

# Bottleneck Vacancies in Belgium

## Bottleneck vacancies are a widespread problem

Bottlenecks are a persistent problem for a wide range of occupations in Belgium. According to a survey (Manpower 2013), companies face recruitment difficulties as a consequence of shortage of candidates (43%), lack of experience (27%) and lack of skills (15%). This problem is more severe in Wallonia, although unemployment is higher there than in Flanders. Main reason is that educational attainment is lower in Wallonia than in Flanders. An increase in the level of unemployment in 2010 was coupled with lower vacancy rates. Even though the number of vacancies has declined since 2012, thus releasing pressure on bottleneck vacancies, the main bottleneck vacancies have not diminished. This indicates a structural nature of bottlenecks.

## Main reasons and sectors

At country level a lack of qualified people or a lack of specific skills (including soft skills), especially for high skilled occupations in construction, manufacturing and ICT is the main reason for bottlenecks. The same goes for nurses within health care and teachers in primary and secondary education. Lack of (specific) skills is especially important for commercial functions, such as representatives, but also for truck drivers within the transport sector and cooks in restaurants and catering.


Unattractive working conditions are increasingly important as a reason for bottlenecks, especially for low skilled jobs. These represent the main reason for recruitment difficulties for (domestic) cleaners in the so called "Dienstenecheque" sector and waiters.

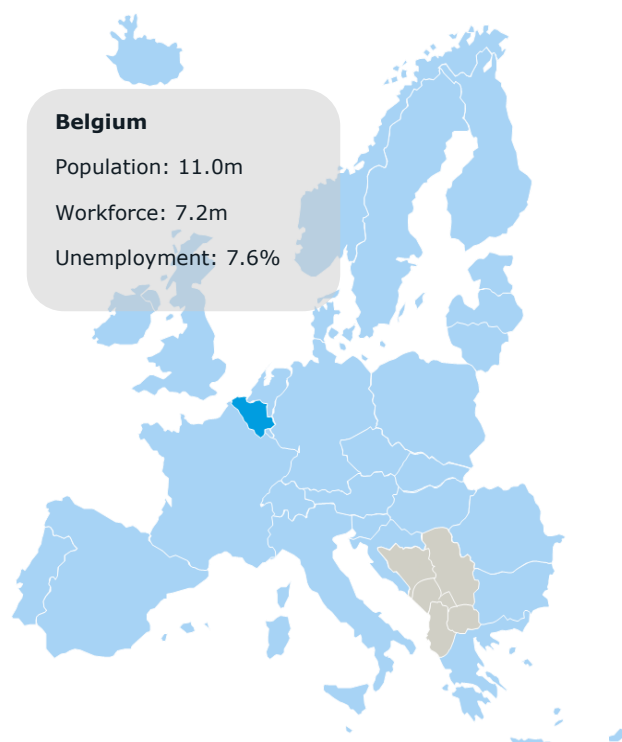
## Coordination within regions

The three regions in Belgium are responsible for addressing bottleneck vacancies. The complex nature of bottlenecks requires cooperation between the public employment agencies of the three regions and sectors. Insufficient regional mobility reduces mitigation possibilities and the regions cooperate to increase interregional mobility. Especially in Flanders a range of activities has been taken up, mostly related to education.

Social partners are mobilised by means of so-called 'Sector covenants'. Regional Technological Centres and collaborations between companies and schools, ensure that curricula are up to date. Despite persistent bottlenecks, Belgian employers rely mostly on traditional HR practices and campaigns to improve the image of their work. Measures related to work organisation are less frequently used.

## Assessment of available evidence

 Good. See page 5 for more information.



## TOP 20 Bottleneck Vacancies in Belgium 2013

Occupation	Development since 2008*
Cleaners	→
Engineers	↑
Technicians	↑
IT professionals	↑
Sales Representatives/agents	→
Nurses	↓
Teachers secondary education	→
Waiters	↑
Electricians	↑
Salespersons	↓
Teachers primary education	↑
Truck drivers	↑
Branch manager	→
Care workers	→
Accountants	↓
Machinery mechanics and repairers	→
Draughts persons	→
Cooks	→
Motor vehicle mechanics and repairers	→
Machine tool operators	↑

\*In 2012 all vacancies declined, so trends are difficult to assess.

# Top 20 Bottleneck Vacancies

The list of top 20 bottlenecks is based on lists of bottleneck vacancies reported by the Public employment agencies in the three main regions in Belgium.

Occupations such as engineers and IT professionals, nurses and (technical) teachers in secondary education have been in the list of bottleneck vacancies for years. Low enrolment in relevant training is regarded to be the main reason for this. Qualification for these occupations can only be achieved through regular education as a bachelor degree is often a minimum requirement in this labour market segment. At the same time, low enrolment figures are also an important reason for shortages at skilled manual level. All regions face similar problems and interregional mobility is not a solution for shortages.

At lower skill level employers value attitude, experience and competences more than diplomas. This concerns almost half of the bottlenecks vacancies. For a range of professions there are sufficient (qualified) candidates, but according to employers candidates lack a proper attitude or motivation. Other causes are a lack of people with the proper competences, or a lack of specific knowledge (e.g. technical knowledge, language, sales talent, relevant

sector knowledge). An older workforce can attribute to bottlenecks in IT and technology, as technological developments require up-to-date knowledge. For commercial functions, accountants, but also for cooks, skills demands are high as employers seek technically oriented employees who are able to deliver quality advice and service to customers.

In various occupations unattractive working conditions contribute to bottleneck vacancies. Representatives, branch managers and salespersons often face high work pressure, combined with uncertain (results-based) wages. High work pressure, physical and emotional stress are relevant factors for nurses, care workers and teachers. For cleaners and waiters unpleasant working conditions are the main reason.

The occupations reported by the three PES agencies were classified according to the ISCO-08 classification. For each occupation reported, the number of vacancies was summed over the three regions for the period 2008 to 2012. The ranking is based on the number of vacancies in 2012. (see page 5)

Rank	Bottleneck Vacancies	Number of Employed 2012	Skills level (ISCO-08)	Region
1	Cleaners	82,983	Elem	Flanders, Wallonia
2	Engineers	54,621	HS	National
3	Technicians	23,921	HS	National
4	IT professionals	104,737	HS	National
5	Sales Representatives/agents	42,180	HS	National
6	Nurses	153,206	HS	National
7	Teachers secondary education	146,006	HS	Flanders, Brussels
8	Waiters	60,148	SNM	National
9	Electricians	36,765	SM	National
10	Salespersons	184,136	SNM	National
11	Teachers primary education	63,047	HS	Flanders, Brussels
12	Truck drivers	97,274	SM	Flanders, Brussels
13	Branch manager	62,735	HS	Flanders
14	Care workers	25,077	SNM	Flanders, Brussels
15	Accountants	71,442	HS	National
16	Machinery mechanics and repairers	12,050	SM	National
17	Draughts persons	15,996	HS	National
18	Cooks	45,665	SNM	National
19	Motor vehicle mechanics and repairers	41,602	SM	National
20	Machine tool operators	8,670	SM	Flanders

## Main sectors with Bottleneck Vacancies

Sectors	Bottleneck vacancies
Construction	Engineers, technicians, designers, electricians
Manufacturing	Engineers, production managers metal workers and machinery operators and mechanics
Healthcare	Hospital, geriatric and head nurses, care workers, laborants, specialists
IT sector	Application programmers, administrators
Restaurants	Chef, Sous-chef, cooks, waiters

**Bottleneck vacancies for cleaners is related to the popularity of the so called "Dienstencques", federal subsidised vouchers, which private parties can use as means of payment for domestic household services to registered companies. 60% of the employees of dienstencque companies have to be formerly unemployed. Employment in this activity is expected to grow 4.6% up to 2018, being the fastest growing activity in Belgium.**

### Bottleneck problems in various sectors

Bottleneck vacancies are found in different sectors, but occur predominantly in construction, health care, education, manufacturing and transport. Together these sectors comprise more than half of the Belgian labour market. Various bottleneck occupations are not related to specific sectors, like accountants and IT professionals.

All economic activities in Belgium are expected to grow in the period 2014-2018. Average yearly growth is projected at 0,7% and it is highest in the "Dienstencques" sector (4,6%). Other growth sectors are health care and social services (1.9%), construction (1%), as well as transport and communication (0.7%). At the same time, supply of labour for the period 2014 to 2018 is expected to grow by 0.5% per year, slower than in previous years, mainly as a result of a decrease in the population at working age. The number of students is expected to grow at a lower pace and while the number of STEM students has increased, in most cases this occurred at the expense of other technical subjects.

## Main reasons for Bottleneck Vacancies

### Lack of supply of graduates

The low enrollment of students in technical training is one of the main causes for bottleneck vacancies in this sector. In the Flemish region technical and professional secondary education (TSO and BSO) is viewed as less attractive an option if compared to general secondary education. Moreover, the supply of BSO and TSO graduates is limited to a few schools and suffers from shortages of teachers and up-to-date equipment. The lack of students makes this type of training also less profitable.

### Upskilling and technological development

Employer demands increase, not only in relation to skills, but also to competences and formal qualifications. Formal education, a bachelor, or masters level degree is more than ever demanded for technicians and IT professionals. The higher demand follows from increased automation and use of ICT as well as from the need to keep pace with technological developments which require constant updates. Some experts believe that employer demands are unnecessarily strict in some cases. Fast technological development also raises difficulties for education in adjusting their curricula.

### Lack of proper attitude, motivation, specific and linguistic skills

Part of the bottleneck problems are caused by a lack of soft skills, like a proper attitude or motivation and specific skills or competences. Companies, especially in construction judge the motivation and attitude of candidates as fairly weak. Truck drivers are required to acquire certain certificates or follow compulsory training.

Language differences between the French and Dutch regions hinder interregional mobility and contribute to differences in bottlenecks across regions. In the region of Brussels both languages are used thus making certain positions even harder to fill.

# Initiatives to cope with Bottleneck Vacancies

Measures related to education are one of the most important remedies chosen, as these provide long term solutions. Students (especially females) are motivated to choose a technical study and career through the STEM action plan 2012 – 2020 of the Flemish government. At the federal level the government stimulates unemployed to take up a study that leads to a bottleneck occupation.

Through the sector covenants, sectoral social partnerships are activated aimed at increasing education and training, at improving the match between educational supply and employers' demand and at steering students into bottleneck vacancies through campaigns. AGORIA, the sector organisation of the Belgian technological industry organises the Technogirls days, where girls could visit companies in technological sectors. An initiative for IT is the Digital experts promotion campaign to stimulate children to choose an IT career.

## Skills Strategies

In sectors where bottlenecks are persistent companies are investing more in education and training of staff.

Metal working companies spend more on training and education than the average Belgian company. Training on the job is a strategy that is often used. For instance, during their first period at work, newly hired electricians work together with more experienced colleagues.

As general competences are similar across a range of professions, the Flanders' PES (VDAB) provides modular trainings for different occupations. The modules focus on specific skills that candidates need for certain occupations. Given their limited duration, they can address bottlenecks in the short term.

At the federal level training of unemployed workers is facilitated. Unemployed can attend training that leads to a degree for a bottleneck occupation without losing their unemployment benefits and without the obligation to be available on the labour market.

## Regional strategies

In Belgium intensifying recruitment is the preferred solution. Companies rely on open job applications as their main recruitment channel but this practice has proven ineffective. In 2011, only 7.6% (around 2,100) of the existing bottleneck vacancies were filled this way (Braes & Herremans 2012).

Companies increasingly recruit talent abroad exploiting less restrictive immigration policies for high skilled profiles. Construction benefitted from a large inflow from workers from new EU Member States and neighbouring countries (e.g. the Netherlands). This reduced the magnitude of the bottleneck, but did not solve the problem completely.

## Work organisation

A survey by Idea consult showed that around 6% of the companies ceased production as a result of labour shortages and around 30% of the companies considered a cutback (Valsamis et al 2012).

Outsourcing is seen as a viable solution for coping with labour market shortages by 40% of the companies (Idea 2012). This strategy is often used, as 26% of the companies have already outsourced part of their activities. This is standard practice in the IT sector even though offshoring is not seen as a viable solution (Valsamis et al 2012).

## Recruitment

Addressing bottleneck vacancies is a regional responsibility in Belgium. The Flemish region has different policies in place.

The Flemish PES (VDAB) for instance offers income guarantees in order to make part time jobs with low wages more attractive, under the condition that the worker is available for full time jobs. This policy is especially effective in activities where strong (international) competition diminishes the possibilities to increase wages.

The VDAB also subsidizes apprenticeships (IBO) for job seekers.

# Main sources used to identify Bottleneck Vacancies in Belgium

The main sources for the identification of the bottleneck vacancies are the lists of bottleneck vacancies published by the three Public Employment Service agencies: Le Forem (Wallonia), VDAB (Flanders) and Actiris (Brussels).

The approach used by regions to identify bottleneck vacancies are comparable despite not identical. The same holds for the causes of bottlenecks. Three causes are distinguished: quantitative (lack of supply), qualitative (lack of skills) and working conditions.

In order to produce a national ranking the regional data concerning occupations were classified according to ISCO classifications. For each occupation reported, the number of vacancies was summed over the three regions for the period 2008-2012. As national data on employment by occupation are missing, the ranking is based on the number of vacancies in 2012. The occupations reported are the description of the occupations that are mentioned in the regional lists.

As bottleneck vacancies are a persistent problem, the issue is well addressed within research and literature. Desk research, together with interviews and news items on websites of sector organisations, has been used to validate the findings and draft the final list of occupations and mitigation strategies.

The three regions each publish lists of bottleneck vacancies since the late 1980s (Flanders) or 1990s (Brussels and Wallonia). The quality of data concerning bottlenecks is therefore good and enables following bottlenecks over time.

Comparability between regions is difficult. All regions use comparable criteria for bottleneck vacancies but different critical thresholds. For this reason, statistical data have been cross checked with labour market specialists and representatives of different sectors.

Occupations are classified according to different codes. Wallonia uses the ROME code to classify job functions. The VDAB used the national employment office (AMI) codes, but has switched to the ROME code in 2012. Brussels uses its own codes, but will switch to the ROME code. The list of bottleneck vacancies is limited in Wallonia and therefore more volatile.

The number of vacancies reported by FOREM is based on a survey among employers reporting a vacancy to the public employment office. Actiris and VDAB derive bottleneck vacancies on the basis of vacancies reported. As not all vacancies are reported, the figures are likely to underestimate the size of the phenomenon.

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Three interviews conducted with key stakeholders and experts.