

PRESS RELEASE

January 2021

Report to the Flemish Parliament

In-company individual vocational training: effectiveness of the measure

The Court of Audit investigated the effectiveness of individual vocational training (IVT), a measure with which Flemish Government has been seeking to activate jobseekers for several decades, strengthen their competences, fill bottleneck vacancies and employ disadvantaged groups proportionally. The audit focused on jobseekers who followed IVT in 2015. The Court of Audit monitored their employment until the end of 2017 and conducted an online survey among employers and IVT trainees. It adjusted the positive image of the system outlined by policy and the Flemish Employment Agency (FEA): it does not really promote a proportional representation of disadvantaged groups, it does not specifically lead to bottleneck vacancies and training is often not trainee tailored.

IVT System

With individual vocational training, Flemish Government wanted to activate jobseekers, strengthen their competences, fill bottleneck vacancies and employ disadvantaged groups proportionally. IVT concerns training by an employer on the work floor to close the training participant's competence gaps as defined by the FEA in a student tailored training plan. Employees keep their unemployment benefits for the duration of the training and are granted a surplus FEA premium. Employers must continue to employ the trainee after the training for at least the duration of the training.

Policy and budget

After 2014, the FEA no longer set a quantitative IVT target but opted for an approach tailored to the individual jobseeker. Nevertheless, various policy documents continued to aim for an increase in the number of IVT trainees. According to policy and policy studies, IVT was a success measure: it would lead to sustainable employment of 90% of all trainees, a quick filling of shortage vacancies and a more proportional participation of disadvantaged groups. IVT was also presented as a budget friendly measure for the Flemish government, but little attention was paid to social and indirect costs of the system. Its reform in 2018 was projected to be virtually budget neutral, but Flemish government contribution nevertheless increased.

Target audience reach

In order to achieve a proportional employment rate, disadvantaged groups should be over-represented in policy measures. However, IVT less well reached low-skilled people, people with a migrant background or a work disability and the elderly. It therefore appeared to confirm existing disadvantages of disadvantaged groups, except for young people. One in five IVT trainees turned out not to be looking for a job at the start of the training, although that was an admission requirement.

Filling vacancies with IVT

Motives for participating in IVT were not always consistent with the intentions of Flemish Government. Employers and FEA mainly use the system to fill vacancies in general and for many employers the financial support or the possibility to test a candidate cheaply were important IVT reasons. Many employers indicated that without IVT they would have found candidates with suitable competences or would have recruited the candidate in question anyway. The FEA used IVT to deal with bottleneck functions, among other things, but in most sectors - except in construction and wood sectors - IVT was focused on filling vacancies in general and not specifically on bottleneck vacancies.

Competence enhancement

IVT is primarily a competence-strengthening measure for jobseekers and disadvantaged groups in particular. The FEA therefore focuses on qualitative guidance, with training plans at its core. However, the files examined often did not describe competence gaps and training plans were only exceptionally tailored to the IVT trainees. Employers had a more positive image in this area than IVT trainees. FEA guidance showed other weaknesses. For example, competence determination and training duration estimation are based on concise, internal guidelines and a thorough competence gap investigation often lacked. Regarding employer counseling, trainees often felt they were treated as regular employees, not receiving more intensive guidance.

Discontinuations

Trainings were often unfavorably discontinued prematurely. In half of these cases, employers did not think the student to be suitable for the work. IVT trainees themselves often reproached employers for a lack of guidance or abuse of the system.

Employment after IVT

Most IVT trainees were employed after the training, following the obligation to offer students an employment contract after a successful IVT, usually an employment contract for an indefinite period. However, sustainability of employment was not equal for all trainees. IV training succeeded in getting many long-term jobseekers and persons with a work disability into work, although the latter dropped out more in the long term. FEA reports on employment after IVT only concern successful participants, whose contracts were not terminated. Unsuccessful and terminated IV trainings continued to weigh on employment for more than two years later. IVT also was unable to eliminate employment gaps of the short and medium skilled, of people with a migrant background or a work disability and of the over-55s, even if they had followed training in a shortage occupation.

Conclusions

The Court of Audit adjusted the positive image that policy and the FEA outlined of the IVT system: IVT trainees are mainly young jobseekers, and only to a lesser extent the targeted underprivileged groups; relatively many IV trainings are terminated for unfavorable reasons; IVT is not specifically used to fill bottleneck vacancies, is often not tailored to the trainee and is not always aimed at acquiring specific technical job skills. The costs of the measure are only partly covered by contributions from employers. In recent years, more and more Flemish budget resources are needed to keep covering IVT-costs.

Response of the minister

The Flemish Minister of Work replied on 27 November 2020, stating that IVT is one of the most popular forms of workplace learning offered by the FEA and that she therefore has read the audit report with great interest. According to her, the 2018 IVT reform already addressed some of the report's findings. The FEA will include other points of attention in

the further development of IVT. The minister did regret the Court of Audit's too one-sidedly emphasis on the measure's focus on bottleneck vacancies and vulnerable target groups, as she sees strengthening competence for all jobseekers as the essence of IVT.

Information for the press

The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.

The audit report on *In-company individual vocational training: effectiveness of the measure* has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website: www.courtofaudit.be.