3) achieving production and quantitative output targets, (4) a comprehensive customer approach, and (5) quality and effectiveness.
- The French PES has a well-structured change agenda. Further characteristics are the strong, systematic and continuous commitment of the entire organisation, and strong leadership when creating the single elements of the reform plan.

However, the use of these principles needs a stringent and strong change management programme. Therefore these principles are important elements in the whole picture of a reform agenda.

### *The management of change*

Besides a well-structured reform agenda, basic reforms need a comprehensive change management process if the reform affects the organisation's culture. This is also the case for Le Forem which has already developed and rolled out important elements of an adequate change management programme. However, the assessors believe that the completion of the change management approach, and bringing together the different reform strands, might facilitate the success of the reform considerably.

The following PES may serve as sources for inspiration:

- The management approach of the Estonian PES is characterised by a clear and comprehensive action plan for bigger reforms. The approach also contains a communication plan for staff and stakeholders. The monitoring of the implementation of the different reform phases is clearly noted and the responsibilities are retained. Furthermore, the innovation process and the involvement of staff are crucial features of the change management programme.
- The Flemish PES (VDAB) recognised the need for a change management programme at an early stage, and it installed clear procedures for the continuous identification and improvement of internal needs. A regulated flow of change follows on from a clearly defined procedure which starts with their ideas for improvement. They then developed and transformed those ideas into a business case for change, and then assessed their likely impact on their IT systems, on the staff and on the budget. Fitting the subsequent change project into the overall strategy forms an important part of the assessment. A separate department offers support and expertise on their change management programme, and it regularly assesses the impact of their activities in five fields: organisational structure, organisational processes and systems, competences, resources, and culture. The reform process is accompanied by a detailed communication plan. Further characteristics of their change management programme are the support of staff, the management tools, information sources and coaching. For instance, their 'Strategic House' is a clear and well-structured tool to present single strategies or processes in a transparent way.
- Also, with regard to the change management programme, the French PES may give inspiration to Le Forem. The strong leadership of the French PES means that their change agenda and its core elements are systematically promoted throughout the organisation. Change projects are designed on the basis of clear principles, and the consequences for existing business processes are thoroughly thought through. Road maps are drafted and specific project plans exist, especially for larger projects. For instance, in the context of the implementation of the Digital Strategy, each area of action was regulated by a roll-out schedule and an operational roadmap.

### *Redefinition of processes*

In course of its fundamental reform, the Flemish PES totally redefined all single processes, generally as end-to-end processes. The start and the end of the processes, as well as the single process steps and the accompanying features like responsibilities and ownerships, were reviewed and newly defined in the frame of the new service model. As the proper redefinition of processes is crucial both for the delivery of high quality services and for steering change processes through

the organisation, the experiences the Flemish PES (VDAB) gained during the re-definition phase may be valuable for Le Forem.

### *The quality management system*

The integration of a quality management system (QMS) into the steering arrangements of the general management effectively supports the delivery of high quality services and products. Notwithstanding this, the proper implementation and use of a QMS presents a considerable challenge and should not be underrated. An imperfect QMS is time-consuming, costly, and ultimately useless. However, the assessors think that the current reform of Le Forem offers the opportunity for developing and implementing a successful QMS. Austria is a good example of the successful implementation of a comprehensive QMS.

### *Balanced top-down and bottom-up communication*

Although Le Forem has made considerable progress in the implementation of its internal communication strategies, the current communication system could be better balanced. As the organisation began as a result of a 'bureaucratic' process, a top-down approach still dominates the culture. This limits the exploiting the staff's full potential, acting as experts in their own working areas. The design of a balanced communication system and the advantages it can create for the organisation as a whole, and also for the staff, can be studied in The Netherlands. The Dutch PES has, for example, set up bottom-up processes for organisational change in a systematic way, thereby benefitting from staff ideas for innovation in regional offices, while also taking into consideration suggestions for improvements from jobseekers and from employers.

### *Profiling and segmentation*

Automatic and evidence-based profiling could support the process of clarification of who needs immediate face-to-face support and who can use the self-service offers. In this way, financial resources can be spent efficiently. Furthermore, counselling time is saved, so additional time can be spent with jobseekers who need face-to-face counselling. In this context, the PES in Croatia and in Germany may serve as sources of inspiration for Le Forem. The Croatian employment service developed a 'statistically assisted profiling' model (StAP) to improve the quality of services.

In Germany, the PES elaborated a 4-Phase Model (4PM) for jobseekers which is based on the PES 'general competences model'. This model is aimed classifying, *inter alia*, a comprehensive collection of all a jobseeker's skills, including the non-cognitive (soft) skills, for profiling and grouping. The 'consulting concept' for jobseekers (BeKo) that contributes to a 'strength-orientation' in counselling and the 'action strategies' underlying 4PM provides orientation for employment counsellors. These are the major elements of the German PES's approach for individualised service provision to jobseekers according to their proximity to the labour market.

In terms of the employers' side of the labour market, the German PES has also rolled out well-developed and consistent strategies for employers with a clear focus on small and medium-sized enterprises (SMEs).<sup>6</sup> A two-step matching process is implemented which combines IT-driven automated matching with a further refined selection by the employment counsellors. In addition, a large set of com-

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<sup>6</sup> This is anchored by a key performance indicator for this customer group.

plementary services is also offered to employers through the German PES's personal contact officers.

### *The empowerment of staff*

For the staff, a new service model requires new competencies and a change in their mindset. Although Le Forem is already active on this field, Sweden may be an interesting example on this point, as the Swedish PES is also now undergoing a basic reform process and the empowerment of its staff forms an essential part of the Swedish reform strategy. Further examples of staff empowerment are Croatia and Norway. Based on a clear and well-defined Human Resources strategy, the Croatian PES has set up a competence-based initial and continuing training strategy for the staff. As one result of this, a project was set up that supported networking and mutual learning in the PES, as well as the extension of staff training at all levels of the organisation. As Le Forem is already aware, the Norwegian PES has developed a comprehensive knowledge strategy which, *inter alia*, aims at the generation of convincing evidence on what works, and the systematic distribution of these evidence-based findings through different channels.

