

STRENGTHENING THE VOLUME OF EMPLOYMENT IN THE SOCIOCULTURAL SECTOR IN FLANDERS

Executive Summary

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1 | Executive summary

On the one hand, organisations in the sociocultural sector experience a growing pressure for more and better results. But, on the other hand, the financial input in the sector does not grow, on the contrary (for several subsectors). This tendency creates a serious pressure on the performance of the organisations in the sector, to be more efficient and work more effectively.

The sector is also characterized by a high personnel turnover (or mobility) rate. In their report on “Verloop in de socioculturele sector”, the authors searched for the determinants of the high voluntarily turnover rate in the sector (Jacobs et al., 2013). They concluded that young employees (-35 years of age) voluntarily leave the sector because of the working hours and the difficult work-life balance.

The Flemish government and the social profit sector (of which the sociocultural sector is a subsector) have already undertaken several measures (for instance the promotion of several working time reduction systems, and for older workers the introduction of a specific working time reduction system based on extra free days (‘working time reduction’-days)) to make work more workable and to improve the reconciliation between work and private life. Aim is to avoid early retirement out of the organisation and the sector.

This research project is an answer to a question, formulated by government and social partners, in the previous Flemish Intersectoral Agreement on the social profit sector (VIA 4 agreement), to order a research project on the strengthening of employment volume in het social profit sector in Flanders. This research wants to provide more insight in the issues of workload and staffing and focuses on the relationship between different working time arrangements, the way in which they are applied in the organizations and the problems and opportunities relating to capacity and staffing in the various sectors.

As already mentioned, favorable working time arrangements provide opportunities to improve the reconciliation of work and private life and to make the work more (and longer) workable. It can also be assumed that favorable working time arrangements can increase the attractiveness of the sector for new employees and that the current staff will remain (and will remain longer) in the sector.

But these working time arrangements may also pose a threat to certain aspects of work: for example, a higher work pressure, losing touch with the workplace, a declining commitment (for the users of these measures), additional work pressure for their colleagues and an impact on the services provided (on the organizational level).

So we want to find out which of these opportunities and threats the employees, their colleagues and the organizations are experiencing, and whether or not these working time arrangements are, in the final analysis, a solution for the problem of staffing and turnover in the sector, and which elements may be decisive in this matter.

Since the employment volume is the starting point of this research, we will focus initially on the volume of employment in the sector.

- May we conclude that there is a general pressure on the volume of employment created by part-time work and working time reduction systems?
- What is the size of the potential capacity problems in the future?

In addition, the impact of favorable working time arrangements on the workload and staffing at organizational level will be analyzed. We will look into opportunities and threats for the users of the different measures, their colleagues and the organization.

Also, the concrete practices in the organizations concerning working time arrangements and the solutions that are being used to tackle the possible challenges, will be illustrated in the research report.

To provide an answer to the different research questions, a mix of research methods is being used: web survey, cases, analysis of administrative data and analysis of legal agreements.

1.1 The current and future volume of employment in the sector

1.1.1 Quantification of the employment

The employment in the Joint Committee (J.C.) 329.01 has risen between 2008 and 2013 from 18,634 to 20,760 (in number of employees), which means an increase of 11%. A similar evolution of the employment in full-time equivalent (FTE) can be observed. On a more detailed level¹, we observe for the subsectors ‘vocational training’ and ‘local services economy’ an increase of 50%. More than half of this employment growth is caused by the strongly increased number of ‘workers with a service voucher employment contract’ (in particular by one organization named ‘IN-Z’ that is situated in the subsector ‘vocational training’).

1.1.2 Structure of the employment

In analyzing the employment structure of J.C. 329.01 by 2013, we observe a relative volume of employment (calculated as the ratio full-time equivalents/number of employees) of 80%, a feminization degree around 56%, a share of part-time workers around 47%, and an age structure whereby 1/3 is older than the age of 45. ‘Social-cultural adult work’ is with 44% the most ageing subsector.

1.1.3 Dynamic of the sectors

In contrast with our own prospects, whereby only net flows are calculated (which is sufficient in order to analyze the expansion demand and the replacement demand), the Work and Social Economy (WSE)-model calculates gross flows (between sectors or within the sector), that offer a larger employment dynamic. In three of the four considered years between 2007 and 2010 (2008 is the only exception), we observed an annual net inflow (expansion demand) of 4.5% to 5.3%. The large dynamic of this model can be shown by 2010 for example: an expansion demand of 4.5%, an inflow (or backflow) of 26% and at the same moment an outflow of 21.5%.

1.1.4 Future dynamic

Over the past five years (2008-2013), we can determine, concerning the whole J.C. 329.01, a gross inflow of 3,218 persons (or 1,606 FTE), of which the expansion demand consists of 2,126 and the net replacement demand consists of 1,092. Based on our model of predictions, that initially was developed for the health care sector (see the recent report *Tempus Fugit* of Pacolet, Vanormelingen

¹ Employment data at the general level of J.C. 329.01 consist of administrative NOSS-data (in number of employees and in FTE), and are delivered by Department WSE (Faiza Djait). Employment data at the level of the subsectors, consist of Administrative NOSS-data (in places of employment and in FTE), and are delivered by the Department Culture, Youth, Sport, and Media (Marc De Wilde). The major difference between number of employees and places of employment is that the latter encompasses double counting.

& De Coninck, 2014), this calculations can be further projected to 2059 (in periods of five years). These projections, and also the distribution between both demand components, depend on the increasing ageing of the labour force ('replacement demand') and the hypothetical growth of the sector ('expansion demand'). Unlike the model of the Policy Research Centre Work and Social Economy WSE, that is based on a historical growth percentage, our own predictions are based on specific determinants of the future demand of labour, in particular on the basis of participation rates categorized by age.

In what follows, detailed analyses will be limited to the predictions on short term (2015-2019). Both in number of employees as in FTE, only a very small employment growth can be expected in the next decades. After an estimated small growth of 2% (around 400 employees) on short term, no expansion can be foreseen afterwards. The replacement demand will become more and more important due to the ageing of the labour force, so that the gross flow will remain only just beneath the level of the past five years: 3,000 persons or 600 persons each year. Based on an alternative calculation method, in particular through (web)survey of organizations concerning their expected employment growth, we can conclude a null-growth for the five major subsectors. (sport, social-cultural adult work, culture dispersion, vocational training, youth work). For the whole J.C. 329.01, we can see an expected growth of 8%, but this seems to be biased by one organization.

1.1.5 Quantification of the systems of working time reduction

The information mentioned above is needed to answer the main research question, in particular: which impact have these systems of inactivity or working time reduction ("working time reduction'-days², time credit, thematic leaves, unemployment benefit with employer top-up/early pensions/incapacity of work or invalidity, non-subsidized part-time work) on the available volume of employment. We compare the unavailable volume of employment (in FTE) with a common denominator (in number of employees), which hypothesizes that all the employees in the sector work full-time till the age of 65.³

In relationship with this common denominator, the following calculations concerning J.C. 329.01 by 2014 can be shown: an actual performed volume of employment of 74.1%, "working time reduction'-days of 3.1%, time credit of 2.2%, thematic leaves of 1%, unemployment benefit with employer top-up/early pensions/incapacity of work or invalidity of 2.9%, and non-subsidized part-time work of 16.6%. In total, the subsidized systems amounts 9.3%. By 2019 the calculations are slightly different: a decrease of the actual performed labour to 72.1%, the share of "working time reduction'-days slightly increase to 3.3%, time credit (2.1%) and thematic leaves (1.1%) remain steady, unemployment benefit with employer top-up/early pensions/incapacity of work or invalidity strongly increases to 4.5%, and the non-subsidized part-time work remains at 16.9%. The total subsidized systems are raised to 11%. In relationship with the actual performed volume of employment, these volumes become relatively more important: "working time reduction'-days increases from 4.1% (2014) to 4.4% (2019). Based on this estimated increase, the cost increase of the working time reduction for older workers will be calculated.

² Next to the working time reduction for older workers from the age of 45, additional free days are granted for workers from the age of 35 till 44. The amounts of both systems (additional free days from 35 on, and working time reduction for older workers from 45 on) are aggregated when we speak about 'working time reduction (WTR)-days.

³ The 'common denominator' contains the total number of employees, increased with inactive number of employees in case of full-time time credit and unemployment benefit with employer top-up/early pensions/incapacity of work or invalidity: in increase from 20,760 to 21,619. The actual available volume of labour (in FTE) is the volume of labour (in FTE) reduced with WTR-days: decrease from 16,708 to 16,027

1.1.6 Finance of working time reduction

The ‘working time reduction’-days do not implicit an income lost for the employee: he receives a work time reduction with retention of a full-time work income, which means an income improvement per hour worked. The employer or the subsidizing government has to bare this extra cost. An estimation of the subsidies of these extra costs is the main goal of the quantitative part of the study. To what extent will an extra budget be needed in order to replace the extra FTE that are not performed due to the “working time reduction’-days, the next five years? For the J.C. 329.01 this will be around 0.43% of the current volume of employment, which means an annual accrual rate of 0.09%. We presume that a similar budget will need to be founded. It can be a little bit higher because of the seniority in the work, which means that their performed labour time per unit becomes more expensive, even if they are replaced by a cheaper new labour force.

1.2 The situation at the workplace

The qualitative part of this research project brings an inventory of the policies implemented and of the practices in various organizations, in relation to working time arrangements and staffing. The capacity challenges in and according to the organizations are being surveyed.

1.2.1 The current staffing situation

Organizations in the sector are often being confronted with situation of understaffing. The surveyed organizations indicate that this situation of understaffing is partly the consequence of a lack of sufficient financial means to recruit new employees. Also not being able to provide an answer to the growing demand (partly because of the growing social challenges) and to the continuously growing work pressure, is sensed some organizations as a situation of 'structural understaffing, caused by a lack of resources.

Besides not being able to provide sufficient staffing, often because of financial reasons, some organisations experienced also problems with so called ‘bottleneck vacancies’ (vacancies for professions with labour market shortages). In combination with the high turnover in the sector, the capacity challenges will only increase.

1.2.2 Capacity challenges and systems of working time reduction

The capacity challenges can be increased by working time arrangements, such as thematic leaves and ‘working time reduction’-days for older employees, reducing the available working volume at the workplace.

These systems of working time reduction can also have a *negative* impact on the job content of the employees concerned, on their colleagues and on the organization (for instance, more work pressure, discontinuity in the services provided,...). But these systems of working time reduction can also have a *positive* contribution to the attractiveness of the sector for future employees (by which bottleneck vacancies can be avoided). Or these systems can contribute towards ensuring that employees will and can stay longer in their jobs, avoiding early exits. Therefore, *these working time arrangements can also have a positive impact on the capacity challenges* in het organisation and in the sector.

The relationship between the favourable working time arrangements and the employment volume available in the sector, is therefore a complex relationship. In this project and report, different research aspects were brought together to clarify this relationship.

A first important observation with regard to the situation in the sociocultural sector is that, organisations choose (or can choose) less frequently (than in the rest of the social profit sector) for a complete or partial (intern or extern) replacement for persons in working time reduction systems (thematic leaves or ‘working time reduction’-days for older workers). Reason for non-replacement is

often the limited size of the package of tasks or working time to be replaced in mostly small organisations, or the lack of funding to provide replacement. Also, in these budgetary difficult times, organisations are more careful in such decisions and set other priorities.

This non-replacement is the reason that the *impact* of this working time reduction systems may be *larger*, for the workers concerned (often the same tasks need to be finished in less time, they are less employable,...), for their colleagues (who need to take over some tasks,...) and for the organisation (adjusting work schedules, delete or restrict activities, ...).

But the research also shows that these working time arrangements may not only have negative consequences, but also *positive* effects: staff is more satisfied and less likely to leave, colleagues would sometimes have more opportunities to perform other tasks (or support these working time arrangements because they also will be able to make an appeal to these arrangements when they are in need for it), and finally the organization becomes a more attractive employer for applicants (bottleneck vacancies can be avoided). These favourable working time arrangements can therefore also partly help solving or avoiding capacity problems.

The relationship between favourable working time arrangements and the employment volume available in the sector, is therefore a complex relationship. The somewhat divided or dual attitude of employers towards the system is evidenced by the divided responses to the statement that the disadvantages of the different systems do not outweigh the benefits. Whether or not replacement (can) be provided, turns out to be a crucial factor.

