

SUMMARY REPORT

FOLLOW-UP VISIT TO NAV ON 'SUSTAINABLE INTEGRATION' PRACTICES

23 JANUARY 2017



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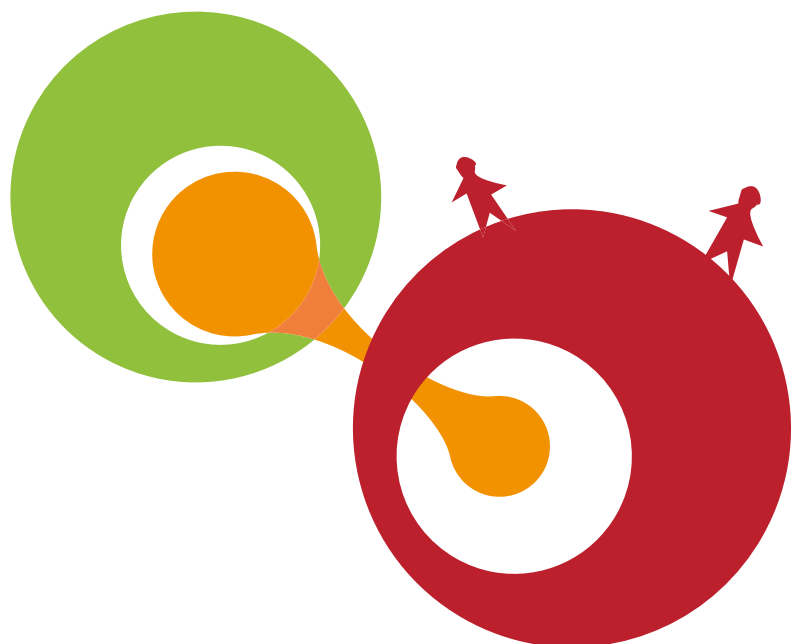
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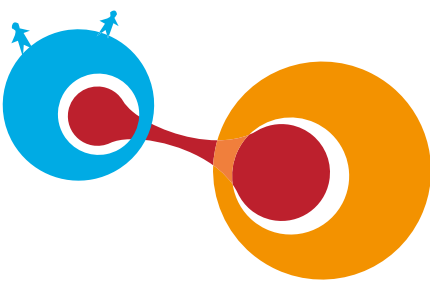
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1. Introduction

The PES Mutual Learning Thematic Review Workshop on 'Sustainable Integration into the Labour Market' was held in Copenhagen (Denmark) on 24-25 of November 2016. Following this meeting, several European Public Employment Services expressed their wish to learn more about the activities and approaches of the Norwegian PES (Norwegian Labour and Welfare Administration – NAV), and a follow-up visit took place on the 23 of January, 2017 in Oslo.

The main topics of the visit were:

- How to build effective relations between the PES and employers to promote sustainability?
- How is post-placement mentoring in the workplace organised?
- How to promote the return of health-impaired individuals into the labour market?

PES representatives from ten European countries attended the follow-up visit, including Belgian-Wallonian (Le Forem), Denmark, Finland, Germany, Iceland, Lithuania, Luxembourg and Slovenia.

2. Background to the NAV and current labour market trends in Norway

The economy of Norway experienced a small downturn in 2015 (related to a decrease in oil production) after a prolonged period of economic growth since 2010. While the unemployment rate remained low and stable in Norway between 2010-2014 at around 3-3.5% (with employment rates steadily increasing), it has increased substantially to 4.4% in 2015. The increase in the unemployment rate was mirrored by a rise in the LTU rate and youth unemployment, especially in counties where the oil industry is important. A new trend has emerged with highly educated people (e.g. specialised engineers) struggling to find employment in especially the Western part of Norway and not wanting to move to other places in the country where more work opportunities exist.

Whilst the unemployment levels rose in the rest of the country, unemployment decreased in Oslo. There is a high demand for labour both in relatively low-skilled sectors such as in construction (due to immigration and population growth), hotels and restaurants (due to an increase in tourism), as

well as relatively high-skilled sectors such as public administration (related to the administration needs which are a by-product of continued increase in public social spending). However, for a significant part of the immigrant population based in Oslo structural unemployment is present with a lack of language skills being the main barrier to employment.

The NAV is organised as a central government agency under the Ministry of Labour and Welfare, and is headed by the Directorate of Labour and Welfare. The NAV has a three-level structure with a head office at the national level, 19 territorial (county) offices and at least one office in each of the 428 municipalities (local offices). Within this structure (which was established during a major institutional reform ten years ago), service delivery by local one-stop shops is organised in partnership with the municipalities. The NAV is responsible for the disbursement of unemployment benefits, sickness benefits, and other relevant social benefits (accounting for 1/3 of the national budget); and all recipients of benefits are obliged to register with the NAV.

It is important to consider that while the unemployment benefits are not particularly generous in Norway (with a replacement rate of 62%, and a duration of one to two years), long-term sick leave payments fully compensate workers at the level of their prior earnings (for up to a year). Correlated to this, Norway has the highest rate of sickness absence in the EU (and the OECD). Accordingly, many of NAV's objectives and much of its work is focussed on people with health problems.

NAV segments clients into different groups based on their proximity to the labour market and health status with the objective of offering appropriate services and measures. These groups are: (1) unemployed people who are expected to find work on their own, (2) jobseekers who have difficulty obtaining or retaining employment¹, (3) people with a reduced capacity to work, when it is assumed that the person will be able to obtain or retain employment, and (4) those with a permanently reduced working capacity. Only a minority of NAV clients fall into the first two categories, with around 90,000 unemployed, while those

¹ Those who have been unemployed for at least 6 months (and are not health impaired) are automatically assigned to this category.



with health impairments (in the two other categories) representing the majority of clients, with around 200,000 individuals in 2016.

NAV's service offers correspond to these client group needs. The first of these groups (short-term unemployed) mainly receive (job-search) services via online channels and are not offered measures. Individuals in the three other categories are offered personalised face to face (F2F) services, and all formulate individual activity plans with counsellors. While non-health impaired jobseekers further away from the labour market can participate in active measures for up to one year, those with health issues can take part for a longer period, and indeed, much of active measures are concentrated on these two target groups.

3. Improved Job Matching

The NAV is currently improving online (digitalised) service delivery – in particular for able-bodied jobseekers closer to the labour market, and an integral part of that is more advanced job matching procedures.

NAV is currently building a complex online job matching portal. The first building block of this service is to improve the effectiveness of registering jobseekers' profiles upon registration. This will entail several elements. Firstly, online CV preparation will become mandatory for all benefit recipients. Secondly, administrative data will be exploited to simplify CV registration procedures, including pre-loaded information from work experience and qualifications. Finally, collection of information on non-cognitive (soft) skills and information about the social environment of the jobseeker will be continued and channelled into the jobseekers' online profile. The second building block of this service is to also encourage employers to use NAV job matching services, which is done through building relationships and 'selling' NAV's services.

Building such online digitalised job matching procedures will be used to improve NAV's services in several respects. Firstly, it will reduce costs (i.e. resources needed for counsellors' time, decreased need for meeting venues), and hence more resources can be directed to those who need it the most (and can, in particular be used for jobseeker follow-up). Secondly, it will offer new functionalities for clients to explore their options in the labour market, by offering them

information on the advantages of alternative job search and mobility strategies, as well as on options for improving their employability. Thirdly, the knowledge to inform services can be enhanced, such that career guidance, advice, measures and instruments can be based on correct statistics and analysis.

4. Services for employers

While NAV has been working with employers since its establishment, it has recently stated among its objectives that it should work with employers and understand the labour market, and in order to do so, NAV strives to build many and better relationships with employers. Furthermore, the NAV provides target-oriented services to employers and has developed a plan on how to further strengthen these.

The first element of providing appropriate services for employers, is that all local offices have a dedicated 'employer-unit' to build relationships. These units have as a prime objective to network with employers, through contacts with chambers of commerce, organising job fairs, contacting recruitment companies and (most importantly) by direct visits to companies. The first purpose of these contacts is to gather information on companies, to know what types of competences they need, to get to know their work organization etc. The second purpose is to 'sell' both NAV, as a partner, and individual jobseekers.

While local offices have considerable autonomy in how they organise employer services and how to choose which employers to work with, there are a number of common 'good' practices to be observed across local offices:

- It is important to ensure that NAV is not simply providing a recruitment service. The aim is to build a long-standing partnership to work with employers in both good and bad times, including post placement support.
- Being available and offering follow-up advice (after placement) is valued by employers. Post-placement support of jobseekers is also valuable to employers.
- Co-operation and sharing experiences between jobseekers', counsellors' and employers' teams is important for improving knowledge of the labour market (and for providing better guidance to jobseekers).

- Finally, while working with employers does require specific ‘sales skills’, most training can be ensured on-the-job and via online courses.

While NAV has been successful in increasing the quantity and quality of co-operation with employers, some challenges remain. In particular, there are some obstacles to safeguarding against employers who ‘game’ the system, since there are very limited options due to limited local office data, for following up on jobseekers’ career after placement, and tracking the duration of subsidised employment. Similarly lists of employers who have violated labour regulations are not easily accessible. Furthermore, there is room for improvement in terms of co-ordination between NAV local offices, municipalities and private agencies (performing outsourced job placements) in order to offer streamlined services to employers.

5. Post-placement services for jobseekers

NAV has recently moved towards a clear ‘work first’ strategy for jobseekers. This means a shift away from the use of sheltered labour market measures and a ‘train-then-place’ approach. The use of active measures now focuses more on employers in the primary labour market, and a range of hiring subsidies is available. At the same time, NAV aims to provide follow-up for those jobseekers who need support after they have been placed on a subsidised job, to ensure the sustainability of their employment.

Currently, support is provided to health-impaired persons, and a prime example of such programmes is the mentoring scheme provided to young persons with health issues. The main points of the general programme are the following: (1) Employers are provided with a hiring subsidy (covering up to 60% of wages) for a limited time (up to three years), and the participant receives a wage according to the going rate. The idea is that the subsidy should compensate for the employee’s lower rate of productivity during the initial (subsidised) period. Since the participant increases his/her competences during this period (in the form of on-the-job-training, or mentoring), the employer will only need subsidies for a limited time; (2) employers can also receive ‘facilitation grants’ to cover expenses when hiring people with disabilities (for instance, specific furniture, special aids and computer programmes)

and; (3) employers can apply for grants to cover wages for a mentor who will help the employee in the normal day to day job.

The main idea of the mentoring element is that a colleague should provide natural support for the (young) disabled person in the workplace. This is particularly important for jobseekers with relatively little (or very intermittent) work experience who might initially get the ‘wrong impression’ of a workplace. Therefore, the mentor is there to serve as a good role model with the right attitudes from the very beginning of the work placement, and who can also serve as a social interpreter in the new work environment. In general, the mentor is an (older) colleague or the immediate supervisor of the health-impaired person.

In order for mentors to be able to successfully live up to these expectations, and as they are the ‘extended arm’ of NAV in the sense that they offer post-placement counselling, the NAV organises a variety of ways to train mentors. These can be in the form of ‘Mentor Schools’ – courses which among other things provide knowledge about mental health issues in the workplace. These courses also discuss the role of the mentor; what can be their expectations of themselves, the mentee and the NAV; and suggest methods for guidance and good communication. A second form of providing training to mentors is the setting up of ‘Mentor Networks’. These are fora where mentors can exchange experiences and get professional input from peers, and generally have face-to-face meetings every two months. Whatever the means of training provided to mentors, it seems important for the mentor to be brave, clear-headed, enthusiastic, patient, and tolerant.

While there have been no evaluations of the practice of natural support provided by mentors in the workplace, there is a general agreement in NAV that this is conducive to more sustainable employment of disabled persons. An additional benefit for employers is that those selected to become a mentor, can perform tasks that make them more satisfied in the workplace which decrease the risk of burnout, and hence will support their better performance in ‘regular’ tasks.



6. Helping health-impaired individuals and their employers

The corner stone of Norway's policy towards the labour market inclusion for health-impaired individuals are the Inclusive Workplace Agreements (IWAs). These tripartite agreements (between the employer, the employee representatives and the NAV) aim to prevent and reduce absence due to illness, increase return to work and improve the working environment, as well as preventing withdrawal from working life. Companies can voluntarily sign up for these, and thereby start a collaboration with the NAV to achieve one or more of the following goals: (1) prevention and reduction of sick leave; (2) increasing the employment of persons with reduced work ability; and (3) postponing the point of retirement. In 2013, about 56 percent of Norway's employees worked in a company that signed an IWA, while 98 percent of public companies and more than 36 percent of private firms signed up. NAV has specific Inclusive Workplace Support Centres (one in each county of Norway) to promote and follow-up on these agreements.

Signing up to an IWA comes with several advantages for employers. They will have (1) a dedicated advisor from an IW Support Centre, (2) access to 'facilitation subsidies', (3) receive remuneration for the company's health service; (4) the company's employees will have a longer self-certification period for sick leave.

The IW Support Centres offer services to employers on several aspects:

- They support and counsel employers in developing and realising their own (internal) inclusion related goals and necessary measures to achieve them. The Support Centres' advisors also raise awareness, and offer advice on several aspects of inclusion. As a minimum, information is provided on laws and statutory requirements, which are very relevant for small employers.
- Advisors offer guidance on how to develop and implement inclusion-related measures. In this respect, one of the most important issues for employers to understand is the difference between a persons' residual work ability and their residual functional work ability. This serves to underline that, even if the individual is unable to pursue work in his/her currently specified tasks (due to loss of functional work ability), he/she might be able

to continue in a slightly different line of work where the person's competences are still utilised (as general work ability might have only decreased slightly).

- Advisors provide help with accessing financial instruments and informing about NAV's measures.
- Advisors can give guidance to the employer when encountering difficult cases, and will facilitate dialogue between different parties.
- Advisors provide statistics on sick leave on the firm and on companies in the same industry in order for the employer to be able to monitor the progress made.

NAV has recently implemented several measures aimed at the re-integration of people with mental health issues into the labour market. Less severe mental health issues, such as anxiety and depression, currently lead to the highest loss of healthy working years in Norway, due to the high number of younger individuals being affected. In order to address this problem, the Norwegian government has launched plans on mental health and work, and several successful programmes have been launched. The main point of these programmes is to overcome the low expectations regarding the employability of persons with mental health issues by concentrating on support that can help such people to work. Furthermore, these programmes take a 'place and train' approach. However, joining the workforce is seen as a perilous exercise for both the individual who suffers from mental health conditions and their (potential) employer. The individual might worry that working may make symptoms worse, they will experience prejudice and discrimination, and that moving off benefits may threaten financial security. The employer might have a lack of understanding of mental health conditions, and hence have a fear that they will not be up to the job, or will be disruptive in the workplace. Thus, NAV advisors need to have competence in how to support the relationship between the employee and the employer, and both employees and employers need counselling in how to make adjustments.

The first of the successfully trialled programmes is the Individual Placement and Support (IPS) approach for persons with more severe mental health issues, which is currently being piloted across nine locations in Norway. The key principles of IPS include a focus on employment in the regular labour market, rapid placement with a minimum of assessment, training on the job instead





of prevocational training and the integration of vocational services with mental health care.

The IPS approach has been extended to persons with common mental health disorders (anxiety, depression), and who are unemployed, on sick leave or are at risk of losing their work in the 'Job Coping Centres'. The programme provided by these Centres has two building blocks. The first building block consists of offering work-focused cognitive-behavioural therapy, which teaches clients skills to modify and change dysfunctional thinking patterns and behaviour that are connected to the issues/distressing work situations. Within the second building block, individuals are provided with individual follow-up on how to handle and manage anxiety and depression symptoms within a work context. Thus, the programme offers guidance to give clients a better understanding of their problems regarding how they function at work, as well as assistance from an employment specialist to help individuals find work or adapt their workplace if needed.

Analysis of the programme has pointed out the following success factors:

- To keep in touch with the workplace (since being out of work results in a loss of self-confidence);
- To have an individual return-to-work plan, including with support from the Job Coping Centre;
- To address the possibility that symptoms might increase once the work has started;
- To only disclose medical information to employers if the client agrees with this.

The programme was found to be more effective than conventional therapy increasing return to work expectations and expectations of positive effect on health of return to work, and ultimately in getting persons with common mental health disorders back to work. Furthermore, clients only needed a limited number of therapy sessions (a maximum of 15 hours spread typically over an 8-9 month period).

7. Conclusions

Over the last fifteen years, Norway has developed a comprehensive approach to enhancing the sustainable employment of persons with health issues. More recently, NAV is taking a clear 'work-first'

Further discussion points with visiting PES

Discussions took place in which the visiting PES explained or highlighted some of the differences in practices between their PES and the NAV. For example with regard to the challenge of how to deal with the high number of employers and the fact that these get approached by several stakeholders, the Luxembourg PES pointed out that they categorise their services towards employers according to the sector these work in.

With regard to the mentoring scheme, the German PES explained that their own staff function as mentors whereas in Norway, these are external to the NAV. It was furthermore pointed out that the mentoring scheme, as presented by NAV in the context of people with disabilities, could be applied to other groups of people.

Finally, discussions covered the services provided to accompany and enable the employment of people with mental health problems. It was underlined that in the context of people with mental health problems, there needs to be an interconnection between different services.

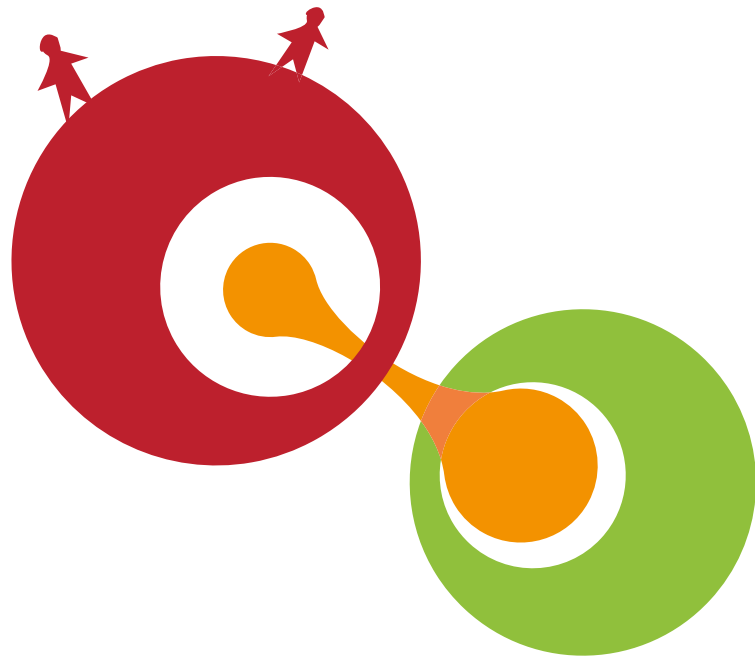
strategy towards jobseekers which led to innovative solutions that seem effective.

NAV's strategy has three main building blocks:

- Ensuring societal acceptance of the idea that workplaces need to be inclusive and that persons with health issues can (continue) to work, if the right attitude and workplace adjustments are in place.
- Building strong, long-lasting and on-going relationships with employers, consisting of three elements: (1) gathering information on firms' competence needs, for a better understanding of the labour market; (2) providing the right economic incentives for firms to ensure sustainable employment and; (3) providing guidance for firms in how to manage working with health-impaired persons.
- Implementing programmes that incorporate a place-then-train approach. In particular, finding solutions that give support to health-impaired persons (through mentoring and natural support in the workplace, follow-up by job counsellors) which ensures that jobseekers are not discouraged during the initial few months after placement.

NAV have also put in place a successful multi-channelling approach. In relation to this, NAV is currently developing a sophisticated online matching system which will result in both better quality job-seeker-employer matches, and more available information on skills needs and successful job search strategies for both jobseekers and counsellors.

Finally, the NAV's strategy seems to be breaking down the traditional barrier between 'in-work' and 'out-of-work' binary thinking in which PES's support tends to be focused on the latter, rather these lines are getting blurred and replaced by a PES service providing support throughout, including post-placement.



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