

New forms of employment

Voucher-based work, Belgium

Case study 42: Landelijk Dienstencoöperatief

Landelijk Dienstencoöperatief (LDC) is one of the largest organisations operating in Belgium's service voucher business. One of the objectives of service vouchers is to create additional jobs for vulnerable groups so they can participate in the regular labour market.

Introduction

In Belgium, domestic services such as cleaning and light household help have often been carried out by people engaged in undeclared work. Towards the end of the 1990s, Belgium was considering an approach that would abolish these forms of undeclared work by transforming non-official domestic jobs into regular employment contracts. With this goal in mind, the country decided to introduce a service vouchers system that focused on the delivery of domestic services for individual citizens by workers operating in the regulated labour market.

This system was introduced by the Law of 20 July 2001 aimed at promoting local services and local jobs (*Wet ter bevordering van de buurtdiensten en buurtbanen*) and the Royal Decree of 12 December 2001. Briefly, the mechanism that was introduced operates as follows. Customers, in practice citizens or families, order a number of service vouchers from an issuing institution that has been designated to distribute service vouchers and that is subsidised for doing so. Each service voucher represents one hour of domestic activity. The services in question are delivered by workers employed by so-called 'recognised service voucher organisations'. These are newly created or already existing non-profit or profit companies that are recognised by the Federal Public Service Employment, Labour and Social Dialogue (*Federale Overheidsdienst Werkgelegenheid, Arbeid en Sociaal Overleg/Service Public Fédéral Emploi, Travail et Concertation Sociale*). The organisations assign one of their workers to an individual customer on the basis of a written agreement between the service voucher organisation and the customer on the hours to be performed each week.

For every working hour performed by the worker, service voucher buyers hand over one service voucher to this domestic service worker, who then passes it on to their employer, the recognised service voucher organisation. The latter, in turn, hands in the service vouchers received by its workers to the issuing institution, which then pays out a fixed sum per service voucher to the recognised service voucher organisation. The sum is intended to be high enough to compensate the recognised service voucher organisation for the expenses it incurs in granting its service voucher workers a regular employment contract. To make the system sustainable, the difference between the sum reimbursed by the issuing institution and the price that the individual customer pays for one service voucher is financed by the federal government.

The preconditions under which the system operates are laid out in very detailed regulations. The hourly wages of the workers involved are standardised, prices are fixed for a given period of time, and service voucher workers are only allowed to perform a limited number of domestic activities under this scheme, mainly cleaning and ironing. Moreover, the amount of services that can be purchased by the individual customer through service vouchers is restricted to limit government expenses. Detailed information on the Belgian service voucher system and its features can be found in this project's case study 43 (Eurofound, 2015).

This report discusses a case study on the Belgian service voucher organisation *Landelijk Dienstencoöperatief* (LDC), outlining facts about the organisation, its role in the service voucher system, the reason why it decided to work with service vouchers and the way it organises services paid by vouchers. The case study further highlights some outcomes and effects, and points to further developments. A number of perspectives of people directly involved in the scheme are highlighted throughout the report: the perspective of two representatives of LDC's upper management, along with that of the in-house safety officer; and the perspective of one private customer using service vouchers and that of his domestic service worker. In addition, a researcher who has written extensively on the issue was interviewed.

General characteristics of LDC

LDC is a decentralised organisation, with a central headquarters and 20 local branches spread over the whole region of Flanders in northern Belgium. In total, it employs nearly 2,500 workers. LDC is a branch of a larger socio-cultural organisation, the Belgian *Boerenbond* (Farmers' Organisation) – a social network for spouses of farmers at local level. Over the years, this umbrella organisation has evolved into a pluralistic network of various non-profit organisations, some of which have a corporate focus. Other member organisations in the group focus on care activities for children, services for elderly people and those with disabilities, and a variety of services in the socio-cultural sphere, such as organising educational activities.

LDC was created in 2005 to offer a whole range of domestic services on the spot, mostly in the customer's home. The services offered include cleaning, occasional laundry activities and light housework such as cooking and running errands. Besides LDC's domestic service branch, it runs a few dozen small ironing shops, where limited mending of clothes is done as well. As the organisation mostly recruits people with lower levels of education, older people and those wishing to re-enter the labour market after a prolonged period of inactivity, it has been recognised as a social economy type enterprise.

LDC has compiled its own formal vision statement. This statement mainly reflects a deep-rooted concern for the individual employee, attaching great importance to training and coaching, among other values. Indeed, LDC slightly differs from companies offering regular cleaning services or privately owned service voucher businesses in terms of how it treats its workers. During the initial stages of its existence, LDC put its workers' well-being first by providing them with fixed working hours during the day time, offering an extensive programme of training initiatives and respecting individual workers' preferences when allocating customers; in time, the focus shifted towards benefiting the client as much as possible.

LDC has accumulated 10 years of service voucher experience, which is above average in the sector, and it is geographically concentrated in the Dutch speaking, northern part of Belgium (*Landelijk Dienstencoöperatief*, 2013a). Since adopting the service voucher system, it has experienced extensive growth. As at early 2014, LDC was one of the largest organisations in the service voucher business and ranked sixth in Belgium in the domestic service sector as a whole.

In 2010, LDC's 1,690 workers performed 1,371,422 working hours, of which 88.5% were carried out in the customer's home and 11.5% in the ironing shops. By the end of 2013, the number of workers in LDC increased to nearly 2,500, with 1,947,000 working hours performed during that year. The larger proportion of these activities was paid for by service vouchers. However, LDC uses other subsidy systems as well to lower operational costs for companies and institutions hiring unemployed people from vulnerable groups, such as those with a physical or mental disability.

LDC is a labour intensive organisation and 95% of all its expenses are personnel related. All workers hired by LDC receive a permanent appointment through a regular employment contract for blue-collar workers. The average working time is approximately 24 hours a week, meaning that workers usually work half a day, with the exception of one full day's employment. The standard length of a working day is 7.5 hours, which amounts to 38 hours a week, in line with the sector's collective agreement. These 38 hours do not take into account the worker's commuting time to the customer's house or the commute between customers.

The gender distribution of LDC's staff follows the general pattern in the sector: under 2% of the blue-collar workers are male. Managerial functions are largely occupied by women as well. The majority of the first-line managers are in charge of the various local branches. Indeed, to manage its processes, LDC opted for a decentralised structure, whereby all blue-collar workers are allocated to local branches managed by two or sometimes more team coordinators, each of which is responsible for a team of 40 to 50 staff members. After a transition period, all branches have now been assigned a full-time branch manager who also acts as one of the team coordinators and is assisted by a limited number of administrative assistants. Local branches now manage from 100 to over 200 workers, so they mostly have two to four team coordinators.

All staff services are situated at LDC's headquarters. Some of these services (ICT, building services, safety and health) belong to the *Boerenbond* group as a whole and are hired by LDC under market conditions. The central human resources management department is well staffed, albeit 'on the border of loss-making' according to one interviewee; however, it is generally felt that this is necessary due to the specific characteristics of the workers and the high standards to which the company adheres. The administrative burden is heavy due to the high staff turnover of service voucher workers and the rapid growth in demand. Employment contracts are open-ended, but those concluded with service voucher workers are subject to numerous modifications owing to the flexibility in working hours.

In terms of the nationality of LDC workers, in 2010 1,599 of the 1,762 blue-collar and white-collar workers employed by LDC were of Belgian nationality. This figure has been decreasing since then. Migrant workers now come from 76 different countries, with the Netherlands taking the lead (mostly those working near the northern border); Polish workers comprise the second largest group. At LDC, the influx of migrant service workers is still relatively limited. The absence of language skills and the lack of knowledge about the specifics of Western housekeeping are major drawbacks to the hiring of non-European candidates. Nevertheless, similar to other service voucher companies, LDC is starting to employ a growing number of non-European migrants. Although a superficial knowledge of Dutch is an essential condition for being hired, a transition period is granted to learn the language if the local coordinator speaks the language of the candidate and customers can be found who speak this language too. However, some families prefer to use the services of a native Dutch speaking person. The customers' justification in this respect can vary from vague feelings of uneasiness to downright racist sentiments, although no interviewee complained of this. Nonetheless, applicants coming from emerging markets only occasionally pass selection procedures. LDC regularly sends such candidates to courses or advises them to participate in integration initiatives; at a later stage, these applicants sometimes manage to pass the selection process because they have learned to speak the language and have adapted to the expectations of a well-structured enterprise. An example is the case of a Congolese worker who was interviewed for this study: after her arrival, the Congolese woman enrolled for one year in an integration body to learn the local language and to become acquainted with the ways of Western society; thereafter, she was able to make the switch to LDC.

In terms of the workers' age profile, compared with a few years ago, the average age of newly hired workers has fallen: most people applying for a job are now between 30 and 40 years of age.

The customer who was interviewed for this report was a typical LDC contact: a retired citizen living in a rural area who has spent his professional career almost exclusively in the agricultural sector. The interviewed service voucher worker who works for him was a divorced woman, a first generation immigrant with four small children.

Design and implementation process

Since its establishment, LDC has aimed to create domestic service jobs for so-called vulnerable groups – an umbrella term for people situated at a considerable remove from the regular labour market. For a number of reasons, mostly related to the preconditions for getting subsidies, the organisation had to acquire its own corporate rights. This implies that it has had to proceed on a self-supporting basis: according to Belgian law, LDC and similar non-profit organisations can engage in commercial activities with a social aim, but as a consequence could be taxed on their revenues.

Shortly after the service voucher system came into being, LDC chose to adopt it; the organisation therefore applied for recognition as required by the regulatory framework that established the Belgian

service voucher system (see Eurofound, 2015). That recognition was granted without difficulty. LDC introduced the system of service vouchers on 1 April 2005 for several reasons. The most straightforward reason was due to its longstanding experience with domestic services delivery, which predates LDC as a standalone organisation, as it took over part of the staff of *Landelijke Thuiszorg* – a company that had already worked under the service voucher regime since 2003 and that itself dates back to 1959.

The organisation quickly became aware of the opportunities offered by the service vouchers concept. As this concept sought to promote neighbourhood services, it matched LDC's profile, namely a decentralised organisation comprising a range of local branches. These branches had a longstanding tradition of intensive contacts with the local network of families and socio-cultural initiatives; LDC's management felt that this would facilitate the recruitment of possible applicants and the search for future customers. The organisation viewed the service voucher approach as a logical complement to existing possibilities for delivering domestic services. Moreover, it felt obliged to start implementing the service voucher system because several other associations with a similar focus to LDC had adopted service vouchers as well. Finally, ironing shops, where customers drop their clothes off to be ironed, also fall into the scope of the service voucher system: ironing is one of the few permitted activities, apart from domestic cleaning, that can be remunerated by service vouchers under the regulations (see Eurofound, 2015).

It should be mentioned that the service voucher system is not the only channel for acquiring governmental support, although it is the most significant one in terms of absolute figures. LDC's top management states that proceeding solely with service voucher workers would not be profitable: it is only with the help of the different subsidies and the gradually increasing size of the workforce that the organisation is able to break even. The organisation's profit margins are very low, leading to some constraints on salary levels and fringe benefits.

In relation to the particular case of the customer who was interviewed for this study, he decided to apply to *Boerenbond* for domestic aid as he was growing older and because of his former professional contacts within the sector; this organisation then put him in contact with LDC. The customer did not want to turn to the undeclared market because he wanted to use ongoing and reliable assistance. Originally, the required services were delivered by another branch of *Boerenbond*, focused on providing general household services at market prices; however, as soon as the service voucher system came into being, the customer switched to LDC because of the considerably lower price of the services, owing to government subsidies (see Eurofound, 2015). Nevertheless, he continued to hire regular domestic assistance because the available number of service vouchers was too limited to meet all his needs.

The service voucher worker interviewed for this study opted for a job in this scheme because it allowed her considerable freedom in terms of working hours, while limiting her commuting expenses and time. It also gave her a degree of stability due to the open-ended employment contract she received under this scheme.

Working method, processes and procedures

As explained in the Introduction, the features of the Belgian service voucher system are strictly regulated and the relationship between the various parties is clearly laid out in royal decrees. In practice, contact between the recognised organisation, in this case LDC, and the institution that issues the service vouchers is limited to operational activities – primarily, the reimbursement of the service vouchers that are handed in. This process is highly computerised. For more details about the Belgian service voucher system, see case study 43 of this project (Eurofound, 2015).

The relationship between the individual service voucher worker and their employer is similar to that found in the industrial cleaning sector: contact between the service voucher worker and the customer is far more frequent than that with their formal employer. The most intensive worker–employer contact takes place during the recruitment phase and, at a later stage, when attending training sessions.

In the vacancy filling process, it is not only unemployed people who are targeted. In a number of cases, workers already employed in low-skilled occupations, such as those working in department stores, regular cleaning companies and catering services, apply and are hired. Blue-collar workers

often spontaneously opt for LDC because of its reputation for providing stability and fair workplace practices.

LDC uses various marketing strategies to attract new employees, including: organising publicity at local job fairs and through the press; making presentations at social gatherings; and paying a €25 bonus for staff who bring in a new colleague. Word of mouth has also helped to attract new staff. In addition, LDC has recently bought out other service voucher companies, thus gaining additional market share and workforce.

In contrast with a few years ago, the hiring process in 2014 is completely managed by the local branches. These branches take initiatives to integrate new recruits into the existing team as quickly as possible.

The selection process for blue-collar workers, at the time of writing in 2014, has recently become standardised and stricter in order to limit staff turnover, among other things, which used to be quite high in the past. Up until a few years ago, the selection process was limited to an interview seeking to assess whether the applicant's professional expectations matched local needs. After introducing the changes, workers are now required to take a test, which includes a written component to test their language skills and general intellectual level.

All LDC workers are paid by the hour and get equal pay, regardless of whether or not they work under the service voucher regime. This is because the job content is the same for all workers and management wants to prevent interpersonal frictions that might arise due to salary differences. LDC determines autonomously under which subsidy system each worker falls, by optimising the various formula available. This allocation exercise is rather complicated because of the complexity and lack of mutual consistency between national, regional and local subsidy systems that were designed to boost access to the labour market for different subcategories of vulnerable groups. In fact, according to the managers interviewed, the workers themselves do not care so much about the details of the subsidy system because it does not have any impact on their employment conditions.

In line with the sector's collective agreement, three salary levels exist in most service voucher companies. LDC pays slightly higher hourly wages compared with the other companies in the field. It also offers an extra salary step for those who have worked in the organisation for more than four years. The basic hourly wage is €11.44, compared with €10.82 stipulated under the Collective Labour Agreement of 14 July 2009 for the service voucher sector.

Nevertheless, some service voucher companies offer better salary conditions or better compensation benefits than LDC. For instance, there are local public agencies that have, from the very start, granted higher pay scales to their service voucher workers. Therefore, workers regularly leave LDC for another service voucher organisation and are in no way restricted from doing so, although they are allowed to come back.

The fact that LDC offers a stable working regime during office hours seems to be a major attraction for workers; in contrast, industrial cleaning companies often offer split shifts outside of the customer's regular opening hours. Another favourable aspect of LDC's working conditions is that workers are paid even if they cannot perform the job for some reason – for example, because they are unable to access the customer's house or the customer has failed to hand over the required number of service vouchers. Some service voucher companies revert to the temporary unemployment compensations paid out by the National Employment Office (RVA/ONEm), when employees are temporarily unable to perform their regular duties for whatever reason.

LDC invests heavily in training and education. Newly hired workers are informed about the organisational structure, their employment contract and related documents, and work organisation; they are informed about duties and responsibilities, relations with the customer, behavioural standards, deontology, coping with conflicts and activities not permitted. Workers attending the training sessions are expected to give active input, because their work experience is explicitly used as the starting point when discussing various items. The formal training programme consists of three half days' training. Additional educational sessions, lasting a half day, are also offered on a yearly basis. The training events cover skills such as first aid interventions, care activities, the lifting of loads and ironing techniques. In addition, an interactive game has been developed (called 'Household Heroes'), which is

played during a session held at the various local branches and which is also used for team building and for integration of newly hired staff members.

Once hired, the important issue for both the recognised organisation and the service voucher worker is the allocation of customers: the biggest challenge for LDC team coordinators is to find the optimal match between a customer and a service voucher worker. The organisation makes a deliberate effort to allocate customers to each individual worker according to their particular capacities, preferences and place of residency.

Unlike industrial cleaning companies, LDC does not strictly monitor work quality and working hours. The service worker's professional environment is the customer's private domain, and LDC does not have the right to conduct control visits without the customer's formal permission. The customer also mainly decides the service voucher worker's job content. The extent to which service voucher worker meets the customer's expectations is occasionally discussed through telephone contacts between LDC's team coordinator and the customer. LDC holds yearly job evaluation sessions between workers and team coordinators; in preparation for this performance review, the coordinator sometimes contacts customers by telephone to verify the work quality and discuss possible suggestions for improvement.

Integration problems mostly arise with workers who used to offer cleaning services in the black market. They have been in the habit of solving things directly with the customer without interference from a team coordinator, and sometimes become irritated when reprimanded or when comments are formalised using registered mail. However, over time workers get used to complying with the company's standards, especially with respect to the scheduled working hours. As they hand over a given amount of service vouchers to the worker immediately after the work is completed, the customer can easily control the number of hours' work to be performed.

According to the two managers interviewed, working in one of the organisation's ironing shops is the most suitable option for the most 'vulnerable' workers – that is, those who need extra social support and close supervision to perform well; this is because of the more favourable communication possibilities open to these people when working together in the same location. The worker who was interviewed for this study, as well as both managers, confirmed that this activity is generally preferred by the service voucher workers. Therefore, workers who insist on working in ironing shops take turns. Ironing shops are harder to manage because the work volume is more variable and less predictable than in the cleaning sector. As an alternative, there have been some attempts to allow workers to perform ironing activities at home. However, the RVA/ONEm has always been opposed to this approach because of the limited control and the continuous risk of undeclared work. Some workers are allowed to iron at home, for example mothers with young children, but this is generally avoided because of the lack of control over working conditions, among other reasons.

Although service voucher jobs are generally seen as precarious and as having low prestige, LDC's local branches are well equipped and maintained, although the arrangement of the premises is not always in line with the rapid growth of the organisation. The offices are designed to look cosy and welcoming to attract both customers and service voucher workers. They usually work on their own and without any contact with colleagues, and since most work part-time, they often drop in during their free time to network with professional contacts. This means that a branch's central location with easy access is important. To enhance team spirit within a local branch, with the aim of also limiting staff turnover, a small budget is available for expenses such as personal celebrations such as birthdays or anniversaries. There is also periodical contact between blue-collar workers and their team coordinator, and sometimes daily contact when work schedules have to be adapted, albeit mostly by phone.

Often, there is hardly any contact between the customer and their service voucher worker. In these cases, the worker's contacts are very similar to what is customary in the undeclared domestic labour market: the cleaning or ironing activities are performed when the customers are out working. The exception is when customers are retired or present most of the time. Some families restrict the tasks to be performed by workers to a minimum and closely inspect their work; others grant the worker considerable freedom and allow them to evolve into a domestic manager of sorts. As previously mentioned, LDC tries to compromise between the customer's and the worker's preferences, but even then things can go wrong. Workers are taught that conflicts or problems of all types have to be

resolved between the customer and the coordinator. Workers are advised not to exchange phone numbers and other personal data with the customer. In line with LDC's policy statement, customers who repeatedly create problems and conflict situations, even after the worker has been replaced by someone with a different profile, are occasionally declined.

The regulatory framework that underpins the service voucher system only allows for a limited scope of activities: some activities are excluded, such as gardening, carrying out small maintenance jobs or caring for children. In practice, however, the job content varies. The elderly customer who was interviewed for the study lives on his own and uses two kinds of domestic aid: service vouchers up to the maximum limit allowed and regular elderly care services. Both of the workers do exactly the same job: they clean, iron, run errands and carry out regular care-giving tasks, not bothering about legal frameworks and the related limitations.

All customers receive a list of household equipment that is available to the service voucher worker so they can adequately perform their tasks and that should be present at each customer's place. In some cases, a picture is provided to highlight safety and ergonomic requirements. The list also gives details of 'forbidden' activities, such as cleaning windows on upper floors from the outside. Nevertheless, as workers gradually build up a close relationship with the customer, additional and sometimes non-permitted activities are often performed. LDC is strict about this issue, but mostly is not aware of possible encroachments that in practice are conducted at the worker's own risk. If a worker violates any existing work rule or procedure, their behaviour is reported and included in their personnel file. Registered letters are sent for any unmotivated absence and three of these can lead to dismissal. However, top management is well aware of its responsibilities. It sees itself as being accountable for the financial and social well-being of its more than 2,500 workers, a significant proportion of whom are from single-parent families.

A few years ago, LDC formed a safety and health committee and a works council. Belgian enterprises with over 50 workers have to create a joint safety and health committee, while enterprises with more than 100 full-time equivalents need to create a joint works council. The whole LDC workforce is represented by three individuals, all of whom are members of the same trade union organisation: a branch coordinator, an administrative collaborator and one service voucher worker. Meetings are held in a friendly and cooperative atmosphere, with discussions focusing on practical problems, such as the ergonomic quality of the equipment. Nevertheless, the two managers interviewed for the study argued that the added value of these two consultative bodies is rather limited. Most interventions by trade union representatives are about pecuniary compensations, whereas possibilities in this field are limited because of the low profit margins of the organisation. Trade union organisations active in the cleaning sector have difficulties finding enough candidates for the social elections, on the basis of which trade union representatives are appointed. This is because of the specific nature of the job, the considerable staff turnover and the limited contact between the blue-collar workers.

External support

Because of the elaborate legal framework underpinning the service voucher system, LDC did not need any specific external support to enter this niche in the market and implement the necessary procedures. The existing contacts with government bodies to continue obtaining various forms of subsidies were not influenced by the service voucher regime.

Outcomes and effects

As outlined in case study 43 (Eurofound, 2015), blue-collar workers are generally satisfied with the working conditions offered by the service voucher system. The worker who was interviewed in particular emphasised that this employment formula gave her access to a regular paid job that allowed for flexible working hours and reduced commuting time and expenses. However, it is unclear to what extent she or her colleagues combine their service voucher work with other professional activities, or whether or not they also engage in the undeclared work sector.

The physical demands of work in this area can be high, although the issue was not raised by the interviewed worker. According to the organisation's representatives, professional cleaning, even in a domestic environment, can be a tough and tiring job. Applicants wanting to work on a full-time basis

are often advised to limit their working hours to 20 to 24 hours a week at the first stage. In this way, they can grow accustomed to the workload. The relative number of occupational accidents has fallen systematically and now lies well below the accident rate of LDC's main competitors in the service voucher sector, as demonstrated by the company's safety coordinator. More than 50% of the accidents are due to slips and falls.

Incidents of undesirable behaviour, such as sexual harassment at the workplace, are almost non-existent due to the fact that the workers mainly work alone because many of their customers are out at work. Nevertheless, according to the health and safety coordinator, some ironing shops have had to cope with a number of bullying incidents.

For the customer, the most straightforward outcome of the service voucher system is the fact that service vouchers allow people to purchase domestic help at a low cost and without having to turn to the undeclared labour market. This prevents liability problems when damages occur. For instance, if the service voucher worker gets injured or breaks something, compensation comes from regular insurance systems, which is not the case when domestic help is acquired through the undeclared labour market. Furthermore, the service voucher formula provides the customer with a guarantee that all domestic activities are conducted legally. In addition, if a difficulty arises with the service worker, things can be straightened out by contacting the recognised organisation, rather than having to enter into conflict with the person in question.

For the recognised service voucher organisation, selection and hiring is a delicate issue.

Notwithstanding high unemployment figures, LDC continues to encounter difficulties in finding the right personnel, although some local branches are in a better position than others. In all cases, the dropout is high at the selection stage: of the 6,000 applicants who offered their services in 2013, only 750 were finally hired. Some 130 of these signed their labour agreement, but, according to the managers who were interviewed, they did not show up afterwards. This puts a heavy burden on LDC's recruitment expenses. One of the initiatives taken by LDC's top management to avoid selection costs was limiting medical surveillance, although this is generally seen as a practice that favours the worker's well-being. Another important outcome relates to staff turnover. In 2013, 581 out of 2,370 workers left the organisation, nearly all of them being blue-collar workers. In 2011, almost 50% of the staff members who left the organisation had seniority of between six months and three years. Various reasons lie at the heart of these high turnover figures; according to the interviewed managers, these reasons are similar to those of other service voucher companies. In 2010, 45.2% of the service voucher workers who left the organisation did so on their own initiative. A number of those who left LDC voluntarily seemed to opt for another service voucher company: in particular, the luncheon vouchers granted by some competing companies proved to be a great attraction. Some efforts were made to implement exit interviews with workers; however, high turnover and geographical spread of the branches impeded a systematic approach in this respect. According to LDC's management, occasional contact with ex-workers shows that these persons return to their former unemployed status (which they might be tempted to combine with undeclared work) or choose temporary agency employment, where selection procedures are less strict.

A major problem for the economic viability of LDC is the blue-collar workers' high rate of sick leave. In 2010, the absenteeism rate for the whole of the organisation was 13.4%. Nearly two-thirds of this constituted unpaid absence by blue-collar workers, which points to the fact that short-term sick leave is predominant (Van Peteghem, Pauwels and Ramioul, 2011b). LDC's absenteeism figures are similar to those of other service voucher companies (IDEA Consult, 2012), but are way higher than the national cross-sectoral average of slightly above 5% (Securex, 2011). Recognising the problematic nature of these high sick leave figures, LDC adopted a more professional approach towards absenteeism. In 2011, the organisation compiled a formal sick leave policy, which underlined the importance of one or more personal contacts between the individual worker and the first line manager and of open discussions on the issue. However, the figures have barely fallen in this respect. In the strategic plan for 2014–2016, it is emphasised that general sick leave should be limited to 10% on a yearly basis. This view is partly influenced by new regulations, which, unlike in the recent past, oblige employers to bear the cost of the first day of sick leave.

Strengths and weaknesses

Strengths

One of the objectives of the service voucher system was creating additional jobs for vulnerable groups so they could participate in the regular labour market. Staff characteristics indeed demonstrate that the large majority of LDC workers are people with lower education levels, older people, those who wish to re-enter the labour market after a prolonged period of inactivity, and first generation migrants.

In around 2010, LDC's then top management and many of the workers interviewed (Van Peteghem, Pauwels and Ramioul, 2011a) stated that service voucher jobs had at one time been considered a reliable option for women wanting to enter paid work not too far from home and part-time. However, the growing influx of younger workers could gradually change this situation, and more service voucher workers saw the scheme as a halfway stage between long-term unemployment and a regular job. Young service workers could start to aspire to more regular employment options as they got older. Indeed, according to the managers interviewed, more and more workers seem to making the transition to jobs in the regular labour market, such as the care sector. The service worker who was interviewed certainly met this profile: during the interview, she expressed her determination to leave the service voucher sector and to secure a regular job in the retail sector as soon as her children have grown up, adding that she did not like cleaning as a job.

The job content implies that opportunities to acquire new forms of knowledge are limited. Nevertheless, some learning outcomes do occur. For example, the training sessions offered by LDC focus on assertiveness and communication skills, as some clients can be ungrateful and demanding, but some workers can be blunt as well. As most service voucher workers come into contact with customers of all kinds during their working week, this can help to improve their interpersonal skills. For the migrant worker in this study, her service voucher duties offer an opportunity for discovery, new observations and insights – particularly on the ways of Western households. The LDC management's emphasis on the importance of commitment could teach inexperienced workers to adhere to fixed time schedules and procedures. This might improve service voucher workers' opportunities in the regular labour market.

The job content of LDC's blue-collar workers is clearly outlined and will always entail individually performed domestic work, with a large degree of autonomy. Before the service voucher system was introduced, jobs like these could only be found in the undeclared labour market. The service voucher system offers the same type of jobs but holds some major advantages: a regular employment contract that grants access to the social security system, providing for measures such as children's allowance, pension provisions and disability insurance schemes. It also provides a stable working regime. Although it was virtually impossible to find concrete data on the issue, the interviewees' accounts suggest that the service voucher system has been successful in driving out undeclared work by transforming non-official domestic jobs into regular employment contracts. Quite understandably, LDC does not ask applicants whether they had been active in the undeclared work sector before. As already established, all LDC workers receive an open-ended employment contract. According to the managers in this study, for many of the workers it is their first ever such contract, as borne out by the case of the service worker who was interviewed for this study.

LDC, like other similar organisations within the service voucher sector (excluding temporary agencies and small privately owned service voucher companies), offers not only an open-ended employment contract but also appropriate training opportunities, some personal support from a coordinator, attention to occupational health and safety considerations, and an interface with and if necessary protection from the customer.

The continuous pressure to boost productivity, experienced by professional cleaning companies to raise profit margins, is completely absent in the service voucher sector. This allows workers to generally proceed according to their customary rhythm of work. The more relaxed way of working and the diversity of the job content, together with the stable working schedule during office hours, remain the most attractive features, making the service voucher business at least as attractive to potential workers as the regular industrial cleaning sector.

For the users of service vouchers, the system allows them to acquire domestic help at a low cost. According to recent and former contacts with representatives of LDC, the majority of customers are either families where both partners are working or single-parent households. Therefore, a strong point of the service voucher system that is often highlighted is that it facilitates work–life balance. Nevertheless, the number of elderly and retired customers (such as the person interviewed for this study) is increasing too.

Weaknesses

Although service voucher jobs are generally considered low-grade, not everyone is eligible for this employment option. The difference between the service voucher sector and the regular cleaning business is marked. Cleaning in the industrial sector mostly consists of repetitive tasks of rather limited scope that persons with limited capacities can be trained to carry out, including those who do not speak the local language (Van Peteghem, Pauwels and Ramioul, 2012). Domestic cleaning, on the other hand, requires a higher degree of autonomy, a certain level of communication skills and a familiarity with Western living culture. In this sense, selection criteria for service workers are tighter. This is confirmed by the relatively high level of forced resignations. In 2010, due to poor performance at work, LDC dismissed 14.5% of the newly hired workers, nearly all of whom had less than six months' seniority. This is due to the fact that the company holds an evaluation meeting between the new worker and the team coordinator during the fifth month after the hiring. LDC says that most punctuality problems arise during the first few weeks of the job; however, most of the newly hired persons adapt when granted a sufficiently long transition period. In cases where LDC management itself considers workers to be unfit for the job after a few months' work, this is rarely due to some psychological or physical limitations. Most often, these individuals are either unable to cope with the required autonomy and to manage the work process, or realise that they cannot live with the requirements of the professional life. According to one interviewee, the main reason is a lack of motivation, especially in instances where candidates are sent by the local branch of the Flanders' public employment agency (VDAB) after a substantial period of unemployment. In Belgium, long-term unemployed people are required to actively look for a job to retain their unemployment benefit, and they are regularly obliged by the VDAB to respond to formal vacancies.

The significant staff turnover is also related to the fact that the physical job demands are relatively high in this sector. In 2010, a further 8.9% of the workers were forced to leave the job after a negative evaluation by the occupational physician; since the abolition of the pre-employment and yearly medical exams, the figure rose to more than 10% in 2013. Such a negative evaluation by the occupational physician or the worker's attendant physician mostly refers to musculoskeletal disorders, such as back problems. This means that service voucher jobs are perhaps not the ideal occupation for ageing workers or people experiencing physical problems.

Another weakness, from LDC's perspective, is the lack of valid applicants. In the areas with relatively low unemployment levels, extra efforts have to be made to attract potential candidates who are not within easy reach, such as spouses of non-European male migrants. It appears that the first generation of male immigrants are opting more for the industrial cleaning sector (Van Peteghem, Pauwels and Ramioul, 2012). In most areas, except the very rural ones, valuable candidates are hard to find. Temporary employment agencies working with service vouchers and offering more flexible work schedules are the biggest competitors in attracting workers.

Another issue is the low level of diversity as the job content for service voucher workers remains pretty much the same; only the customers vary. The only possibility for diversification is to work in the ironing shops, something which many of the workers seem to appreciate very much; however, many of these shops are in the process of closing down, at least within LDC.

Ironing is one of the few activities allowed within the service voucher system, and was originally seen as an essential part of the services to be delivered (Van Peteghem, Pauwels and Ramioul, 2011a). Whereas cleaning and related activities are continually expanding, the future of ironing shops within LDC and probably in the sector as a whole is rather uncertain. The organisation of centralised ironing activities requires considerable investment (premises, equipment) and involves operating costs such as electricity and water consumption, costs that are not entailed in organising domestic cleaning

activities. As these activities have proven to be loss-making in most cases, it is likely that ironing shops will gradually be closed down, unless local bodies such as the municipalities are willing to put the facilities at LDC's disposal for free.

In terms of promotion prospects, vertical promotion at LDC is rare because of the large span of control (there is only one team coordinator for 50 workers); a regular worker would only have a realistic prospect of becoming a shop manager in the ironing shops. According to the managers interviewed, these appointments do happen on occasions. Becoming a branch manager is completely unfeasible for the modal worker: this job requires administrative and coaching skills that are rarely available to low-skilled workers. The access to other staff functions is similarly limited, again due to the fact that the education level of service voucher workers is rather low. However, local administrative assistants have opportunities to become team coordinators, and they occasionally do. But even then, salary increases are limited: top management is well aware of the fact that demanding functions, such as branch manager or team coordinator roles, cannot be rewarded sufficiently.

All this explains why service voucher companies face recruitment problems. People who find it difficult to integrate into the labour market – for example, elderly people, first generation migrants and applicants with an inadequate level of education – do not easily find their way into a service voucher job, and perhaps never will unless intermediary stepping stones are offered.

Since around 2010, recruitment bottlenecks have become less pressing because of gradual market congestion on the demand side. Both of the managers interviewed for this case study confirmed that, due to the rise in newly recognised, mostly privately owned service voucher organisations, the domestic help industry is becoming saturated. Therefore, LDC has had to invest further in its local network to maintain contact with potential customers.

Future plans

Faced with rising competition among the continuously growing number of service voucher companies (Eurofound, 2015), LDC has acquired a more commercial profile in recent years. The strategic vision of top management is that there should be longer opening hours for the local branches, more variable working schedules for all staff and greater accountability of line management. While in the recent past customers were sometimes declined after repeated problems has occurred, this is done less and less. LDC is making a deliberate attempt to adopt a more client-centred approach, albeit without abandoning its employee-oriented focus. This is evident in the growing flexibility in planning: whereas in the past customers could only hire workers in blocks of four hours (half a working day), time schedules are now becoming more flexible; if a customer asks for household help for only two consecutive hours, LDC will now usually consent. This is not always to the worker's advantage because it results in extra unpaid commuting time between customers.

There is also pressure on the organisation to achieve a balance between its traditional caring attitude and a somewhat stricter leadership style: staff will have to adapt to higher standards and stricter working procedures. Indeed, operating procedures are in the process of standardisation. Measures such as conducting disciplinary talks or exit interviews and reacting to recurrent sick leave are now the subject of internal procedures and are practised during training sessions.

The most important target for LDC's top management is continuous and sustainable growth. Precise targets were set in 2010: by 2012, the organisation would have 3,000 blue-collar workers and 25 local branches. However, this target was not realised because in recent years public demand for service vouchers has levelled off. Whereas a few years ago the obstacle to sustainable growth was the shortage of valid candidates, today the prime concern is about finding potential customers.

Growth is considered to be vital, given rising salary costs and reduced government subsidies (Eurofound, 2015). According to LDC's operations manager, the organisation will need to reach a critical mass of blue-collar workers to achieve a fully professional structure with a well-staffed workforce and sufficiently highly-qualified line management, because only then can overhead costs be kept down to a cost-effective level. When salary costs amount to 95% of the total returns, as is the case with LDC, an economy of scale can only be achieved by significantly expanding the gross salary expenses, which is directly proportional to the number of service vouchers received. The milestone target has now been set at 4,000 blue-collar workers (Landelijk Dienstencoöperatief, 2013b); it is

believed that this is an attainable medium-term goal if the regulatory framework does not change radically in the meantime.

Top management is well aware of the fact that growth rates will continue to differ across individual branches. In some areas, such as rural zones, opportunities for growth still exist. However, it is assumed that, to make this happen, LDC will have to be active in buying out competitors. The profitability of many service voucher companies, particularly the smaller ones and those running ironing shops, has been consistently declining; therefore, there are greater opportunities to buy them. The two managers interviewed for this study indicated that they are devoting increased time to examining the possibility of merging operations.

Commentary

Considering the above, it can be concluded that LDC has all the features of a regular Belgian service voucher company: a focus on domestic cleaning, high staff turnover and absenteeism figures, rapid expansion hindered by the absence of sufficient labour market candidates who are willing to work under the conditions offered and, more recently, market saturation. Unlike many competitors in this field, however, LDC is managing to maintain a high level of social commitment and a caring company culture, in line with the philosophy of its umbrella organisation. At the time of the survey in early 2014, the organisation seems to have made the transition from being a social economy enterprise to a fully grown service company: its most recent annual report (Landelijk Dienstencoöperatief, 2013a) and its strategic plan (Landelijk Dienstencoöperatief, 2013b) underline this drive towards professionalism.

Information sources

Websites

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