

# Individual Training in Enterprise

**IBO - Individuele beroepsopleiding in de onderneming**



## 1 Description

### Timespan

The law establishing the IBO in its current form was introduced in 2009. The measure itself was implemented and introduced at the end of 2011.

### Stage

**FULLY OPERATIONAL**

### Focus area



**MATCHING SKILLS FOR TODAY'S JOB MARKET**

## 2 Foundations

### Policy area



**ADULT EDUCATION AND TRAINING**

The measure involves the PES for Flanders (the VDAB), who connect job-seekers and enterprises. These three parties collaborate to develop specialized training and education plans for job-seekers so that they can work in a specific enterprise. The job-seeker then follows training and education at the enterprise in question. The measure also entails that the job-seeker must find employment at the enterprise at the end of the training plan. In this way job-seekers receive VET to be suited to the specific business needs of the enterprise in question.

**Policy goal**

Provide unemployed individuals (sometimes specific target groups) with the necessary skills and competences to carry out work within a specific enterprise. The rationale behind the IBO measure is that by bringing a job seeker and enterprise together, the VDAB can help develop a training and education plan that allows the job seeker to attain the skills required by the enterprise in question. The job seeker can learn while working at the enterprise and become acquainted with the organisation, prove themselves, and learn the necessary skills. A feature of the measure is that the job seeker receives employment at the enterprise once the training is complete. The rationale is that such specific matching between individual enterprises and job seekers, together with the feature that the job seeker becomes employed, promotes employment through a tailored matching in skills and competences to an enterprise's needs. The goal is to offer 13,500 training programmes in 2012 (11,979 reached), 15,500 in 2013 and 17,000 in 2014.

**Mismatch****EXPLICITLY DESIGNED TO ADDRESS SKILL MISMATCH**

The measure targets unemployed individuals and has the specific goal of setting up a training and education plan so that the unemployed individual learns and acquires the necessary skills to fulfil a specific job within an enterprise. The training and education plan is set up in discussion with the VDAB (the Flemish public employment service), the enterprise in question, and the job seeker. Trainings can last between 4 and 24 weeks and lead to a job at the specified enterprise. As such, individuals are trained to attain the necessary skills and competences for a specific job at a specified enterprise.

**Aim of policy instrument****UPSKILL AND MATCH SKILLS OF UNEMPLOYED****ADDRESS SKILL SHORTAGES****OTHER**

The instrument is also designed in such a way as to make it financially more attractive for enterprises to find and acquire the skills they need, and more financially feasible for job seekers to seek education and training. Furthermore, the direct targeting of a skill needed by an enterprise, and the requirement that a job seeker be hired, mean the chance of employment is very high if not assured.

**Legal basis****LAW**

## Administrative level

REGIONAL

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### Main responsible body

The VDAB, the Flemish public employment service is responsible. It is an autonomous public institution that is not accountable to a specific minister. The organisation is run by a board of directors and it reports regularly to the Flemish Parliament on its activities.

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### Stakeholders



The Flemish government introduced this measure. The Flemish Public employment service (via VDAB) and companies offer training. The VDAB is an autonomous public institution. The VDAB is a key player, as are enterprises who act as the employers as well as the learning environment. There is an internal consulting department that evaluates the education and training a job seeker receives via the IBO. There is also a further consultant within the IBO that screens a job seeker upon applying for the measure and makes sure they are suitable candidates. This consultant also makes sure that other factors and conditions can be met by the applicant (such as transport to their place of training, and childcare services).

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### Funding

The VDAB is funded by the Flemish government. In 2014, VDAB spent €651 million, of which €444 million was allocated to direct services. A further €107.7 million was allocated to external partners. The total cost of the IBO specifically is not publicly available, but in 2014, 14,360 job seekers were enrolled in the IBO, and besides their unemployment benefits, this led to a total cost of €54.390 million for the service. The ESF also provides funds to the VDAB and the IBO. For the period 2016 - 2017, the ESF paid the VDAB €39 million to support it in its activities, specifically for work based apprenticeships and the IBO.

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## Intended beneficiaries

The unemployed, with a focus on individuals with combined problems. The targeted groups range from youth, disadvantaged groups, individuals over 50 and the long-term unemployed. The people enrolled in the programme will have employment after the programme expires, at least for as long as the education lasts.

Enterprises benefit from being able to employ individuals cheaply and train them in the needs and competences required for their specific business activities. As a part of the instrument is hiring the individual after the IBO duration, the enterprise, in effect, has the chance to train and prepare an individual for work in that company at a lower cost.

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## Processes

### Use of labour market intelligence



INFORM JOB-SEARCH DECISIONS OF UNEMPLOYED



ENABLE STRATEGIC BUSINESS DECISIONS

The IBO measure centres on making it financially attractive for enterprises to hire a job seeker for up to 6 months and to train them within their enterprise. This provides the job seeker with valuable work experiences (making them more attractive on the labour market), as well as competences and skills relevant to the enterprise. In this way, job seekers gain experience and are helped further in their job search, and enterprises are helped in their business activities; these two aspects form the main LMSI tools.

### Financial schemes

A financial incentive is used to make it attractive for enterprises and for job seekers to be involved in the IBO measure. The PES, in this case the VDAB, provides the job seeker with a comparable salary to that which they would start earning when they start working at the selected enterprise. The enterprise (the future employer) in this case pays the difference between the unemployment benefit and the level of the future salary as a “prestatie premie” or performance subsidy.

### Frequency of updates

The IBO instrument has existed in its current form for quite some time and is not actively or regularly adjusted unless there is a concrete reason for changing the approach.

## Development

The instrument is quite old and has been in place for some time. It initially started as a response to labour market needs for certain professions, for which there were no education courses available. The IBO worked to establish which skills and expertise were needed and to provide education and skills through placements at companies. The programme has been in place since 1988 and was adjusted and re-introduced in its current form in 2009. Additionally, in 2013, an adjustment was made by the Flemish government concerning the employment contracts a job seeker receives at an enterprise upon completing their training. Before the 2013 adjustment, a job seeker would receive a fixed contract at the enterprise, but with the alteration, enterprises can also offer job seekers a temporary contract. This change was made as a “crisis measure” to better cope with the aftermath of the Euro crisis. This measure does not, however, seem to have been turned back. One adaptation that was made to the IBO in its current (after 2009) form, is that previously, students following part-time VET or education courses could still make use of the IBO. This was changed in 2015. Besides that, no major changes have happened to the instrument. At most, adaptations are made to the focus of the IBO; the VDAB may decide that certain sectors need more attention and focus, or certain groups and types of job seekers. The VDAB for instance releases regular overviews of “knelpuntberoepen” or bottle neck jobs, which receive extra attention.

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## **Barriers**

As the instrument has been running for so long (in its current form since 1998, but it was in place before then), major obstacles or barriers have been resolved. The only issues which the VDAB encounters with its IBO relates to the participants at the individual level. Issues centre around a candidate's ability and willingness to do the IBO, or on their circumstances and being able to participate. Transportation to the employer and childcare services are more common barriers to participating in the IBO for individuals, and this is often an area that a consultant from the VDAB needs to help a job seeker in resolving first. The promotion of the measure still requires further efforts. Since its introduction in 2009 and full implementation by 2011, the measure is still not so well known according to stakeholders. This is a barrier to more utilization of the measure, and one which the VDAB tries to overcome with promotion activities, and information sessions. As such, the VDAB and the Voka, the Flemish enterprise network, regularly hold information evenings to promote the existence of the IBO. However, the outcomes and impact of these information activities are not monitored, and the effectiveness of these sessions are therefore difficult to estimate.

Job.be reported that although the measure is mainly aimed at the Flanders region, many French speaking job seekers and enterprises wish to make use of the measure as well. This does involve a language barrier of course between French enterprises and job seekers, and Flemish speaking enterprises and job seekers. However the VDAB wishes to support French speaking potential beneficiaries by incorporating language components in their training plans where possible.

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## **Success factors**

Three key things are important to the success of an IBO trajectory: 1) the employer needs to have a job opening and really have the intention and need to train and hire a new employee; 2) the jobseeker and candidate for the IBO must be both able and willing to following the IBO trajectory for a given job opening; and 3) there must be sufficient and correct support and guidance on the work floor.

One of the factors to improve the success of the policy instrument are the continued efforts to improve the promotion and awareness of the measure. Although the VDAB promotes the measure, in 2015 the larger recruitment organisations, Job.be, reported that the IBO was still relatively unknown, despite its benefits. However by 2016, the VDAB reported that the instrument has become more visible.

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## Monitoring

The VDAB monitors the number of apprenticeships or training programmes that are started, and the number of apprenticeships that lead to actual jobs. Additionally, the number of applicants and running apprenticeships are also monitored. It should be noted, however, that not all of these statistics are public. The 2016 VDAB annual report indicates that in 2016, 20,592 IBO apprenticeships were set up. The regularity with which these aspects are measured varies, but the number of apprenticeships and jobs generated are reported annually to the Flemish government. Besides monitoring the number of individuals following an IBO course, the VDAB monitors the quality of the IBO courses they provide. The VDAB talks with all of the parties involved at regular intervals: the employing enterprise, and the job seeker (who becomes the participant). The VDAB monitors the number of talks held with different parties, and through a random sample, checks a selection of the minutes made for each of those talks for the quality of the talks. In this way, they have a quantitative and qualitative approach to ensuring the quality of the IBO trajectory offered.

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## Innovativeness

### VERY INNOVATIVE

The instrument combines employer engagement with updating/improving skills in direct relation to particular (anticipated) skill mismatches. As such, it can be considered an innovative instrument. A similar measure already existed for 10 years, but was part of vocational education. The fact that it is now applied for the unemployed is the innovative aspect. The policy in its current form can be considered quite innovative. The idea of directly bringing together a job-seeker and an enterprise to train and educate the job seeker to fulfil the needs of the enterprise is mutually beneficial, and hones in on the core issue of instilling the necessary skills in a job seeker. The job seeker already receives unemployment benefits and can keep on doing so while they learn and are essentially trained for a job at a specific enterprise. This direct matching and training of job seekers and enterprises is a relatively innovative approach.

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## Sustainability

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## **Evidence of effectiveness**

In 2013, 80% of IBO participants were guided to employment. In an evaluation cited by the Flemish government, 90% of individuals in the IBO became employed. As such, the measure can be considered effective. In 2015, 15,379 individuals took part in the IBO. In 2013, more than 70% of the users of the IBO were satisfied, and about 80% of job seekers have gained employment as a result of the measure. Overall, the benefits have been as expected, namely that unemployed individuals move into work more quickly. There have been very few unexpected outcomes of the instrument. In terms of an unexpected benefit, the IBO has become increasingly popular since 2013. Another unexpected development was the popularity of measure amongst Francophone Belgians. To overcome the language barrier for French speaking Belgians to participate, the VDAB also made language training more accessible in combination with the IBO.

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## **Engagement of stakeholders**

The engagement of stakeholders happens at the initiative of enterprises; they approach the VDAB with job openings for which they would like to make use of the IBO. This is a starting criteria for enterprises to participate in the programme. Educational institutions are not so closely involved. Enterprises are generally quite aware of the IBO and employees of the VDAB know to advise enterprises or job seekers to look into the IBO if it seems relevant to their situation. In this way participants and beneficiaries are involved.

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## **Transferability**

### **EASILY TRANSFERABLE**

The measures appears quite transferable. It requires a public employment service (the VDAB in this case), to connect and facilitate a job seeker and an enterprise, and to collectively develop an education and training plan.

A more developed PES with a good database of interested enterprises appears to be an important contextual aspect. Another important aspect is the awareness of enterprises and job seekers that the measure exists; this would require a considered and focused campaign by the PES to convince beneficiaries of the advantages of the measure.

The personalized coaching by the PES in question, and involving the enterprises are components that would need to be set up in a new country. Similarly, the measure involves a job guarantee for the job seeker and this is established in the law establishing the IBO. Therefore, to transfer this measure to another county a similar job guarantee may need to be set up which, depending on the legal and institutional system in another country, require a legal or regulatory change.

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**Sustainability**

The measure has been in place for some time. The system appears relatively sustainable given that there doesn't seem to be any large additional costs (besides paying job seekers their unemployment benefits, which they would receive with or without the use of the IBO). The VDAB does indeed expect the instrument to continue, as it has been quite effective so far. The main issues and challenges that arose upon implementing the measure have been resolved. As such there does not appear to be any reason why the measure should not continue for the next few years.

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