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Teaching case

How IT enables business model innovation at the VDAB

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Abstract

This case study invites students to discuss strategic value creation through the use of information technology (IT). It raises issues of business model innovation, IT strategy, digital platforms, ecosystems, business-IT alignment, and leadership. The key character in the case is the Chief Information Officer, Paul Danneels, who is ready to drive the strategic transformation of the VDAB, the Flemish Employment Agency, from a service provider to a labor market conductor. Starting from a firm understanding of the VDAB's strategic choices, students should be able to discuss the positioning and role of the IT department as well as its views on value delivery.

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Introduction

Brussels, 14th May 2012. Paul Danneels, an experienced Chief Information Officer (CIO) in his early fifties, was preparing for his annual personal performance review meeting with CEO Fons Leroy. He counted himself lucky to have Leroy's ear. They met regularly, both formally and informally, and they had always been on the same wavelength regarding the implementation of the VDAB's strategy. Danneels felt this meeting should not be about his own or his department's performance.

The VDAB was in the midst of a transformation that would radically alter its business model. Information technology (IT) had a crucial role to play. And it was not going to be a walk in the park, since they were entering uncharted territory. Danneels' team was excited about the impact IT would have on the new business model and about the new technologies involved. But could the organization cope? Would it be able to keep up with the pace of change? What's more, they were working to a tight budget.

Danneels knew there was a lot at stake. The government had high expectations and the transformation was under heavy scrutiny from a wide range of stakeholders and lobby groups. He frowned as he remembered 'Big VDAB?,' a debate organized by the Human Rights League a couple of days earlier (see Appendix A). Surely people couldn't seriously think the VDAB wanted to become a paternalistic regulator, or worse, an authoritarian controller.

VDAB, from service provider to labor market conductor

Meet the VDAB

Founded in 1989, the VDAB (*Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding*) is the public employment service for the Flemish region (Flanders).[1] It offers employment services, training, and career guidance.

With the VDAB head office located in Brussels, job placement used to be organized on a regional level, through local one-stop-job shops (*werkwinkels*) that provided integrated services and information. The VDAB website and vacancies could be consulted at train stations, local councils, and libraries, where the VDAB had made available public computers with a simplified touch-screen user interface. Each province had its competence center and local training centers, responsible for training and competency development. Occasionally, in-company training was offered as well (see Appendix B).

Taking a multi-channel approach to service delivery, the VDAB combined face-to-face contacts with call center, internet, text messages, e-mail, and social media.

The VDAB was an external autonomous agency. This meant that it was not directly controlled by the minister responsible, but run by a board of directors including the CEO and representatives from employers' associations, trade unions, and the Flemish government. As a public sector organization, the VDAB was publicly funded and its policy

priorities were determined by government ministers. It was therefore still accountable to the Flemish government.

Every 5 years, a management agreement setting out the mutual commitments for the next 5 years was concluded between the Flemish government and the VDAB. This agreement translated the policy priorities into strategic goals for the VDAB and determined what resources it would receive as well as the corresponding outputs.

Changing labor market

In 2012, the labor market was undergoing significant changes. First, it was not immune to demographic pressure. With the aging population, the balance between people of working age and retirees had started to shift. Moreover, people entering the labor market had other competencies and skills than those who were leaving it. As a result, there was also a qualitative mismatch between workers' skills and the skills required for vacancies.

Second, globalization was having a bigger impact than ever before. As economic cycles were shortening, there was a growing need for flexibility to cope with the changing labor market conditions. Career security would take the place of job security. For Fons Leroy, this meant reflecting on the role of the VDAB:[2]

> Not only will people have to show more self-management than before, the different labor market actors will have to adapt as well. The mismatch on the labor market can only be solved if more people work longer. Given all sorts of productivity constraints, working longer is only feasible if people can work differently. This requires a broadening of the scope of the labor market and career policies. The VDAB, for its part, needs to reflect on its role within those policies.

Finally, against the backdrop of an increasingly IT-enabled world, labor market processes had become IT-driven as well. New technologies for data collection, data mining or data exchange, as well as alternative communication and collaboration channels, and an increasingly social and mobile internet, altered the ways in which employees were recruited or job seekers applied for jobs.

New management agreement 2011–2015

In the management agreement 2011–2015, which was concluded in December 2011, the VDAB was given the task of organizing the provision of new services that would support labor market and career policies. The agreement explicitly acknowledged that this service provision would be strongly driven by technology, and that it was supposed to encourage individuals' self-reliance and self-management as much as possible.

The agreement set out the strategic goals for the VDAB:

1. Activate all job seekers and other non-active citizens on the labor market in as individualized a manner as possible, with a view to their long-term deployment on the labor market.
2. Provide career services for working citizens (i.e. support career design decisions).
3. Ensure an effective approach for all employers (with a special focus on SMEs).
4. Organize labor market-oriented, flexible and future-proof services for competency recognition and development.
5. Extend partnerships.

In comparison with its predecessor, the new agreement placed far more emphasis on the provision of services for employers, on career services, and on partnerships. While the previous agreement was far more exclusively concerned with the provision of services to job seekers, the target group had now been extended to include other non-active citizens as well. This meant that the VDAB would target some 4 million people of working age in Flanders, instead of approximately 450,000 job seekers who would call on the VDAB's services every year. The new agreement also stated that the VDAB must strive even harder to offer a personalized approach to all its target groups. The 2011–2015 management agreement was the first to contain explicit goals for web-based learning and competency recognition. Unless it worked with its partners, the VDAB could not achieve all these goals. The new agreement therefore stipulated that collaboration with all partners must be stepped up.

Essentially, the 2011–2015 management agreement officialized and confirmed the choices the VDAB had been preparing for some time. Fons Leroy had realized the need for change early on and had fine-tuned his ideas for the organization in a business strategy document called VONK,[3] which had been released in 2010. VONK described the transformation from 'a service provider to mandatorily-registered job seekers' to 'a conductor, orchestrating a community of voluntary participants.' This required a fundamental change of mindset, as Leroy explained:

> In the past we could afford to stay put behind our desks. People depended on us, which put us in a dominant position. Things change dramatically if you aspire to facilitate people's careers. All of a sudden, the individual is in the driver's seat. So far, most of our efforts have been focused on the supply side of the labor market, providing training and job placement for job seekers. The role of conductor requires expertise and credibility in both the supply and the demand side. It's only recently that we've started to actively involve employers in our processes and activities.

Leroy knew the transformation would have far-reaching consequences for the way in which services were provided, implying an increased focus on IT-enabled self-service. VDAB counselors and account managers, in particular, would have to adapt to new ways of working. Leroy:

> Large corporations can take the time to see our counselors or account managers during office hours, but for SMEs, this is far more difficult. Different stakeholders require different ways of working. Our service delivery is no longer confined to our offices or office hours. We'll have to be prepared to leave our office, use alternative communication channels, and make ourselves available outside regular office hours. It's a paradigm shift!

The VDAB was to become a network organization in the labor market ecosystem (see Appendix C).

VDAB IT department

Paul Danneels joined the VDAB in September 2007. Fons Leroy had been appointed CEO 2 years earlier and shortly after Danneels' arrival, he began working on what would result in his VONK strategy. Because Leroy and Danneels had taken to meeting up regularly, Danneels was privy to Leroy's plans and ideas early on. As he recalled:

> IT is privileged to have been kept in the loop from the start. That's why we're pretty well prepared. We knew what would be coming our way. Of course, we've had to wait until Fons secured buy-in from all the stakeholders, especially external ones, before we could start implementing our ideas. So at times I've had to temper my team's enthusiasm. We've been anticipating behind the scenes, preparing the infrastructure so that we could start as soon as the business gave the green light.

And once the IT department got the go-ahead, it was with Leroy's unconditional support:

> Paul just has to focus on the strategic projects. He shouldn't be distracted by ad hoc requests from the business or by day-to-day maintenance issues. We've made clear strategic choices and that's where Paul's priorities should lie.

Working principles

To ensure IT would effectively support the VDAB's long-term strategy, Danneels chose to involve the business in the development of IT's governing principles. During an off-site meeting, members of the IT department, together with a sounding-board group from the business, established the IT principles underlying the day-to-day decisions and the management of IT resources and processes.

These principles included the following:

1. The project delivery model relies on partnership with the business for all IT projects.
2. Portfolio-based functioning, that is selection and prioritization based on strategic fit, costs, and risks, ensures clear agreements and plans as well as project coherence.
3. IT resources are allocated and managed at a corporate level in order to ensure professional support based on agreed procedures.
4. A strong internal core IT team, supplemented with external service providers, ensures maximum flexibility and agility.
5. Work is done on the basis of an overall architectural framework (to enable and facilitate the integration of applications and systems).
6. A controllable and robust infrastructure and reliable service delivery ensure good availability of IT-enabled services.
7. The information strategy ensures easy access for internal and external users.

For the VDAB, the challenges for the years ahead lay in cost-effective and customer-oriented service provision in line with the strategic focuses of the new management agreement. Its target group had been extended to include the active population and extra effort was needed to enable employers to find the right candidates in an ever-tighter, evolving labor market. This would require a more personalized, flexible approach and more extensive electronic services provision. However, there was considerable pressure on the government to economize in the years ahead. The VDAB would therefore have to do more with less and Danneels knew the IT department was no exception:

> The IT budget for 2012 is 32 million euros. Service delivery and maintenance account for 10 million. We've also set aside a further 10 million for hardware and software licenses. We can spend 5 million on business and technical projects, which leaves us 7 million for strategic projects. To complete all the strategic projects we've currently identified up to 2015, we'd need at least another 10 million euros spread over the next three years.[4]

IT organization

When he joined the VDAB, Paul Danneels was given the task of reorganizing the IT department to ensure better alignment with the business. Over the years, the organization underwent major changes, which resulted in a more mature IT organization with clear management reporting and cost monitoring (see Appendix D).

Strategy and general management were outlined by the CIO. An IT Core Committee, comprising the CIO and members of the Management Committee, was set up in order to determine the IT strategy and the sourcing strategy (i.e. using internal resources *vs* outsourcing). This core committee also allocated the budget for the different IT areas. In addition, a monthly recurring agenda item at the Management Committee meetings was a discussion of the IT dashboard and any problems.

A CIO office took care of budget monitoring, invoicing, and staffing across all projects, while HR and Logistics monitored all administrative work associated with recruitment, purchasing, and asset management.

The IT department had adopted a project-based organizational structure. The IT project portfolio, and hence the organization, were divided into Strategic Projects (see below), Business Projects (e.g. ERP), and Technical Projects (helpdesk, infrastructure) to reflect budget allocation principles. The project teams retained ownership from concept through implementation to rollout within the organization.[5] This approach reduced the number of handovers and hence errors. Danneels explained how the projects were run and monitored:

> Our project teams are staffed by internal VDAB personnel, supplemented by external consultants. This enables us to respond more flexibly and cost-effectively to the varying demands. Project control itself is based on regular consultation between the business project leader and the IT project leader. Joint business and IT control groups take care of the project monitoring of deliverables, milestones, and budget. And to optimize value creation and business satisfaction, we've adopted Scrum[6] to actually run the projects.

The Process Innovation Team (PIT) played an important advisory role in the prioritization process. It monitored the extent to which a project proposed by the business would contribute to the achievement of the strategy and its budgetary impact both on IT and at the business level. The decision

about whether or not to carry out a project was made by the Management Committee. The PIT reported to the CEO and had a dotted-line reporting relationship with the CIO. The team consisted of people from the business, an IT architect, and external consultants. The PIT had been created for a specific purpose:

> This team was set up in order to help professionalize project identification and project management on the business side. The PIT analyzes project proposals and organizes challenge meetings to assess the strategic, budgetary, and architectural fit of proposed projects. It also monitors the portfolio budget, and consolidates project reporting for the Management Committee. Moreover, the PIT is responsible for creating the business architecture, i.e. it maps business processes and develops master data concepts.

The Architecture and Innovation Unit managed the technical roadmaps. Rather than imposing methods and standards in advance and relying on sporadic controls, IT architects worked as team members on the different projects to ensure that newly developed components could be integrated into the existing architecture. This was a more pragmatic approach, but it avoided last-minute surprises. Recently, Paul Danneels had also given this unit responsibility for investigating new technologies and new ways of working via test bed projects (*proeftuinen,* see section 'New ways of working – enabled by IT'), which were undertaken in collaboration with external partners such as universities, business schools, or service providers. The total budget for strategic projects included a 5% margin calculated on the initial estimated strategic budget to cover innovation initiatives.

Service Delivery & Operations negotiated, established, and monitored Service Level Agreements (SLAs) and maintenance contracts with internal and external service providers. IT had devised a sourcing process that made use of framework contracts for service providers and for outsourced infrastructure management with external partners. It was responsible for the development of an ITSM[7] framework and process improvement initiatives. As well as the follow-up of incidents, it provided on-site support (IT experts) at the job shops and local training centers. In addition, it took care of technical management and support of the telephone, network, and application infrastructure. The team also provided technical application support (databases, middleware, tools including e-learning). Actual infrastructure hosting and management were outsourced (network and server management, backup and storage management, and end-user infrastructure support).

Strategic IT themes

To support the strategic focus of the new management agreement, the VDAB set out to make a platform available with the necessary information, tools, and standards for data exchange, while ensuring quality assurance of the information provided.

In future, the added value of the VDAB would lie not least in improving the transparency of labor market processes by ensuring maximum exchangeability of data, while providing transparency on the source and status of data (i.e. distinguishing between validated data, such as certificates and diplomas, and other non-validated data entered by an individual). Other actors would then know they could trust data with the VDAB validation mark. The more actors that engaged with the digital platform, either to provide or access information and to get in contact with other actors, the more dynamic and relevant it would become and the greater its added value in creating a transparent and flexible labor market.

The VDAB's strategic projects were linked to strategic themes, as Paul Danneels explained:

> These themes are essential strategic elements that form the foundation for our digital platform, which is the basis for our business model. They all revolve around enabling and stimulating stakeholder engagement.

A convenient and appealing career portal for individuals, a tailored approach to employers, competency-based matching, and collaboration and co-creation, were the themes the VDAB had identified. These were translated into concrete tools and applications, the components of the digital platform.

Convenient and appealing career portal for individuals

Not only mandatorily registered job seekers, but any individual who might want to develop and manage his or her career would use the portal to find a job, develop his or her competencies to enhance employability, validate personal information such as training certificates, or access any relevant labor market information.

One of the tools to assist individuals in their career management would be *My Career*, an e-portfolio grouping all career-related information such as diplomas and certificates, jobs, competencies, and trainings. They would manage their portfolio, add or update information, and exchange it with other labor market actors as they saw fit.

An additional tool, *PDP*,[8] would support competency and skills gap assessment, enabling individuals to devise their own personal development plan. *PDP* would closely integrate with *My Career* to avoid duplication of data entry, that is information entered in *My Career* should serve as input for *PDP,* and vice versa. Individuals would remain owner of their *PDP*, providing access to other labor market actors at their own discretion.

The career portal would support online job applications (i.e. the selection of vacancies, either manually or through automatic matching, and résumé submission) as well as competency development (i.e. online registration for training in one of the VDAB competence centers or with other participating labor market actors, and e-learning).

In addition to using the 24/7 online self-service portal, individuals could still call upon a VDAB counselor for personalized information, assistance, or coaching, either in person, via videoconferencing, telephone, e-mail, or chat.

Tailored approach to employers

In their search for qualified, employable personnel, employers would post and manage vacancies (*MasterVac*), and select eligible candidates either manually or through automatic matching. They would be able to establish contact with selected candidates via their employers' portal as well.

To satisfy their need for training and development, employers would access competency development services and

integrate their internal talent and competency management with the tools and applications of the digital platform (*PDP, Competent*) to enhance transparency and efficiency. The employers' portal would also provide access to certified information from authenticated sources (e.g. certificates and diplomas) as well as to any other relevant labor market or policy information.

Just like individual users, employers would have access to personalized services via alternative channels: face-to-face contact, videoconferencing, telephone, e-mail, or chat.

Competency-based matching

The key to maximizing an individual's employability is to find the right fit between his or her competencies, preferences, and aspirations on the one hand and the job requirements on the other.

With a competency-based approach to employability, diplomas and previous work experience would no longer be the only criteria to determine a suitable candidate. This approach was supposed to underpin all labor market transactions. To this end, the VDAB would integrate and enrich an existing competence platform[9] to create *Competent*, a dynamic database that would act as a central, standardized competence backbone for the labor market. *Competent* would be integrated with the other building blocks of the VDAB digital platform, such as *My Career*, *PDP,* and *MasterVac,* to enable more sophisticated automatic matching of job seekers and vacancies.

Collaboration and co-creation

Information exchange and collaboration between all labor market actors would be enhanced through integration with social media and by making as much information as possible available to other labor market actors, enabling them to develop their own applications to enrich the digital platform.

The tools and applications supporting the strategic themes (e.g. *My Career, PDP, Competent,* and *MasterVac*) would therefore have to be integrated into a mobile-ready digital platform, made accessible via the internet. And, as Paul Danneels argued, they should be developed from an outside-in perspective:

> IT no longer only develops systems and applications to support the internal VDAB organization. We have to develop systems and applications that are to be made available to the outside world and that should meet the requirements of all our stakeholders.

New ways of working – enabled by IT

For Paul Danneels it had been clear from the start: the new role of the VDAB as both service provider and conductor of the labor market implied radically new ways of working. An early adopter, Danneels had deliberately chosen to experiment with new, cutting-edge technology.[10]

The implementation of Google Apps[11] in 2011 received a lot of press coverage. The VDAB was the first government agency to move its mail and collaboration platform to the cloud.[12] Danneels had several reasons to opt for the cloud, cost savings being the most obvious one (see Appendix F), as he explained:

> We were boxed into a financial corner. So initially, the choice wasn't so much inspired by innovation as it was by the search for cheaper ways to solve problems.

Google Apps provided cost savings, not only because it eliminated the need to invest in hardware and client software, but also because it enabled low-cost development of custom applications. One of the most telling examples was a training reservation system for a Dutch language course that was set up by one of the VDAB counselors in a matter of minutes using Google Docs, without any intervention from IT whatsoever.

However, there was also a strategic fit. As Danneels would argue, the VDAB needed to become as open and accessible as possible for all its stakeholders:

> We're going to need to provide a platform that everyone can use, where they can share information without any technological barriers. And the cloud offers just that. It also maximally supports Bring Your Own Device and, as such, it effectively enables different ways of working. Because all the applications are available over the internet, counselors are actually going to be able to work from home or anywhere else; an internet connection is all that's needed. The same holds for any other stakeholder who might want to access the platform.

Google Apps was not the only illustration of how IT contributed to rethinking and simplifying the functioning of the business. Test bed projects (*proeftuinen*) were another. Danneels had tasked the Architecture and Innovation Unit to experiment with initiatives that fitted with the strategic IT themes. These initiatives were set up in a win fast/fail fast manner,[13] and Danneels wanted at least one or two out of every five initiatives to yield concrete results. To avoid scope creep, he had identified three areas of interest. These were as follows:

> *Data discovery:* These initiatives investigated how the VDAB could make better use of all its available information, for example design and development of queries to extract competencies from unstructured data such as résumés or vacancies for use in matching algorithms, or profiling of job seekers by looking for meaningful patterns in the available information.
>
> *Open data:* These initiatives focused on making information available in a structured way, using publicly available Application Programming Interfaces (APIs), to enable other stakeholders to develop their own applications such as all the offices of the VDAB, vacancies, and trainings.
>
> *Communication with job seekers and other stakeholders:* Initiatives in this area were to enable more proactive and flexible communication with stakeholders. The initiatives that had been launched until then were all related to encouraging the use of the Google collaboration platform:
>
> - Open appointment system for counselors, synchronizing with the agendas of counselors, job seekers, and team leaders.

- Online job-application coaching using Google Hangout (video application) and the Google document-sharing application.
- Virtual job fairs (see Appendix G).

Danneels stood up from his desk and walked over to the window. His office was on the fifteenth floor. While he admired the spectacular panoramic view of the city below, his thoughts drifted back to when he started at the VDAB. He felt they had accomplished a lot already. They had reorganized the IT department and governance structures. The vacancies databases for internal and external purposes had been integrated into a single source (*MasterVac*), and a first version of *My Career* had been launched earlier that year. Moreover, the organization was starting to get to grips with Google Apps and organizing the virtual job fair in Portugal had been a fruitful experience.

'Not bad,' he mused. But even greater change was yet to come. Some were already dreaming aloud about a fully fledged VDAB Direct, a 100% self-service platform. If asked, Danneels would settle for 80%. Anything that could be done should indeed be done via the platform. But what could and could not be done would no doubt be determined by privacy concerns and regulations.

'We're not there yet,' he murmured as he walked back to his desk. He poured himself a cup of coffee and started pondering the questions running through his mind. They were working to a tight budget, so it had to be first-time-right. Should they seek additional funding? Had they considered all the consequences? What if bigger companies refused to use the digital platform and share their data? What if individuals didn't buy into it? If anything, the success of the new business model hinged on creating a culture of 'want to' instead of 'have to.'

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Notes

1 Belgium has four public employment services: one for the Flemish region, one for the Walloon region, one for the Brussels region, and one for the German-speaking community.

2 In an increasingly globalized labor market, the VDAB would need to be credible as a partner, not only in Flanders, but also in Europe, if not worldwide. The business model innovation at the VDAB was not an isolated initiative but fitted into a wider European context, in which it positioned itself as a frontrunner. During the Belgian presidency of the European Union (1st July 2010 through 30th December 2010), the VDAB was actively involved in drafting the PES 2020 Strategy Output Paper, presenting the common strategy for the future, endorsed by all European Public Employment Services. The strategy paper was approved in December 2011 and described the changes in the role and function of Public Employment Services that would be necessary in view of the implementation of the EU 2020 strategy, taking into account the contextual changes as well as the changes in the labor market and in the way public services providers would have to operate. The recommended business model and service delivery described in the paper implied a shift from labor market actor to labor market conductor, which was consistent with the strategic choices made at the VDAB.

3 The acronym VONK stands for *VDAB op nieuwe koers*, or VDAB embarking on a new course. The Dutch word *vonk* means spark.

4 This budget does not include fixed VDAB personnel costs.

5 That is testing and the management of the development environment were also taken care of on a project level.

6 Scrum is an iterative and incremental agile software development method for managing software projects and product or application development. It emphasizes working principles such as co-location of team members, daily meetings, timeboxing, and incremental development.

7 ITSM: IT Service Management.

8 PDP stands for Personal Development Plan (in Dutch POP – *Persoonlijk Ontwikkelings Plan*). On 19th January 2009, the Flemish government and the social partners, that is the employer organizations and trade unions represented in the Flemish Socio-Economic Council, signed a new mission statement, Pact 2020, which defines a range of policy goals for 2020 for the Flanders region. In line with the European Lisbon Strategy objectives, the region wants to be among Europe's top five regions in relation to innovation, employment, social cohesion, and sustainability. Pact 2020 stipulates that every citizen is entitled to a personal development plan to effectively facilitate and support lifelong and life-wide learning and to enhance inclusion in the labor market.

9 An index of competencies according to the French system ROME (*Répertoire Opérationnel des Métiers et des Emplois*).

10 A global survey, undertaken among C-level executives by a leading strategic management consultancy firm in April 2012, had identified consensus on the three key trends in digital business to be (1) big data and analytics, (2) digital marketing and social media tools, and (3) the use of new and flexible delivery platforms such as cloud computing and mobility.

11 Google Apps is a cloud-based messaging and collaboration platform. It includes web-based e-mail, calendars, document creation and sharing, and other applications (see Appendix E).

12 Cloud computing refers to both the applications delivered as services over the Internet and the hardware and systems software in the datacenters that provide those services. The services themselves have long been referred to as Software as a Service (SaaS). The datacenter hardware and software is what we will call a Cloud. When a Cloud is made available in a pay-as-you-go manner to the general public, we call it a Public Cloud; the service being sold is Utility Computing. *Source*: Armbrust *et al.* (2010).

13 This means they did not have to follow standard project processes and approval procedures.

14 Employability is the capability to move self-sufficiently within the labor market to realize potential through sustainable employment. For individuals, employability depends on (1) the knowledge, skills, and attitudes they possess, (2) the way they use those assets and (3) present them to employers, and (4) the context within which they seek work (e.g. personal circumstances and labor market environment). *Source*: Hillage and Pollard (1998).

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Appendix A

Big VDAB?

On 2nd May 2012, the Human Rights League, together with non-profit organizations *Werkwijzer* (an independent employment service) and *De Lege Portemonnees* (Empty Wallets), organized a debate about privacy and freedom of job choice. Fons Leroy, CEO of the VDAB, debated with representatives from the Privacy Commission, academia, and trade unions.

Below is the poster announcing the debate: Figure A1.

BIG VDAB?

DEBATE ABOUT PRIVACY AND FREEDOM OF JOB CHOICE

"My VDAB" was recently transformed to "My Career", a comprehensive database for job seekers as well as working professionals. From now on, everyone's career will be monitored. Is this an online first-aid kit for job seekers? Or are we facing a "Big VDAB" that will determine our job choice? Is the government going to manage our career choices in the near future? And what about our privacy?

May 2, 2012 – 19:30-21:30hrs

Geuzenhuis, Kantienberg 9, 9000 Ghent

Speakers:
Fons Leroy (VDAB)

Jan Vansevenant (Privacy Commission)

Professor Bernard Mazijn (Professor "Sustainable Development" Ghent University)

ABVV and ACV Trade Union representatives (to be confirmed)

Werkwijzer LIGA VOOR MENSENRECHTEN

Figure A1 English translation of poster announcing debate (original version in Dutch).
Source: VDAB company documentation.

Appendix B

VDAB facts and figures

As at 31st December 2011, the VDAB had 4986 employees, with 17% working in Central Services, and the remaining 83% (counselors, account managers, and instructors) spread over the 68 training centers and 360 one-stop-job shops.

In 2011, the VDAB registered 409,910 job seekers. Just under half of these registered online; the others were registered by a counselor. The VDAB processed 307,423 vacancies, 84.3% of which were filled.

There were 5,124,815 contacts with companies (employers): 453,000 face-to-face, 1,129,463 via the call center, and 3,542,332 online consultations of résumés. The VDAB, together with its partners, organized 73,238 coaching programs and 19,115 mediation programs for job seekers. 58,496 individuals (job seekers and working professionals) completed a training course at the VDAB or one of its partners, representing a total of 14,418,085 h of training.

The total budget for 2012 was 547 million euros.

Source: VDAB 2011 Annual Report and company presentation.

Appendix C

The labor market ecosystem and its actors

The labor market is an ecosystem with many participants or actors, each with specific needs and priorities.

Individuals

Individuals participate in the labor market because they need a job and/or wish to improve their employability,[14] that is the capability to gain and retain employment, either paid or unpaid. Derived needs are training and development, validation of personal information (e.g. diplomas or certificates) and access to accurate, objective information about the labor market (e.g. macro-economic demand and the pattern and level of job openings, regulation and benefit rules, and employer recruitment and selection behavior).

Employers

The needs of employers can be summarized as the need for qualified, employable personnel, that is personnel with the right knowledge, skills, and attitudes for the jobs in question. Derived needs are training and development as well as access to accurate and objective information about the labor market in which they wish to participate.

Others

Other actors in the labor market ecosystem include private staffing and recruitment agencies, educational institutions such as schools, colleges, universities, and other training providers, the government (policymakers), as well as youth

organizations and other community groups in the socio-cultural sector. Indeed, social and cultural organizations play an increasingly important role in lifelong and life-wide learning. Individuals can go to officially accredited organizations for career and personal guidance. The challenge policymakers then face in supporting lifelong career path guidance for all citizens is to streamline the organizations that are accredited to assess people to certify their non-formal and informal learning.

The VDAB

The VDAB is a network organization in this ecosystem of different actors. As a service provider, it fills the gaps left by the market (e.g. by providing training for jobs on the shortage occupation list, or services for specific target groups such as low-skilled workers, disabled people, and older workers). As a conductor, the VDAB facilitates individuals in developing their ideal careers themselves as far as possible. It also stimulates and enables interaction with other stakeholders, ideally with minimum intervention.

Appendix D

See Figure D1.

Appendix E

Google Apps

See Figure E1

Google Apps is a suite of collaboration tools, combining several of Google's messaging and collaboration applications.

For more information, see http://www.google.com/enterprise/apps/business/

Appendix F

Google Apps – Budgeted and actual cost savings

See Table F1.

Potential annual cost savings if e-mail and calendar are 'moved to the cloud' (i.e. migration of Groupwise to Google Apps): 150,000 euros (e).

Taking into account the necessary modifications to Groupwise, the potential cost savings of a migration to Google Apps would amount to 513,000 euros (f).

The actual cost savings proved to be even more significant (situation August 2012): the actual annual costs for Google Apps amounted to 215,000 euros (including extension to 6000 users):

See Table F2.

Moreover, additional annual cost savings of 650,000 euros were achieved by canceling the MS Office license maintenance (the VDAB would continue to use MS Office 2010 without upgrades).

Appendix G

See Figure G1.

On 10/11th May 2012, the Engineering Mobility days took place in Lisbon. This international job fair focused on IT and engineering profiles, and was organized by the Portuguese public employment service. The VDAB attended the event, together with a delegation of 22 Flemish companies. In addition, 11 Flemish employers participated in the virtual online job fair set up by the VDAB.

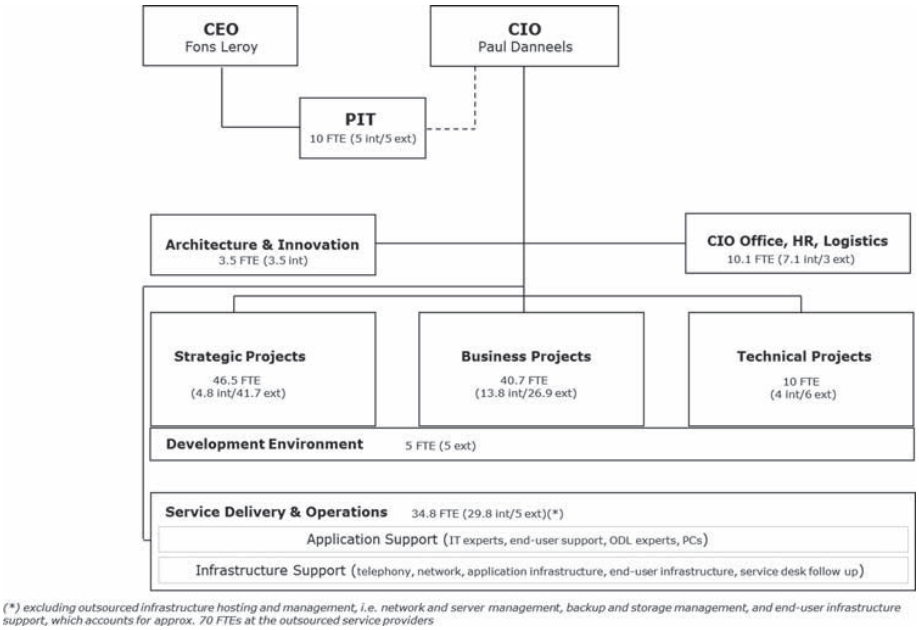

Figure D1 IT Department – Organization May 2012.
Source: VDAB company documentation.

Figure E1 Google Apps - a suite of collaboration tools.
Source: VDAB company documentation.

Table F1 Google Apps - Budgeted cost savings

	Google Apps	*Groupwise and software*	
		Current configuration	*Modifications to groupwise*
One-time cost	Technical migration: 275,477 Change management: 286,770		253,933(c)
Annual costs	367,298(a)	518,149 (b)	362,467(d)
Annual cost savings with Google Apps		150,852 (e) (e) = ((b)−(a))	513,319(f) (f) = ((b)+(d)−(a))

Amounts in euros including VAT; calculations are limited to the e-mail and calendar functions.
Source: VDAB company documentation.

Table F2 Google Apps - Actual cost savings

	Google Apps		*Groupwise and software*	
			Current configuration	*Modifications to groupwise*
Actual one-time cost	Analysis: 118,000 Technical migration: 10,000 Change management: 286,000			253,933 (c)
Actual annual costs	215,000 (a)		518,149 (b)	362,467 (d)
Actual annual cost savings with Google Apps			303,149 (e) (e) = ((b)−(a))	665,616 (f) (f) = ((b)+(d)−(a))

Source: VDAB company documentation.

Figure G1 Virtual job fair Portugal – screen shot of home page as it appeared on 10/11th May 2012.
Source: VDAB company documentation.

The online job fair functionality included the following:

- Each participating company was represented by its logo.
- Clicking on a logo would open the virtual booth of each company, where job seekers could browse the company's vacancies, apply for specific jobs, and submit their résumé (linked to a specific job offer) directly to the company's mailbox.
- All employers participating in the virtual job fair had created a Google+ page that was accessible via the Google+ icon at the top of their virtual booth page.
- Employers could schedule a meeting with the candidates of their choice. Selected candidates would receive an e-mail message with a link to the online chat module of Google+. All that was needed to participate in an online meeting was a Google account or a Gmail account.