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NORDLAND RESEARCH INSTITUTE

"Quality is what we do in everyday life"

Evaluation of quality in sheltered work and quality assurance system EQUASS

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SUMMARY

This study comprises of an evaluation of the extent of which the services provided by the Norwegian labour market enterprises comply with the quality requirements set by the labour market authorities, and an evaluation of the implementation of quality assurance system in these enterprises operated by EQUASS. The study was commissioned by the Norwegian Ministry of Labour and Social Affairs, and conducted between August 2013 and September 2014.

Purpose of the study and the research questions

The evaluation had two overall aims. Firstly, it was designed to assess the quality of labour market measures in sheltered enterprises. The key issues in this respect are concerned with how employees working for the labour market enterprises and NAV (The Norwegian Labour and Welfare Administration) understand quality, what they consider important for ensuring good quality services, and their assessment of the quality in the various sheltered labour market measures. We argue in favour of the importance of focusing on quality throughout the processes involved in a labour market measure, as stated in the quality indicators, which encompass the planning, implementation, and the results of the various schemes. Secondly, the aim of our evaluation has been to study the implementation and effects of the EQUASS quality assurance system in sheltered enterprises. What experiences have these enterprises had during their implementation processes, and how important do the employees in sheltered enterprises and NAV think that EQUASS has been for the quality of the services provided?

Methodical approach and basic data

Our evaluation is divided into four parts which employ both qualitative and quantitative research methods:

- The first part of the study involved sending a questionnaire to all of NAV's offices. The percentage of responses received was low (36 %), so the results from the survey need to be interpreted with caution. However, those who responded came from small, medium-sized and large municipalities from all over the country. The questionnaire was answered by NAV employees who are responsible for sheltered labour market measures.
- The second part of the study involved sending a questionnaire to all of the labour market enterprises in Norway. The percentage of responses received was 62 %. The questionnaire was answered by the enterprises' representatives who have been responsible for the process of introducing EQUASS. The respondents came from municipalities of varying sizes in all of Norway's counties, and they represent small, medium-sized and large enterprises.
- In the third part of the study we conducted case studies at eight labour market enterprises of various sizes from different parts of the country. We interviewed regular employees and participants in various

This part of the study also comprises of interviews with representatives from non-governmental organisations representing labour market enterprises (the ASVL and the Association of Vocational Rehabilitation Enterprises), auditors associated with EQUASS Norge, EQUASS Norge and the labour market authorities. This part of the study is comprised of 73 informants in total.

- In the fourth part of the study we conducted a re-analysis of the material obtained from four previous studies which were carried out by the Nordland Research Institute about labour market measures in sheltered enterprises. We focussed on how NAV and labour market enterprises have interpreted and worked with the quality assurance of such measures over time.

What is considered important for ensuring good quality in sheltered labour market measures?

In the questionnaire we sent to the labour market enterprises we asked the respondents to consider how important they thought different circumstances were for the quality of the services provided. Of the circumstances mentioned the highest percentage state that the following are very important for quality: opportunities for flexibility and individual adjustment, and good cooperation with local NAV offices. A higher percentage of the respondents from the larger enterprises (61 %) state that facilitating work is very important, compared to that of the respondents from the smaller enterprises (29 %). The respondents refer to the following circumstances as being important for ensuring good quality in respect of sheltered labour market measures:

Circumstances relating to structural quality

- Clear orders from NAV
- Quality assurance system
- In-house and external training arenas
- Expertise and professional understanding among employees

Circumstances relating to process quality

- Good relations with external partners
- Good cooperation with NAV
- Providing experiences which is enabling and gives a meaningful work situation/existence
- Good documentation (interim and final reports, minutes of meetings, etc.)
- Good working environment and well-being
- Tools, procedures and routines
- Preparation of individual action plans
- Confidence and respect between supervisors and participants/VTA employees¹
- User involvement

Circumstances relating to quality of outcomes

- Target achievement – facilitating work or work-related activities
- Better quality of life and state of health for participants and VTA employees

Employees in labour market enterprises think that it is important to ensure that the services offered to participants represent something *meaningful*. This means having an active everyday life, and a working life where one's duties and activities are «real work» as well as participation in labour market measures which is considered to make a contribution to society. This also includes the fact that being active in a workplace with a good working environment can help to improve and safeguard the quality of life and life situations of individuals. In various ways they also refer to professional quality, the development of professional standpoints and tools, as well as documentation. Several of them also talk about cooperation and relations with both NAV and local employers as being an important aspect of service quality. As far as the participants in these schemes are concerned, good quality is closely connected to enjoyment, well-being, having varied work duties and having a good working environment. In regards to time-limited labour market measures, such as Individual Needs

Assessment, APS (Work Preparation Training in a Sheltered Environment) and AB (Supported Employment), it is also important for the participants that focus is placed on facilitating employment.

NAV places slightly greater emphasis on early work placements with regular employers, short-term implementation and facilitating employment, as being important in relation to the quality of services. This is also pointed out as being important by the respondents from the labour market enterprises, although they simultaneously place considerable emphasis on several other circumstances relating to implementation of schemes. NAV identifies that the quality of the labour market measures offered by sheltered enterprises, and what is regarded as being good quality, needs to be assessed against the individual participant's plan and their objectives. NAV refers to its own lack of capacity at both local and county level as an important factor, which could reduce quality in respect of follow-up and cooperation, both with individual users and the enterprises.

Is the quality of the services offered by sheltered enterprises satisfactory?

The study shows that the quality of work-related labour market measures that is offered in sheltered labour market measures is largely assessed by parties in the field as being satisfactory in relation to the requirements stipulated by NAV. On the other hand, the questionnaires show a discrepancy between the assessments of quality in the various types of labour market measures made by NAV, and the labour market enterprises. The enterprises consider quality to be much better than NAV does. They generally state that the quality of the Individual Needs Assessment, APS, AB and VTA schemes is good or very good, although they are slightly less certain about the quality of the KIA (External Vocational Training) and TIA (External Adapted Work Training) schemes. The NAV respondents consider that the quality of the VTA scheme is best. Both the enterprises and NAV think that the quality of sheltered labour market measures has improved during the last few years. 85 % of the respondents from the enterprises state that the quality of these measures is better today compared to three years ago. A slightly higher percentage of enterprises with 41 or more employees (93 %) consider quality to be better today than the percentage of enterprises with 20 or less employees (83 %). In regard to the questionnaire sent to NAV, 67 % of the respondents state that the quality of the schemes offered by the labour market enterprises with which they cooperate most, are better or much better today than they were three years ago.

The enterprises place great emphasis on the fact that the schemes should be of high quality, and comply as much as possible with NAV's orders. At the same time we have gained the impression that NAV's orders have become clearer and that participants in labour market measures are being followed up more closely. Enterprises have acquired better procedures for the implementation of these schemes, their employees are more skilled and they are paying more attention to documentation during the scheme process. In regards to the different circumstances relating to service quality, the results from the questionnaire sent to the labour market enterprises show that:

- A considerable majority of the respondents (82 %) consider their enterprise's professional expertise to be either satisfactory, or very satisfactory. A high percentage of the larger enterprises (98 %) state that the professional expertise of their employees is either satisfactory, or very satisfactory, compared with 74% of the smaller enterprises.
- Just over one third consider NAV's orders to be clear (35 %) and that the financial framework conditions are good (34 %).
- 87 % of the respondents consider the opportunities for flexibility and individual adjustments under the measures, to be either satisfactory, or very satisfactory in their enterprise.
- 77 % of the respondents from the larger labour market enterprises consider «facilitating work» to be either satisfactory, or very satisfactory for the enterprise. 39 % of the respondents from the smaller enterprises have a similar response.

NAV's satisfaction with the labour market enterprises varies. At those NAV offices where they

cooperate with just one enterprise. In regard to the different circumstances relating to service quality, the questionnaire sent to NAV highlights that:

- While 73 % consider that «cooperation with NAV» is either satisfactory, or very satisfactory, only 16 % rank «transition to work» in a similar way.
- 37 % consider the quality of the enterprises' reports about participants to be either satisfactory, or very satisfactory.

Experience with implementation of the EQUASS quality assurance system

Labour market enterprises offering work-related schemes in sheltered settings were provided with a deadline of the end of 2011 in order to become certified under a quality assurance system offering external reviews and certifications. Most of them chose EQUASS, which was also recommended by the two trade organisations. The enterprises first became EQUASS certified in 2007-2012. A high percentage of the largest enterprises were certified early on, something which is probably due to the fact that they already possessed experience of working systematically on quality work. There have often been one or several people who have had overall responsibility for the certification process within the individual enterprises, and at the same time they have attempted to introduce this quality assurance system to all the employees in their particular enterprise. The labour market enterprises experienced the certification process as being very demanding on their time and resources, not least because we are talking about a comprehensive system which sets high requirements in respect of written documentation. A large majority of the respondents from these enterprises (94 %) state that initial EQUASS certification took a long time. Just over one third (37 %) of the respondents state that they experienced no problems with the certification and re-certification process. In the interviews, the employees say that they thought the language used by EQUASS was difficult, and that it was difficult to understand the criteria. The employees identified a need for better EQUASS training during the period leading up to the first certification. Some challenges have been experienced in introducing the quality assurance system to other employees. EQUASS re-certification, which is carried out every second year, is experienced as being slightly easier, although the respondents also said that it was time-consuming. Several of the enterprises currently are keen to simplify the amount of documentation required.

On the basis of the study, we will point out what we consider to be important criteria for success in the implementation of EQUASS for labour market enterprises:

- One employee should have dedicated responsibility for the implementation process
- The process should be initiated by the management
- All regular employees should be involved in the certification and implementation process
- Adequate resources should be allocated in terms of time and personnel
- The enterprise should have continuous focus on quality processes
- Employees should possess the necessary expertise
- Managers and employees should agree about basic attitudes and values relating to such work

How has the introduction of EQUASS affected the services offered by sheltered enterprises?²

There is general agreement among the employees in the labour market enterprises that we interviewed, that EQUASS has improved the quality of the services offered by sheltered enterprises. Around half (45 %) of the respondents from these enterprises believe that EQUASS is important for quality of their services. 78 % consider that EQUASS has improved the quality of their services. One quarter (24 %) of the respondents from the labour market enterprises said that re-certification of EQUASS is experienced as being relevant and important. If we include everyone who replied «slightly

² Since our study shows that employees at local NAV officer possess little knowledge about EQUASS as a quality assurance system and have modest interest in it, and because the percentage of respondents to the questionnaire sent to NAV was low, we have

agree», this applies to 63 % of the respondents. More of the enterprises which were certified at an early stage state that EQUASS is important for quality, than those which were certified in 2011-2013. A slightly higher percentage of respondents in the larger enterprises state that EQUASS is important for quality, compared to the smaller enterprises. The employees believe that the introduction of EQUASS has improved the quality of their services because the certification process has helped the enterprises to be more aware, better procedures have been set up in respect of follow-up of scheme participants and VTA employees, and better documentation is being produced. Listed below is the percentage of respondents who believe that different circumstances have been greatly or considerably changed for the better following EQUASS certification³:

- 73 % believe that there has been an improvement in the awareness of employees at labour market enterprises about their own operations (96 %)
- 23 % believe that the enterprise's efficiency has improved (68 %)
- 38 % believe that reporting to NAV has improved (76 %)
- 41 % believe that there has been an improvement in how their enterprise is complying with the results and quality targets which are stipulated in their agreement with NAV
- 50 % believe that there has been an improvement in the follow-up of participants (86 %)
- 62 % believe that there has been an improvement in the way in which their enterprise practices user involvement (93 %)

However, the employees in the labour market enterprises also state that they are slightly ambivalent about the EQUASS system. They can see the advantages, but at the same time they think that the system is time-consuming and sometimes unnecessarily comprehensive. Several of them think that there should be a simpler version for the smaller scheme organisers.

The respondents from NAV believe that the introduction of a quality assurance system helps to improve the quality of the services that are provided by sheltered enterprises. However, the study shows that executive officers at local NAV offices have little knowledge about, or interest in, EQUASS. Around one third (36 %) of those responding to the questionnaire sent to NAV state that EQUASS has improved the quality of the services offered by the scheme organisers with whom they cooperate. Almost half (47 %) responded «don't know».

How is quality at sheltered enterprises currently perceived, and how can it be improved in the future?

The results of the study indicate that the employees of NAV, and scheme organisers, generally possess the same understanding of the concept of quality. Good quality services are basically understood as achieving targets in relation to orders for individual scheme participants. During the last few years there has been a change in their understanding – primarily in NAV's understanding, but also in that of the labour market enterprises – whereby they are associating quality more closely with facilitating regular employment. Individual respondents from the labour market enterprises have expressed concerns because the pendulum is in the process of swinging too far in one direction – where the focus is largely being aimed at labour training in external settings and facilitating regular employment. They believe that this could have a detrimental effect on the quality of the services provided for participants who need close, long-term follow-up and work trials in sheltered settings. However, the study shows that both the enterprises and NAV have an understanding of quality which is something more than just the results of the scheme in question. Furthermore, the circumstances prior to and during actual implementation of such schemes are considered to be important by the parties involved.

We consider it as important, that the labour market enterprises and NAV should be able to reach a common understanding about what quality in sheltered enterprises should involve. The quality of services must be seen as a feature of services which encompass different circumstances, linked to whatever occurs before a scheme is implemented, the actual implementation of the scheme in question and its results. The various aspects of quality, e.g. facilitation figures, flow time and final reports must therefore not be presented unilaterally as a full picture of the quality of the services involved. In regards to the services offered by sheltered enterprises, quality can be regarded both as a feature of the results of the scheme in question, and as a feature of the actual process – the path leading towards the results. Quality is thus linked to both the results of, and process relating to schemes. The results of a scheme will be dependent on circumstances relating to the implementation of the scheme in question and to circumstances occurring prior to such.

If good quality results are desired, it is key that the quality is maintained throughout the whole process. As a part of this, the orders from NAV must be clear. A good match between a scheme and a person is required, and whoever the scheme is being applied for, as well as the scheme organiser must collaborate in the work which takes place prior to the formulation of the order. This is to ensure clarification of shared expectations and objectives. It is also important that labour market enterprises engage in a dialogue with scheme participants. Individual action plans (based upon the orders from NAV) should provide guidelines for the content and organisation of a scheme. Action plans must also be used in a way which provides the participants with an experience of ownership in relation to them. These plans must then be evaluated and re-assessed on a regular basis, based on the experiences gained from work trials, so that any necessary adjustments can be made during the process, while the initial order should always be kept «in front» to serve as a guideline.

Good quality in labour market measures should be seen in relation to NAV's orders for each individual participant. This means that it is possible to say that the same labour market measure has been successful for two participants, even if outcomes are different – simply because the orders and the individual action plans have been different. As far as time-limited labour market measures are concerned, good service quality will be linked to the extent to which participants are provided with work, or to active solutions, since this is one of the overall objectives contained in the specification requirements. For labour marked measures not limited in time, quality will be largely linked to the extent to which participants experience their everyday lives as being meaningful, with qualifying work duties.

Concluding recommendations

We would like to conclude by pointing out some areas which we think may be important for any future quality work undertaken in this sector.

Labour market enterprises

- This study shows that placing constant focus quality, and working on quality at all stages of the process in labour market measures, helps to raise the quality of the services provided. Labour market enterprises should therefore continue their work on quality assurance and quality development of the services they offer.

Local NAV offices

- The study shows that the employees of labour market enterprises think that NAV's orders for individual participants have improved, but that they are not always clear enough. The labour market enterprises think that they have become better at contacting NAV if an order is not experienced as being clear enough. We propose that NAV should implement processes designed to clarify, limit and define orders for participants for whom schemes are being applied.
- The results show that executive officers in local NAV offices have relatively modest knowledge about

quality assurance systems so that NAV can utilise the opportunities available for development and quality improvement, something which the system is designed for. Most labour market enterprises are currently EQUASS certified and it would therefore be an advantage to increase NAV's knowledge about EQUASS.

- Our respondents from local NAV offices have stated that they are experiencing challenges associated with having a lack of capacity to follow up participants on labour market schemes and having satisfactory cooperation with scheme organisers. Cooperation between NAV and the labour market enterprises has improved and has become more formalised, but it is still not prevalent everywhere and it is not always satisfactory.

The Association of Vocational Rehabilitation Enterprises, ASVL, EQUASS Norge and the European Platform for Rehabilitation (EPR)

- This study shows that labour market enterprises have experienced, and are still partly experiencing, the EQUASS criteria as being challenging in several ways. This involves a continued need for training. We believe that two trade organisations and EQUASS Norway should continue their work on engaging in the systematic development of expertise within the enterprises in respect of the quality assurance system, and support the enterprises in these matters.

- This study shows that the EQUASS scheme for auditors contains some challenges which we believe EQUASS Norge AS and the European Platform for Rehabilitation should look at more closely together. This applies to the requirements relating to the type of background auditors should have. This study shows that today's auditors are a heterogeneous group. It is also a question of what role the auditors should have during certification. As far as EQUASS Norge is concerned, it is clear what role they should have during certification. On the other hand, the study shows that there are sometimes considerable variations in respect of how auditors exercise their role and the extent to which they take on a «guidance role» when dealing with the enterprise. This affects the scheme organisers' expectations of the auditors.

- This study shows that several of the employees in the labour market enterprises think that there should be a more simplified version of EQUASS, particularly for the smallest enterprises. We have also noticed that several labour market enterprises consider switching to other quality assurance systems because they are experiencing that EQUASS is making comprehensive demands in respect of documentation. We would suggest that EQUASS Norge and the EPR should consider preparing a simpler version designed especially for the smallest labour market enterprises.

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