

RADBOUD UNIVERSITY NIJMEGEN

Resolving the Employability Paradox in Small- and Medium Sized Enterprises

An analysis of the prospects and constraints under which public-private partnerships could contribute to the improvement of employability small- and medium sized enterprises in the Netherlands

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10/7/2015

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Master Thesis Public Administration

Specialisation: Comparative Politics, Administration and Society (COMPASS)

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Preface

There is a widely known quote from an unknown author that says: “All my academic life I wanted to be successful. I guess I should have been more specific”. It comprises my interest for almost everything and my will to achieve the best possible results within my own limits.

The thesis presented here is the result of several months of labour. I guess, I have been successful. Most preferably, I would have researched the whole field of public-private partnerships and the possibilities these partnerships have for improving employability. I had to be more specific. Luckily, Dr. Helderman was there to guide and steer me in the right direction. Thanks to him, I was able to get the right focus in my research. My internship at Pipingcare Benelux B.V. gave me the opportunity to explore the limits of SMEs in improving employability and the considerations SMEs have with regards to public-private partnerships. I would like to thank the company and its staff members for the freedom and support they gave me in doing this. I really appreciate the time the respondents made for me, without them, it was not possible for me to write this thesis. I am grateful that Monique was willing to check my ‘Denglish’. Lastly, I want to thank Johan for surviving me.

I would like to dedicate this work to my parents, because they led a SME and know exactly what it is like to not have enough capacity to stay competitive. Hopefully, the results in this thesis will help other SME-entrepreneurs to find a way to improve their employees’ employability and, hence, stay competitive. It would be great if also SMEs could improve society’s employability.

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7 October 2015

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Chapter 1 – Introduction to the employability paradox

The Dutch population is ageing. Both in the public and private sphere, the consequences are experienced. For years it is known that the society is ageing and, hence, a shortage in the working population and a surplus in the retired population is the consequence. The government's expenditures will rise due to the growth of social-security payments to the retired population, while at the same time the working-age population decreases. This decrease lowers the government's income out of income taxes.

The decrease of income taxes for the government and the shortage in the working-age population makes public and private organisations increasingly interdependent. Both benefit when the working population grows, ideally to the same amount as the working-age population, but for different reasons. The government benefits as it collects more taxes, while at the same time it has less social-security payments to pay. Private organisations, such as small- and medium sized enterprises (SMEs), benefit from employees who are competent and healthy.

For SMEs the upcoming shortage in the working-age population implies that the SMEs, partly because of their size, cannot permit themselves that their employees withdraw because of (long-term) illness or lacking competences. Some consequences for SMEs whose employees are ill could be: paying an employee who is not working, high insurance premiums and more work pressure for other employees. The decreased employability of their workforce may lead to a competitive disadvantage for a SME. People who lack competences are less able to find jobs. Consequently, they fall back on social-security payments, which is costly for the government. For both the government and SMEs it is thus important that there is a high degree of employability, which relates to the sustainability of employees and how employees themselves, employers and policy makers try to develop it. Though, SMEs are not capable of solving these employability-challenges of their workforce on their own. Furthermore, they suffer from the employability paradox. This paradox entails that being employable is an important factor for being attractive for the labour market, but investing in employability of own employees is perceived perilous by SME entrepreneurs, because a more employable employee becomes more attractive for the labour market (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37).

1.1 Problem definition and research questions

Among others, Streeck (1992), Streeck and Schmitter (1985) and Piore and Sabel (1984) argue for firms to collaborate. Collaboration could take away the employability paradox. Collaborations on the improvement of employability are inclined to cooperate with the government and sometimes they even 'take over' governmental responsibilities and can support

collective goals (Streeck and Schmitter, 1985). But, for what reasons would SMEs participate? There is a risk of free-riding involved here since SMEs who do not contribute, can benefit from the advantages carried out by those collaborations. Ostensibly, these risks can only be reduced by taking collective action. Public and private organisations need to collaborate in order to improve the employability of citizens, respectively employees.

The central aim of this thesis is to investigate how, and to what extent, public private partnerships can help SMEs to improve the employability of their workforce. Therefore, it is needed to investigate under which prospects and constraints public-private partnerships could arise. This leads to the research question of this thesis:

How can public-private partnerships improve employability within Dutch SMEs?

The research question is answered through the sub-questions below:

1. What is employability and which problems are connected to the Dutch government, SMEs and employability?
2. What can we learn from the literature about constraining and facilitating conditions for the emergence of public-private partnerships?
3. What is the appropriate scale for public-private partnerships in the field of employability?
4. What public-private partnership initiatives on employability are unfolded on regional and national scale in the Netherlands?
5. To what extent are these initiatives successful?

1.2 Societal relevance

The results of this thesis are socially relevant, because knowing to what extent public-private partnerships could improve employability is beneficial for governments, as it diminishes social-security payments. SMEs too will have lower costs when their employees are (highly) employable. Therefore, it is interesting to know for both of them which factors determine the success of public-partnerships that take collective action (on improving employability).

The lack of scientific interest in SMEs is remarkable, because 99 percent of the total business in the Netherlands are labelled as ‘SME’. Together, they fulfil 58 percent of the total revenue and offer work to 60 percent of all employees (MKB Servicedesk, 2015). Research on how those SMEs can improve employability is thus interesting, since almost the whole Dutch

labour market exists of SMEs. Furthermore, research on employability and its relation to governments is also underexposed, despite of the benefits that improving employability by taking collective actions through public-private partnerships could bring.

1.3 Scientific relevance

Little research is done on employability with regards to SMEs (Van der Heijden, 2001; 2002) and governments. Most research focuses on how large firms could improve their employability and which factors improve employability. It is useful to gain insight in how and under what conditions SMEs are willing to take collective action in order to get to know more about the incentives and constraints for SMEs. This could refine theories on collective action and public-private partnerships, because they are based on research that only includes large firms.

1.4 Definitions

The central concepts in this research are defined as:

- Employability: ‘employability is influenced by the individual factors, personal circumstances of a person and external factors. It is seen as the intended behaviour from individuals, employers and policy makers on obtaining, maintaining and using qualifications that are aimed to participate independent in all career phases in a changing labour market’. This definition is based on the definition of Thijsen (2004), the framework of McQuaid and Lindsay (2005) and the inclusiveness of policy makers.
- SME: Small- and medium sized enterprises are firms which have a maximum of 250 employees (MKB Servicedesk, 2015).
- Employability paradox: being attractive for the labour market is the core of employability, but it is a reason why it is not attractive for employers to invest in their employees’ employability, because these employees become more attractive for the labour market as their employability develops (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37).
- Collaborative governance: In this research, collaborative governance is defined as ‘a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented and deliberative and that aims to make or implement public policy or manage public programs or assets (Ansell and Gash, 2008, p. 544)’.
- Public-private partnership: In this research, public-private partnership is defined as the ‘cooperation between public and private actors with a durable character in which actors

develop mutual products and/or services and in which risk, costs, and benefits are shared' (Klijn and Teisman, 2003, p. 137).

1.5 Working method

The type of research is qualitative. With help from semi-structured interviews among key respondents and experts and document analysis the research questions are answered. The dependent variable is 'employability within SMEs'. The independent variables used in this research are 'starting conditions', 'facilitative leadership', 'institutional design' and 'collaborative process'. These are obstructing and/or facilitating conditions that could lead to collaborative governance, which generates trust needed for public-private partnerships. The nature of the research is explanatory, because it tries to identify the underlying prospects and constraints under which public-private partnerships on employability could arise.

1.6 Readers' guide

In the next chapter, the current developments in the field of employability are described. The literature reveals what SMEs and government do to improve employability and where they converge and diverge. Chapter 3 provides a theoretical answer to the problem of the employability paradox. In Chapter 4, the methods used are discussed. In the next chapter, the collected data from the cases and the key respondents is analysed. Chapter 6 assesses the use of public-private partnerships and the employability paradox by comparing the opinions of experts to these partnerships in practice. The concluding chapter gives answer to the research question and the sub questions which belong to that.

Chapter 2 – The employability paradox, government and SMEs

This chapter verifies the concept of employability and the problems connected to it for SMEs as well as for governments. Employability is seen in the light of individual employees, employers and policy makers. The different aspects of employability are discussed. Especially the employability paradox, from which employers suffer, is described. Employers have reasons to invest in their employees, but for the same reasons they are afraid to invest their employees. . Additionally, the different approaches of SMEs and governments towards employability are discussed and compared.

2.1 Employability

First, a definition of employability is given. The concept of employability is complex. Some authors refer to ‘the ability of individuals to adapt’ when speaking of employability, while others take labour market conditions and policies and practices into account when defining this concept (Koster and Schipper, 2015; McQuaid and Lindsay, 2005). Another dimension of employability, besides the individual dimension, the labour market and policies, is the employer (also described as ‘the organisation’) (De Lange and Van Wijk, 2005).

Three components influence a person’s employability: individual factors, personal circumstances and external factors. Individual factors refer to employability skills and attributes, demographic characteristics, health and well-being, job seeking, adaptability and mobility. Personal circumstances include household circumstances, work culture and access to resources such as transport, financial – and social capital. External factors contain demand factors from the labour market and employers (thus, organisations), and support factors such as the accessibility and affordability of public (support) services as transport and child care (McQuaid and Lindsay, 2005). A definition that refers to individual factors, personal circumstances and external factors is: ‘employability is the intended behaviour on obtaining, maintaining and using qualifications that are aimed to participate independent in all career phases in a changing labour market’ (Thijssen, 2004, in De Lange and van Wijk, 2012, p. 37). The definition of Thijssen (2004) does not explicitly include firms (as employers), although they are the connection between individuals and the labour market (De Lange and Van Wijk, 2012, p. 37). Moreover, the influence of policy makers is not taken into consideration in the definition of Thijssen (2004).

Based on the definition by Thijssen (2004), the framework of McQuaid and Lindsay (2005) and the inclusiveness of policy makers, is proposed: ‘Employability is influenced by the individual factors, personal circumstances and external factors. It is seen as the intended behaviour from individuals, employers and policy makers on obtaining, maintaining and using

qualifications that are aimed to participate independent in all career phases in a changing labour market.'

2.2 SMEs and employability

Employers decide for themselves if they want to invest in employability. They are assumed to be bounded rational, since they pursue goal-oriented behaviour and do not have all the information available to make a full rational decision (Fleischmann, Koster and Schippers, 2015, p. 3). When considering whether to invest in the development of employability, employers may take into consideration the so-called employability paradox¹: being attractive for the labour market is the core of employability, but it is a reason why it is not attractive for employers to invest in their employees' employability, because these employees become more attractive for the labour market as their employability develops (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37). Investing in an employee would thus increase the risk that an employee will leave the SME for another or bigger firm after obtaining more (in-depth) skills. Especially for SME employers, the costs of investing in employability are relatively high, because the costs only marginally decrease when a greater share of employees is in need of development of employability (Fleischmann, Koster and Schippers, 2015, p. 4). SMEs do not have a large personnel file. Since the costs of investing in employability are assumed (too) high by employers, they mostly implement practices that are not expensive, or are state-regulated or registered in collective agreements (Fleischman et al, 2015, p. 11).

Of course, there are reasons for employers to invest in their employees. Fleischmann et al (2015) give several reasons why employers should invest in their older workers. Nonetheless, it's probable these reasons are applicable to employees in general. Keeping employees capable and employable for a longer time (Fleischman et al, 2015, p. 14) is always beneficial for an employer, because this will lead to lower costs due to less absence through illness or the obtainment of skills and capacities, for example. Moreover, when investing in employability, the attractiveness of the organisation may be increased, because employees will feel properly treated. So employability can be used as a tool for comparative advantage. Furthermore, investing in employability may lead to attraction of new employees (Fleischman et al, 2015, p. 14). Another reason for employers to invest in employability is scarcity of employees on the labour market.

¹ Streeck's theory on diversified quality production (discussed in the next chapter) could probably be a solution to the employability paradox. Shortly described, the employability paradox will not exist when all SMEs cooperate to improve employability, because the assumption is that all employees then will have the same (high) degree of employability (Streeck, 1985).

The success of SMEs largely depends on the way in which human resources are managed. SMEs are ideal for the application of human resource management, due to their more direct and informal communication flows, more flexible work environments and flatter hierarchy (Van der Heijden, 2002). Employability is part of human resource management. Employers may find someone ‘employable’ when he or she has appropriate employability skills and attributes. In the design and delivery of employability programs/trainings, employers play a key role (McQuaid and Lindsay, 2005).

2.2.1 Requirements for high-skilled personnel

To improve employability, the professional expertise of an employee should be developed. Professional expertise is predicted by the mobility pattern, learning value of the job and network participation of an employee. Professional expertise exists out of five dimensions. The first dimension is the knowledge dimension, which consists of ‘declarative knowledge (“knowing that”), procedural knowledge (“knowing how”), and conditional knowledge (“knowing when and where or under what conditions”)’ (Alexander et al., 1992, in Van der Heijden (2001), p. 157). The second dimension is the meta-knowledge dimension which is related to self-insight and self-consciousness. The third dimension is the skill-requirement dimension, which entails the professional skills needed to practice a profession. Acquirement of social recognition, related to things as being respected, social intelligence and communicative skills, is the fourth dimension. The fifth dimension makes the professional expertise complete, as it concerns growth and flexibility. This dimension is connected to the ability to grow expertise in other areas than one’s own profession (Van der Heijden, 2001, p. 157).

One predictor of professional expertise is the mobility pattern. The capacity of an employee to adapt flexibly to changes depends on whether the employee has gained enough ‘professional knowledge and skills’ during his or her professional career (Van der Heijden, 2001, p. 165). It seems that experience in itself does not count as predictor for the development of professional expertise, but that the career steps that are made (the mobility pattern) determine this development. More positive effects of mobility are that employees gain employability and that they can build networks inside and outside an organisation. It can lead to a more powerful function of an employee within an organisation and a broad range of experiences and competencies in comparison to employees with the same profession (Van der Heijden, 2001, p. 158). Because it is unknown what skills and knowledge are needed for an employee in the long-term career perspective, it is necessary for them to take self-responsibility. They need to take

learning initiatives for gaining and set new goals for themselves (Van der Heijden, 2002, p. 326).

Another predictor is the learning value of a job, to what extent a job improves the professional expertise of an employee. It is found that the learning value of a job improves knowledge, growth and flexibility (Van der Heijden, 2001, p. 164). Employability could be improved when employers directly engage in the development of capabilities of individuals. This means that trainings not only should be provided, but that they should be applicable and relevant for the work environment of the employee. Often, employees have problems to integrate the learned skills in practice (Van der Heijden, 2001, p. 166; Van der Heijden, 2002, p. 332). Therefore it is important that the functional applicability, which enables employees to experiment with the gained knowledge and skills in the work environment, is observed when creating a training for employees (Van der Heijden, 2002, p. 335).

The degree of knowledge and amount of growth potential is also positively influenced by network participation (Van der Heijden, 2002, p. 335). Networking leads to learning in two ways. Employees get in touch with 1) people with other perspectives and 2) the combined knowledge of professionals from different domains. The success of networking depends on the ability to exchange and apply relevant information (Van der Heijden, 2002, p. 323-324).

To summarise, employability is influenced by the mobility pattern of an employee, the learning value of a job and network participation. Employability could be improved by providing trainings that are in line with the job and experience of an employee.

2.3 Government and employability

Employability is not only a private concern, but a public concern as well. The government has (financial and social) incentives to reduce the amount of unemployed people and to let the older work population participate in the labour market as long as possible. The government is mostly focused on (long-term) unemployed people when making policies that should improve the employability of persons (McQuaid and Lindsay, 2005). Policy makers often focus on the individual characteristics of these people, when talking about employability in the policy debate and when making labour market strategies involving the improvement of employability. Developing the employability of individuals is seen as way to decrease unemployment and social exclusion. Especially in the case of long-term unemployed, who often lack higher level skills and qualifications, there is a risk of social exclusion.

The policies made by the government reflect a perspective that improving the skills of unemployed will have positive consequences for labour market participation, economic

competitiveness and productivity. The underlying idea is that by improving employability, the gap between the long-term unemployed and the rest of society will be tightened, as the long-term unemployed will participate in society again. (McQuaid and Lindsay, 2005, p. 202-203). To this end, policy-makers working at all levels (local, national and international) need to remove or diminish barriers for the development of employability. Furthermore, policy makers have the responsibility to address the interests of all key actors (employers, job seekers and workers) (McQuaid and Lindsay, 2005, p. 215).

The government does not only address the employability of unemployed. A related challenge is the problem of a growing working population at age. As already explained in the introduction, an ageing working population leads to more social expenditures and a smaller working population. In reaction to this development, the Dutch government started to develop ageing and employment policies in order to improve the employability. The government developed policies that made it less attractive to retire early, more difficult to get (permanent) disability benefits, and that oblige (older) unemployed to look for a job. Moreover, policies were made to change employers' attitude against older workers. (OECD, 2005).

The OECD (2005, 2014) has argued for three interrelated reforms. The first reform proposed concerned the strengthening of the work incentives. Proposals to strengthen these are: increasing flexibility regarding withdrawal and combinations of pension and work, so longer careers are encouraged. Other proposals are to provide information to groups with low financial literacy and reduce the time that unemployed get insurance (OECD, 2014). The second reform was diminishing the barriers for employers to hire an (older) employee. Following OECD (2014), wage setting procedures should rather be focused on performance than on tenure and seniority. Personnel should be treated age-neutral (and most favourably, this is all taken into account in the employment protection legislation). Moreover, it needs to be researched how to measure employability at best, in order to diminish cost disadvantages, and to increase employability and promote recruitment. The third reform proposed was to promote the employability of a worker by promoting lifelong learning at all ages, improving working conditions and providing trainings. The influence of trainings could be improved by linking the training measures for (older) unemployed people directly to a specific job and supporting initiatives to facilitate longer part-time shares and full-time work. Furthermore, cooperation between the Public Employment Service (in the Netherlands called the 'UWV') and the municipalities is proposed. In addition to that, the government should help public and private employment agencies to provide better employment assistance, in order to improve employability (OECD, 2005; OECD, 2014, p. 11-12, 24).

2.4 Conclusion

This chapter has given a broad definition of employability, which includes all aspects connected to employability: individuals and their individual factors, personal circumstances and external factors, and employers and policy makers (McQuaid and Lindsay, 2005; Thijsen, 2004; De Lange and van Wijk, 2005).

The angles, and incentives, from which SMEs and government want to improve employability seem to differ. Although the literature focuses mostly on older employees, probably because of the current problem of ageing of the population, it seems that a few generalisations can be made for the incentives of SMEs. The discussed literature shows that even if SMEs are willing to invest in employability, relatively high costs, bounded rationality and especially the employability paradox are factors that play a significant role in deciding whether and, if so, which investments in employability are made. Employers see investing in employability particularly as something to do for their own employees, as a way to maintain their current employees and to gain new employees (Fleischmann et al, 2015). Governments, in return, seem to focus mostly on the employability of unemployed people and since a few years, in the context of the ageing work population, on older (un)employed people. The literature shows that incentives to increase employability for governments are to diminish unemployment and social exclusion. Since the work population is ageing, the government is taking measures to improve the employability of older employees.

It seems that both SMEs and government are willing to invest in employability, but that they both perceive risks in this investment. The employability paradox is one of these risks. Although the incentives to invest in employability vary to some extent, SMEs and government probably need each other to gain the best results. They will need each other's knowledge about employability and willingness to implement and improve employability. In other words, they will need to collaborate with each other. The subsequent questions are: how can forms of public private cooperation rise? What is needed to establish a solid basis for public private cooperation? What insights give the theories on production strategies (Streeck, 1992; Piore and Sabel 1984), associations (Streeck and Schmitter, 1985) and governance (Ansell, 2012; Sabel and Zeitlin, 2012) us? The answers to these questions are discussed in the next chapter.

Chapter 3 – A theoretical answer to the employability paradox

Previous chapter discussed what employability entails and which problems are connected to concept of employability. The ways SMEs and the government deal with this was discussed. Especially the employability paradox seems to be a difficulty. This chapter reviews literature that could help to identify the facilitating and constraining conditions for the emergence of public-private partnerships which could tackle the employability paradox. These theories have as common theme that institutions can foster, generate and facilitate public-private partnerships.

3.1 Employability and the dilemma of collective action

If it is assumed that an actor is rational and self-interested, it is subsequently assumed that he will only try to achieve interests in a group when this group pursues the same interests as the individual rational actor itself. Nevertheless, Olson (1965) argues this assumption does not hold. Individual actors that are rational and self-interested will not act voluntary in a group for common interest, because they perceive the costs and burdens of collective action as too high. In addition, an individual rational actor observes the risk of free-riding. He does not trust the other rational actors (prisoner's dilemma). Only if the group is small, an instrument such as coercion could stimulate rational actors to collaborate. The fact that acting in groups will lead to better results, but that individual rational actors will not do this without external incentives is called the dilemma of collective action (Olson, 1965).

For SMEs this dilemma of collective action is extra problematic. Olson (1965) observes that in most cases where collective action is introduced, this action will come to an end before the rational actors in the group feel the advantages of collective action. In small groups the stronger actor(s) tend to 'exploit' the weaker ones (Olson, 1965, p. 3). There are reasons to believe that SMEs, as they are relatively small, tend to be the weaker rational actors. Nevertheless, in the literature, we can find many examples of successful collective action. In the next section, a few examples will be studied.

3.2 Examples of collective action

Despite Olson's (1965) notion of the dilemma of collective action, there have been forms of collective action throughout history, even in the last decades. It seems that it is possible, even for SMEs, to collaborate in public-private partnerships. To know which conditions effectuate forms of collective actions, three collaboration forms in which collective action is taken, are discussed. First, diversified quality production (Streeck, 1992) is discussed, followed by flexible specialisation (Piore and Sabel, 1984) and the Pennsylvania case (Sabel, 1993).

3.2.1 Diversified Quality Production

Streeck (1992) discusses collective action in the form of diversified quality production. Modern industrial economies are importantly shaped by the social institutions in which economic action takes place. Diversified quality production is not obstructed by social institutions, but rather strengthened by them. In the view of collective action, this aspect of diversified quality production is interesting. One of the characteristics of diversified quality production is that the firms within this production pattern are not self-sufficient and they cannot become this on their own, so they need to build a ‘public institutional exoskeleton’ (a form of a public-private partnership) to guide and facilitate these firms.

Public-private partnerships can oblige economically rational firms, which pursue their own short-term goals and self-interest, to contribute to the collective goods that are needed to pursue diversified quality production. Streeck (1992, p. 32-33) derives his examples of contribution to collective goods from Germany, which include: keeping the wages higher and the variations between the wages lower to make employers more willing to invest in education and having a policy of employment protection to force employers to keep their employees for a longer time on their payroll to enable employers to invest in long-term employability. It could act as incentive to improve in employability, if employers are more interested in investing in training and keep their employees for a longer time.

Three functional requirements lead to a working pattern for diversified quality production, which in turn could lead to public-private partnerships. The first functional requirement is getting a ‘congenial organisational community’. SMEs that want to be economically independent and want to coexist and interact with large firms have to use diversified quality production. Policies that remove barriers to market access (for SMEs) are a necessary, but not sufficient, condition for the emergence of collective action. Institutional mechanisms in the form of governance have to facilitate public-private partnership. The advantages of institutional mechanisms that facilitate public-private partnerships are that the prisoner’s dilemma is solved, as it overcomes mutual suspicion between the SMEs. Furthermore, it enables SMEs to invest in their own performance and in collective goods. When directly related SMEs perform better, SMEs themselves also can perform better. This is seen as a collective good, because it improves the diversified quality production in general (Streeck, 1992, 13-15).

The second requirement refers to redundant capacities. Redundant capacities are broad and high skills, which every SME needs, but due to the paradox of employability (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37) it is risky to invest in these for an individual

SME. Another illustration of redundant capacity is getting a polyvalent organisational structure, which makes organisation capable for flexible retooling and duplication. Only in a network of associations it is possible to acquire a polyvalent organisational structure. It is better to provide these redundant capacities through cooperative associations, because it is difficult for individual SMEs to build these capacities. Cooperative associations could solve this problem (Streeck, 1992, p. 15-21).

Thirdly, the collective requirement of production inputs solves the problem that employers perceive it cheaper to let other employers invest in employability. (Streeck, 1992, p. 24). This describes the problem of the paradox of employability (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37), and could be solved by public-private partnerships. Public-private partnerships invest in employability together. In that way, the paradox of employability is solved, as all employees gain a high level of skills. Hence, public-private partnerships can form the facilitating institutions between state and market (Streeck and Schmitter, 1985; Streeck, 1992).

Market and hierarchy failure:

Diversified quality production cannot be generated and supported only by free markets and private hierarchies. Social institutions should mediate the outcome of long-term, gradual and incremental collective choices (Streeck, 1992, p. 10-12). This is firstly because, as already explained, individual rational actors will not choose to cooperate when there are no institutions that protect and facilitate cooperation intentions (Olson, 1965; Streeck, 1992). Social institutions are secondly needed, because technological change and evolution of product markets are no sufficient conditions for diversified quality production, because they are never incontrovertible. Thirdly, it is hard for firms to generate the three discussed functional requirements. Social institutions are therefore needed, because firms are in a congenial organisational community in which similar organisations participate. In addition, diversified quality production requires investment in redundant capacities which are more likely to be invested in when 'obliged' by social institutions, and firms depend on collective goods that also only will arise when social institutions 'obligate this (Streeck, 1992, p. 10-12).

Hence, social institutions are needed to protect and facilitate cooperation intentions and to generate congenial organisational communities, redundant capacities and collective production inputs. This might also help to solve the dilemma of collective action, as emphasized by Olson (1965).

3.2.2. Flexible specialisation and microregulation

Piore and Sabel (1984) show how flexible specialisation fosters public-private partnerships. Flexible specialisation is a strategy that produces permanent innovation and change, partially through politics. Politics set the boundaries for flexible specialisation, which is a form of competition that favours innovation. In order to achieve a pattern of continuous innovation, firms must aim at broadly skilled employees. Employees need to be able to adapt different kinds of job activities and collaborate with other employees to solve problems in order to be fully productive in a flexible specialisation system (Piore and Sabel, 1984, p. 273-274). In other words, employees need to have a high degree of employability. Collaboration is the core of flexible specialisation. By making the provision and supervision of research facilities and training a public responsibility, local community structures become coordinated (Piore and Sabel, 1984, p. 278). This could lead to improvement of working conditions and employability in general.

To make firms cooperate between and within each other, facilitating and coordinating institutions need to be created (Piore and Sabel, 1984; Streeck, 1992). Piore and Sabel (1984) name this institutional mechanism 'microregulation'. Microregulation has several characteristics. Firstly, both individuals and firms are mutually flexible and specialised. Secondly, there is limited entry for specialised and flexible organisations, as they have to belong to a certain community. Thirdly, flexible specialisation encourages, or at least tolerates, a form of competition that promotes innovations. Fourthly, in addition to the previous characteristics, competition is limited to the extent that it may not hamper permanent innovation and flexibility. Corporate (worker) unions can limit competition by, for example, employment-security arrangements that build trust and foster flexibility. Wage systems that standardise wages can nurture innovation (Piore and Sabel, p. 258-270). Microregulation does not use price as an allocative mechanism. Institutions within the community are responsible for allocative mechanisms such as research, labour recruitment and guaranteeing of flows of flow of supplies and credit.

3.2.3 The case of Pennsylvania: trust as precondition for public-private partnerships

Among other things, trust is a precondition for successful collaborations such as public-private partnerships. The question is how relations come to be perceived as 'trustworthy' (Sabel, 1993, p. 1136). The problem of absence of trust is that nobody takes the risk to collaborate, and rather pursues his own self-interest. Even when all actors admit this dilemma of collective action exists, this problem is not solved (Sabel, 1993, p. 1134). Although it is not proven it is possible to extend trust in a particular way, even when all actors recognise it is in their self-interest to

do so, Sabel (1993, p. 1168) argues that there are conditions which could facilitate trust, and hence, public-private partnerships.

Sabel (1993) shows how influence of the state diminished the barriers of lack of trust, which obstruct collaboration, by taking Pennsylvania (USA) as case. He argues that successful public-private partnerships are dependent on local circumstances. Even though these local circumstances were present in Pennsylvania, there were still some barriers for collaboration. There were different actors who claimed to represent the same sector, but did have contrasting proposals. Mediation was needed to equalise these contrasts. Furthermore, there were long traditions of entrepreneurial independence that were a barrier to collaboration.

The Pennsylvania case showed that only under two circumstances it is likely that collaboration arises: 1) when self-interested firms perceive it more advantageous to take the risks collaboration brings, and 2) when there is a community history in which firms have some characteristics of their background in common. In Pennsylvania these circumstances were present and led to collaboration.

Public-private partnerships are not only beneficial for firms, they are beneficial for the government as well. Because the government is part of these partnerships, it receives information about the current state of the economy. In addition, the government learns from public-private partnerships, as firms define the public services they need. That way, the government can adjust their public services for them. Public-private partnerships at local level could be complemented by national policies, but not substituted. Policies aimed at helping actors to define which interests they have in common, could facilitate trust. Consequently, the chances for flourishing public-private partnerships grow (Sabel, 1993).

3.2.4 Public –private partnerships resolving the dilemma of collective action

Streeck (1992), Piore and Sabel (1984) and Sabel (1993) showed it is has been possible for firms and government to take collective action in the last decades. This implies that it would be possible for SMEs and government to collaborate in public-private partnerships. This paragraph investigates what public-private partnerships are.

The definition of public-private partnership is ‘cooperation between public and private actors with a durable character in which actors develop mutual products and/or services and in which risk, costs and benefits are shared’ (Klijn and Teisman, 2003, p. 137). Three barriers hamper public-private partnership: 1) the complexity of actor composition, because it is complicated to manage many involved actors, 2) the institutional fragmentation: the actors involved are from various arenas and networks, which makes it hard to connect the decisions

and 3) the strategic logic of the public and private actors. Public actors want to have political influence and try to diminish expectations and insecurity of implementation costs. In return, private actors want to have certainty in productivity prospects and a minimum of political risks. This leads to (contractual) relations in which the responsibilities for public and private actors are distributed (Klijn and Teisman, 2003).

In order to establish these (contractual) relations collective action is needed. It is assumed that rational actors (existing of both governments and SMEs) perceive the dilemma of collective action, which exists because of a lack of trust (Olson, 1965). Despite Olsen's notion, history shows it is possible to take collective action. Diversified quality production, flexible specialisation and the Pennsylvania case (Sabel, 1993) are examples of collective action in the last decades. These examples have in common that social institutions generate, facilitate and crystallise trust. Trust is a condition that is needed for collaborative governance, which could have public-private partnerships as outcome, to emerge. The crux is, however, that public-private partnerships are simultaneously the cause and result of collective action. Thus, collective action leads to public-private partnerships, because public-private partnerships as social institutions facilitate trust. Nevertheless, it seems that trust can only be generated if public-private partnerships in the form of facilitating social institutions already exist. Public-private partnerships as institutions generate trust by means of collaborative governance and on their turn, contribute to collaborative governance that enhances employability. In the next paragraph, collaborative governance as a form of public-private partnerships is described.

3.3 Collaborative governance

What follows from the theoretical analysis until now is that public-private partnerships together could contribute to collective, collaborative action. This means that public-private partnerships demands from actors to collaborate. The more analytical and theoretical question is thus under what conditions actors are likely to collaborate. The model of collaborative governance shows four variables that are needed in order to have a successful collaboration.

Public-private partnership could be the same thing as collaborative governance, but there are some nuances between these two concepts. Collaborative governance is broader and aims more at achieving decision-making consensus than public-private partnerships. Public-private partnerships generally aim to achieve coordination in delivering certain services or performing certain tasks (Ansell and Gash, 2008, p. 548). Public-private partnerships govern themselves and try to satisfy their common interests (Streeck and Schmitter, 1985). Public-private partnerships set internal rules and quality standards within their organisation (Van

Waarden, 2012, p. 12). Therefore, they are stakeholders in defining public policy (agendas). To bring these stakeholders together around (local) public policy agendas, such as employability, collaborative governance is used as a technique in areas such as planning, regulation, policy-making and public management. Collaborative governance is a means of regulating, coordinating, adjudicating and integrating goals and interests of the involved actors (Ansell, 2012). Collaboration ‘between and among public, private and voluntary’ actors is stressed by this form of governance (Ansell, 2012, p. 500). It is consensus-oriented and focuses on public policies and issues. This form of governance is especially suited for ongoing cooperation between the actors involved (Ansell and Gash, 2008).

Ansell and Gash (2008, p. 544) define collaborative governance as:

‘A governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented and deliberative and that aims to make or implement public policy or manage public programs or assets (p. 544)’

Advantageous of collaborative governance is that the high costs of antagonistic policy making are avoided. It may expand participation in a democratic way and restore the rationality in public management. Also, it may lead to the development of sophisticated forms of collective learning and problem solving. In return, the disadvantages of collaborative governance could be that powerful actors try to manipulate the process, which leads to distrust. Distrust may become a barrier to good faith negotiation. Furthermore, public agencies may lack real commitment to collaboration (Ansell and Gash, 2008, p. 558).

The success of collaborative governance can be measured by the ‘success in reaching agreement’, ‘the efficiency of the collaborative process compared to alternative processes’, ‘the satisfaction of stakeholders with the process and outcome’ and, finally, ‘the achievement of other ‘social capital’ benefits’. Think of improved relationships or enhanced skills and knowledge (Ansell, 2012, p. 507).

Figure 1
A Model of Collaborative Governance

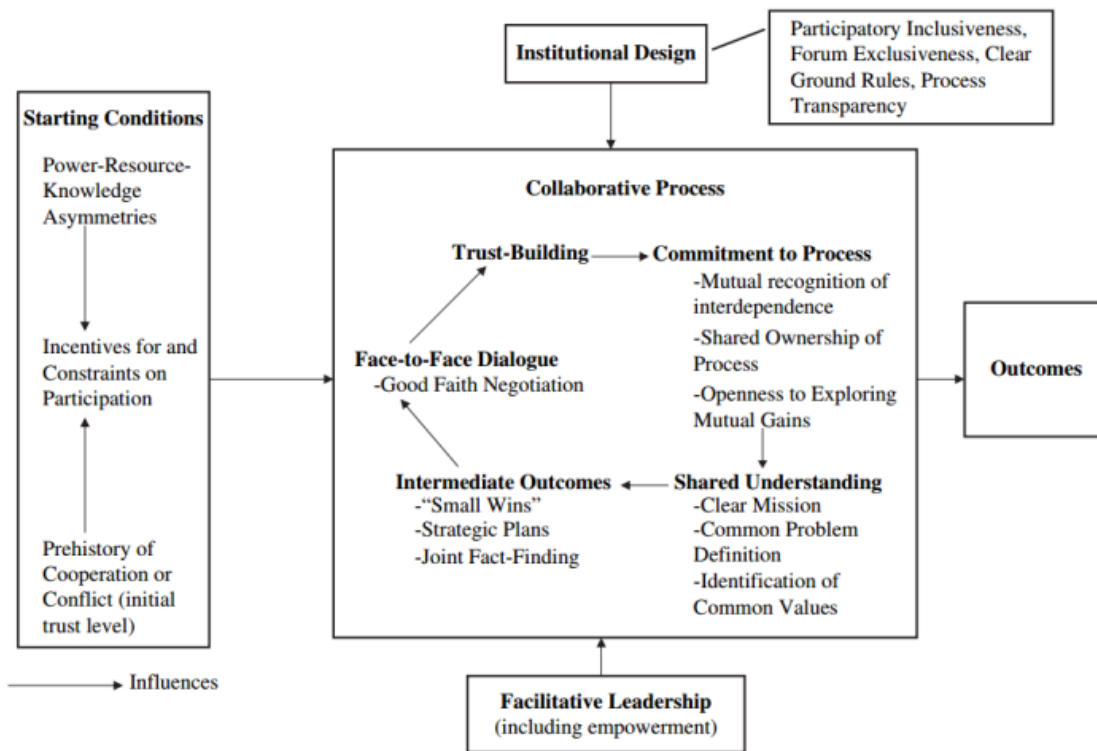


Figure 1. Contingency model of collaborative governance (Ansell and Gash, 2012, p. 550).

Figure 1 shows a contingency model which originates from the (dis)advantages of collaborative governance and the definition of collaborative governance and research findings from Ansell and Gash (2008). The four main variables of the model are: starting conditions, institutional design, facilitative leadership and collaborative process. These are explained below.

Collaborative governance is seen as an iterative and non-linear process that has five conditions: 1) trust-building, 2) commitment to process, 3) shared-understanding, 4) intermediate outcomes and 5) face-to-face dialogue. These conditions are needed to get elementary levels of trust, conflict and social capital. Through collaboration these become resources to use. The institutional design and facilitative style of leadership set the context for collaborative governance. Through these conditions, the basic level of trust, conflict and social capital is set (Ansell and Gash, 2008, p. 550). If the collaborative process succeeds, this will lead to the desired outcome. In this research, the desired outcome is the improvement of employability within SMEs.

There are three core contingencies distinguished. The first is time. The use of deadlines could make sure that the amount of collaborative governance meetings do not become endless,

but it can also impede the continuity of the collaboration. The second one is trust. Clearly stated rules and process transparency lead to process legitimacy and trust building. The last contingency is the perceived interdependence of actors. Especially when there is a history of conflict among actors, collaborative governance is only likely to succeed when the actors perceive a high degree of interdependency (Ansell and Gash, 2008).

Below, the four main variables in the collaborative governance model are explained.

1. Starting conditions

The starting conditions influence the collaborative governance process. Power-resource-knowledge asymmetries and prehistory of cooperation or conflict (the initial trust level) determine the incentives for and constraints on participation (Ansell and Gash, 2008). Power-resource-knowledge balances should be symmetric, because stronger actors with more power and resources will try to influence the collaborative governance process (also noted by Olsen, 1965). Therefore, strategies of empowerment and representation of the weaker actors are needed. These should be facilitated by social institutions. If the initial trust level is low, due to a prehistory of conflict, a high degree of interdependence among the stakeholders and facilitations for improving the low levels of trust and social capital between the actors are needed. Again, social institutions are needed. The initiatives to participate are formed by power-resource-knowledge (im)balances and the prehistory of cooperation or conflict (Ansell and Gash, 2008, p. 554).

2. Facilitative leadership

A facilitative leader has the power to bring stakeholders together and to make them wanting to collaborate. A lack of facilitative leadership could constrain an effective collaborative governance process. When on the one hand the prehistory of conflict is high, and hence trust is low, but on the other hand the power-resources are in balance a mediator can foster an effective collaborative governance process. Though, if the power-resources are not equally distributed and there are low incentives to participate, a 'strong organic leader' (Ansell and Gash, 2008, p. 595) from within the public-private partnership needs to emerge. They could empower the weaker actors in the partnership (Ansell and Gash, 2008, p. 554 and 555).

3. Institutional design

The institutional design should include participatory inclusiveness, forum exclusiveness, clear ground rules and process transparency. A broad participatory inclusiveness is needed for legitimated policy. Therefore, it is important that SMEs are included, because the policy outcome only then will represent a real consensus. In addition, it offers larger firms, SMEs and public organisations possibilities to deliberate with each other about policy incomes. In order to make it easier to motivate actors to participate it is needed that there is 'forum exclusiveness': there should be no other options available to collaborate. Lastly, clear ground rules and process transparency are needed for procedural legitimacy and trust building (Ansell and Gash, 2008, p. 555-557).

4. Collaborative process

The collaborative process is a cyclical process between communication, trust, commitment, understanding and outcomes (Huxham 2003; Imperaial 2005; in Ansell and Gash, 2008, p. 558). The cycle is consisting of 1) face-to-face dialogue, 2) trust-building, 3) commitment to process, 4) shared-understanding and 5) intermediate outcomes.

The face-to-face dialogue can sweep stereotypes away and is therefore a process of 'building trust, mutual respect, shared understanding, and commitment to the process' (Ansell and Gash, 2008, p. 558). Trust-building is thus important to diminish antagonistic feelings due to a prehistory of conflicts. After trust is built, commitment to the process is needed. This can only be achieved when trust is there and ongoing cooperation is needed. Therefore, actors should recognise their interdependence and shared ownership of the process. They should be open for exploring mutual gains. A clear stated mission and a common defined problem definition together with common identified values lead to a shared understanding between the actors. Intermediate outcomes that produce small outcome wins, joint fact findings and strategic plans are crucial for successful collaborative governance (Ansell and Gash, 2008, p. 561).

3.4 Conclusion

This chapter identified the facilitating and constraining conditions for the emergence of public-private partnerships which could tackle the employability paradox. The common theme was that institutions can foster, generate and facilitate public-private partnerships.

The dilemma of collective action (Olsen, 1965) seems to be a constraining condition that is especially problematic for SMEs because they are expected to be the weaker rational actors. In spite of this dilemma of collective action, public-private partnerships do emerge.

Streeck (1992), Piore and Sabel (1984) and Sabel (1993) described different forms of public-private partnerships, namely: diversified quality production, flexible specialisation and the Pennsylvania case. All these forms of public-private partnerships have in common that they are fostered, generated and facilitated by collaboration. Public-private partnerships can only emerge when there is a basic level of trust, but that simultaneously trust can only be generated when there is already some form of collaboration in public-private partnerships. Collaborative governance is a form of public-private partnership that deals with this principle. Figure 1 shows the collaborative process is a cycle influenced by facilitative leadership, institutional design and starting conditions that determine whether there are incentives for or constraints on participation (Ansell and Gash, 2008). The model in figure 1 will be used as a guide through the empirical domains of employability enhancing programs in the Netherlands. More specifically, two programs will be analysed that are exemplary for this. One at the national level and one at the regional level. But before this is done, the model is operationalised in the methodology framework in the next chapter.

Chapter 4 – Methodological framework

In order to get an answer to the question under which conditions public-private partnerships could improve employability in the Netherlands and what incentives and objections for SMEs and government could be to cooperate in public-private associations qualitative, research is needed. First of all, the research design is discussed. Next, the operationalisation of the variables and the process of data gathering and data analysis is described. Lastly, the questions asked in the interview are validated and the validity and reliability of the research are discussed.

4.1 Research design

Qualitative research is defined as ‘strategies for systematic data collection, organisation and interpretation of textual material that is gathered through conversations or observation with as goal to develop concepts that help to understand social phenomena in their natural context with the accent on opinions, experiences and perspectives of all key actors’ (Boeije, 2014). The literature review shows that the four variables of the model of collaborative governance (see figure 1) are expected to play an important role in the generation and facilitation of public-private partnerships that try to improve employability. Therefore, the research will especially focus on trying to understand the role of these variables in two cases of public-private partnerships that involve employability. The first case is a national example of public-private partnership. It is called ‘Excelleren.nu’ and holds SMEs that are member of ‘MKB Nederland’ (the lobby group for Dutch SMEs), trade organisations and the government (Ministry of Social Affairs and Employment and Ministry of Education) (MKB Nederland, n.d.). The second case is a regional example of a public-private partnership and is called ‘MKB Werkt!’. It holds SMEs that are member of ‘MKB Eindhoven (the lobby group for SMEs in Eindhoven) and is partly financed by the province Noord-Brabant (MKB Eindhoven, n.d. (a)).

The assumption is that public-private partnerships are an outcome of the four variables of the model of collaborative governance (see figure 1). Qualitative research is the best way of investigating this phenomenon, because this type of research focuses on the perception of key actors (Boeije, 2014). Moreover, not much research has been done on the improvement of employability by SMEs and government through public-private partnerships, which is another reason to choose for a qualitative research design according to Boeije (2014). The type of research is explanatory, because it tries to identify the underlying prospects and constraints under which public-private partnerships could arise. The approach is holistic, because two case studies are chosen to investigate (Van Thiel, 2014).

4.2 Operationalisation

The theoretical review revealed concepts which are investigated in this research. In this research it is investigated how and to what extent public-private partnerships can help SMEs to improve the employability of their workforce. Therefore, it is needed to know what the possibilities and constraints for the emergence of public-private partnership are. It is also interesting to see if public-private partnerships on employability are unfolded on regional and national scale. The model on collaborative governance (see figure 1) shows how different variables lead to the outcome. In this case the outcome of collaborative governance is public-private partnership on employability. The four main variables of this model are: 1) starting conditions, 2) institutional design, 3) facilitative leadership and 4) collaborative process.

Firstly, a definition of the dependent variable is given. The dependent variable in this research is ‘employability within SMEs’. In table 1 it is defined what ‘employability’ and ‘SME’ entails.

Concept	Definition	Indicator(s)
<u>Employability</u>	‘Employability is influenced by the individual factors, personal circumstances and external factors. It is seen as the intended behaviour from individuals, employers and policy makers on obtaining, maintaining and using qualifications, that are aimed to participate independent in all career phases in a changing labour market’. This definition is based on the definition of Thijsen (2004), the framework of McQuaid and Lindsay (2005) and the inclusiveness of policy makers.	- Individuals, employers and policy makers who are intentionally obtaining, maintaining and using qualifications.
<u>SME</u>	Small- and medium sized enterprises are firms who do have a maximum of 250 employees (MKB Servicedesk, 2015).	- Firms with a personnel file with maximum of 250 employees.

Table 1: Concepts of the dependent variable, their definitions and their indicator(s).

Secondly, the independent variables are defined in table 2. The independent variables used in this research are ‘starting conditions’, ‘facilitative leadership’, ‘institutional design’ and ‘collaborative process’. Together they lead to collaborative governance, which generates trust needed for public-private partnerships. The independent variables are derived from the model on collaborative governance (see figure 1).

Concept	Definition	Indicator
<u>Starting conditions</u>	Power-resource-knowledge asymmetries between actors and a prehistory of cooperation or conflict determine the incentives for and constraints on participation. Power-resource-knowledge asymmetries exist when resources or power are not equally distributed among the different stakeholders.	- No constraints for participation. (Two major constraints are a power-resource asymmetry and a prehistory of conflict.)
<u>Facilitative leadership</u>	A facilitative leader has the power to bring stakeholders together and to make them willing to collaborate.	- A party that brings other parties together and steers them through the collaborative process.
<u>Institutional design</u>	Institutional design exists of the 'basic protocols and clear ground rules for collaboration, which are critical for the procedural legitimacy of the collaborative process' (p. 555). It also includes participatory inclusiveness, forum exclusiveness and process transparency.	- Basic protocols and clear ground rules. - Participatory inclusiveness. - Forum exclusiveness. - Process transparency.
<u>Collaborative process</u>	A cyclical process between communication, trust, commitment, understanding and outcomes (Huxham 2003; Imperia 2005; in Ansell and Gash, 2008, p. 558).	- Face-to-face dialogue - Trust-building - Commitment to process - Shared understanding - Intermediate outcomes

Table 2: Concepts of the independent variables, their definitions and their indicator(s). Based on Ansell and Gash (2008).

The explanation for the different stages of the cycle of the collaborative process, which indicate if there is a collaborative process:

- *Face-to-face dialogue* is a process of ‘building trust, mutual respect, shared-understanding and commitment to the process’ (Ansell and Gash, 2008, p. 558).
- *Trust-building*: when trust is build there is the ‘the mutual confidence that no party to an exchange will exploit the other’s vulnerability’ (Sabel, 1993, p. 1133).
- *Commitment to process* is ‘developing a belief that good faith bargaining for mutual gains is the best way to achieve desirable policy outcomes’ (Burger et al., 2001; Ansell and Gash, 2008, p. 559). Commitment to process is characterised by mutual recognition of interdependence, recognition of shared ownership of the process and openness to exploring mutual gains (Ansell and Gash, 2008).
- *Shared understanding* emerges when all stakeholders have the same believes of what they can achieve when working collectively together. A clear mission, common problem definition and identification of common values contribute to shared understanding. (Ansell and Gash, 2008).
- *Intermediate outcomes* is a tangible output that is ‘essential for building the momentum that can lead to successful collaboration’ (p. 561). These exists of ‘small wins’, strategic plans and joint fact-finding.

4.3 Case selection

In order to gain insight in how public-private partnerships could improve employability in SMEs two cases were analysed. One case encloses a public-private partnership on regional level and is called ‘MKB Werkt!’. This case is found on the internet and with help from a contact person from the thesis supervisor. The other case is a public-private partnership on national level and is called ‘Excelleren.nu’. At first, a national case called ‘Duurzame inzetbaarheid’ was chosen, but this case only started in January 2015. Therefore, it was hard to find information about it and to make conclusions based on this information. A stakeholder involved in the case ‘Duurzame inzetbaarheid’ pointed out that ‘Excelleren.nu’ was an example of a case which is already finished and, hence, has concrete results. Therefore, there is chosen to replace it with ‘Excelleren.nu’.

More information about content of the cases is given in chapter 5. This chapter provides an in-depth analysis of the emergence of the four independent variables ‘starting conditions’, ‘facilitative leadership’, ‘institutional design’ and ‘collaborative process’. In chapter six, the two cases are compared to the ‘Philips Werkgelegenheidsplan’ case. This is done in order to explore the differences between SMEs and multinationals in their capacity to improve employability. After this comparative analysis, the two cases themselves were compared with

the opinion of several experts. These experts were chosen based upon their knowledge and/or experience of employability and/or public-private partnerships. The comparison of the opinions of the experts on how to improve employability with help from public-private partnerships with the two real-life cases in practice provides knowledge about the differences and similarities between reality and theory. More information about the experts is given in paragraph 4.4

4.4 Data collection and analysis

The data are derived from case studies. The research is multi-levelled, so it can be investigated whether tailored approaches are needed in order to improve employability by public-private associations, or that a single-level approach could be sufficient. This implies that the cases are heterogeneous, because a regional and a national case are included. When independent variables vary (in this research between regional and national) it becomes possible to identify prospects and constraints of successful public-private partnerships. If the same results are found in both cases, it will be likely that the findings can be generalised (Van Thiel, 2014). The selection of heterogeneous cases is possible, because the research design is deductive. The independent variables follow from the theoretical framework and are described in the operationalisation.

Semi-structured interviews are used to obtain information on opinions of -, relationships between - and perceptions of actors. Interviews provide non-factual information (Van Thiel, 2014). In this research, semi-structured interviews are used to find out to what extent the four variables of the model of collaborative governance (see figure 1) emerge and determine the outcome of public-private partnership in the field of employability. In order to gain the right information, key actors of the two cases are approached for an interview. Among these people were policy makers, representatives of SMEs, executives of the projects and independent experts who did research on the subject ($N = 12$). In total, twenty-nine persons were approached per e-mail with the question if they were willing to do an interview. A number of twelve respondents were interviewed in total. The respondents exist of two different populations, namely: the key respondents and the experts. In total, five experts were interviewed and seven key respondents, from which three key respondents were from MKB Werkt! and four key respondents from Excelleren.nu.

The interviews were collected by visiting the interviewee. If that was not possible for the interviewee, the interview was held telephonically. The key respondents were stakeholders from the programs Excelleren.nu and MKB Werkt!. The former case included respondents from the Ministry of Social Affairs and Employability (R1), an executing firm (R2), a trade organisation (R3), and MKB Nederland (R4). The latter case included respondents of MKB

Eindhoven (R5), the municipality of Eindhoven (R6), and a participating firm (R7). To get more in-depth information about the improvement of employability in SMEs and how public-private partnerships could improve this, various experts in the field of employability and/or public-private partnerships were interviewed. They were chosen on basis of their theoretical knowledge about employability (R8), their experience with improving employability as a multinational firm in collaboration with public organisations (R9 and R10) and their experience and knowledge of improving employability as a semi-public firm in collaboration with other public organisations and private firms (mostly SMEs) (R11 + R12). An overview of the exact background of each respondent can be found in appendix 1.

The reason for choosing for semi-structured interviews is that they allow to test if the theoretical assumptions reflect reality. In a semi-structured interview elements such as the introduction, the actual questions and the conclusion are fixed, but it is possible to neglect some questions or to ask them in another sequence (Van Thiel, 2014). The interviews were recorded in order to achieve the highest level of transparency and reliability. Sound records make it possible to check the collected data. After the interviews were transcribed, the data were interpreted (Boeije, 2014). The interviews were held between 28 April 2015 and 17 June 2015. While collecting data, the interviews that were already held were processed and analysed.

For triangulation of data collection, not only interviews were held. In addition to the interviews, documents were analysed. These documents were found on the internet. Some documents were given (or sent) by respondents who were interviewed. Because there was data from the interviews and from several documents, it was possible to compare the answers of the respondents to the official documentation.

4.5 Validation interview questions

The interviews were semi-structured. This means that there was a list of topics which the interviewer wanted to discuss, but it was possible for the interviewer to deviate from this topic list. Semi-structured interviews allow the interviewer to ask in-depth questions about certain topics. Each interview started with an introduction by the interviewer. After that, the interviewee was asked for his or her background, especially linked to the case he/she was involved with or the expertise he/she had. Depending on the type of interview, the questions differed. Key respondents did not get the exact same questions as the experts. The interviews entailed the same topics, but the questions were posed differently, because the experts were not involved with one of the cases. The questions for the experts were more general, as can be seen

in the tables below. In the end, all interviewees were asked if they had something to add and thanked for their time.

Table 3 shows the questions asked to gain insight in the definition and background of public-private partnerships. Because the cases try to improve employability, it is important to know how the respondent defines employability. It is also important to know in which way the respondent was involved in project, because this could influence his/her perception. The same applies to the expectations beforehand. It is interesting to know where or by whom the initiative for the project was initiated, because this could give insight in the motives for the project. The question about the differences between the situation now and before the project gives insight in the perception of success or failure of the project. Because the experts were not directly involved in one of the research cases, they were asked how firms and governments in their opinion could improve employability and if there were enough initiatives to improve employability according to them.

Topic	Questions key respondents	Questions experts
<u>Definition and background</u>	<ul style="list-style-type: none"> - How would you define ‘employability’? - In which way were you involved by the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? - Which expectations did you have of the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? - Where or by whom originates the initiative for the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? - Are there any differences between the situation now and before the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ was started? 	<ul style="list-style-type: none"> - How would you define employability? - In which way could firms improve employability? - In what way could government improve employability? - Do you think there are enough initiatives to improve employability?

Table 3: Topic ‘definition and background’ and relevant questions.

Table 4 shows the questions asked to gain insight in the domain and context of public-private partnerships. Questions about the content of the project and the perception of hazardousness in a political or societal way contribute to the insight of the domain and context. The question which factors contributed to the success or failure of a project show what the respondents

perceive as factors for success or failure of public-private partnerships. The experts got basically the same questions, but these were not focused on a specific case.

Topic	Questions key respondents	Questions experts
<u>Domain and context</u>	<ul style="list-style-type: none"> - What did the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ exactly entail? - For what reason(s) was the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ started, according to you? - Did you perceive the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ as politically or societally hazardous? - Which factors determined the success or the failure of the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? 	<ul style="list-style-type: none"> - Have you been/are you involved by a form of public-private partnership? - For what reasons should firms and governments choose to collaborate? - Do you think that public-private partnerships could be politically and/or societally hazardous? - According to you, which factors determine the success and/or the failure of public-private partnerships?

Table 4: Topic ‘domain and context’ and relevant questions.

Table 5 shows the questions asked to gain insight in the starting conditions of public-private partnerships. To get to know more about a conceivable power/resource/knowledge asymmetry, respondents were asked if they thought that all firms involved have equal chances to improve their employability. Incentives and constraints for participation is another starting condition. Respondents were asked which considerations the parties involved had before participating in a public-private partnership, according to them. To get some insight in a possible prehistory of cooperation or conflict, respondents were asked if they thought there was a difference between firms who already had some experience with public-private partnerships and firms who did not have this experience in their choice for participating or not.

Topic	Questions key respondents	Questions experts
<u>Starting conditions</u>	<ul style="list-style-type: none"> - Did all firms involved have equal chances to improve their employability? Think of power, resources and know-how. 	<ul style="list-style-type: none"> - Do all firms involved in public-private partnerships have equal chances to improve their

- Which considerations have the firms had before they decided whether or not to participate to the project ‘Excelleren.nu’/’MKB Werkt!’, according to you?	employability? Think of power, resources and know-how.
- Do you think there is a difference between firms who already had experience with public-private partnerships and firms who did not have this experience in their choice for participating in the project ‘Excelleren.nu’/’MKB Werkt!’?	- Which considerations have the firms and governments had before they decided whether or not to get involved in a public-private partnership, according to you?
	- Do you think there is a difference between firms who already had experience with public-private partnerships and firms who did not have this experience in their choice for participating in the public-private partnerships

Table 5: Topic ‘starting conditions’ and relevant questions.

Table 6 shows the questions asked to gain insight in the institutional design of the cases.

Key respondents of the cases were asked whether there were protocols and rules that functioned as preconditions for participating in the project. Experts were asked whether they found rules and protocols constraining or facilitating. These questions were asked in order to know if there were basic protocols and ground rules, and if they are considered needed. The question about participatory inclusiveness was only asked to the key respondents, because it focuses on the comprehensiveness of the projects: whether all firms that could profit from the public-private partnership were involved or not. The amount of process transparency, if all participants were considered to have an equal say in the process, was also only asked to the key respondents, for the same reason. It was nevertheless possible to ask both experts and key respondents about forum exclusiveness. They were asked if they knew initiatives of public-private partnerships that concerned employability.

Topic	Questions key respondents	Questions experts
<u>Institutional design</u>	<ul style="list-style-type: none"> - Were there protocols and rules that functioned as preconditions for participating in the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? - Do you think that all firms that could profit from the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ participated? - Do you know similar initiatives in the surroundings? - Do you think all people involved had an equal say in the process? 	<ul style="list-style-type: none"> - Do you think that rules and protocols that function as preconditions for public-private partnerships act constraining or facilitating? - Do you know initiatives of public-private partnerships on employability?

Table 6: Topic ‘institutional design’ and relevant questions.

Table 7 shows the questions asked to gain insight in the degree of facilitative leadership of the cases. The key respondents were asked if they could point out one person or organisation that initiated the project and if there was an independent and/or objective party that facilitated the project. The experts was asked whether they considered an independent and/or objective party that facilitates public-private partnerships as facilitating or constraining.

Topic	Questions key respondents	Questions experts
<u>Facilitative leadership</u>	<ul style="list-style-type: none"> - Could you point out one person or organisation that initiated the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’, or was this not the case? - Was there an independent and/or objective party that facilitated the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? 	<ul style="list-style-type: none"> - Do you think that an independent and/or objective party that facilitates public-private partnerships acts as a facilitator or as a constraint?

Table 7: Topic ‘facilitative leadership’ and relevant questions.

Table 8 shows the questions asked to gain insight in the process of collaboration of the cases. The key respondents were asked if there were joint meetings for the participating parties.

Experts were asked if they considered joint meetings to be important. These questions were asked to gain insight in the usefulness of face-to-face dialogue in the process of collaboration. The success of trust-building was measured by two questions: 1) whether participating parties kept to their agreements and 2) whether the communication within the project was clear and transparent (key respondents) or whether clear and transparent communication was considered important (experts).

Commitment to the process was split into three questions. One question questioned if individual organisations could have effectuated as much as in collaboration, which focused on the mutual recognition of interdependence. The second question focused on the perception of shared ownership of the process. There was asked if participants of public-private partnerships together are responsible for the results. The third question, about openness to exploring mutual gains, asked whether the participants took action to gain results from which they could profit together.

Shared understanding was split into two questions. The first question concerned the importance of a clear goal and the second question concerned the participants' motivations for joining a public-private partnership. Lastly, there were two questions about intermediate outcomes. Firstly, there was a question joint-fact finding. Secondly, there was a question which asked whether there were concrete goals that the project wanted to reach during its running time.

Topic	Questions key respondents	Questions experts
<u>Process of collaboration</u>	<ul style="list-style-type: none"> - Were there joint meetings in which the participants of 'Excelleren.nu'/'MKB Werkt!' could participate? - If so, how did these joined meetings go? (orator – public or dialogue?) - Do you think that the communication within the project 'Excelleren.nu'/'MKB Werkt!' was clear and transparent? - Do you think that the participating parties kept to their agreements? 	<ul style="list-style-type: none"> - Do you think that joint meetings in which the participants of public-private partnerships could participate are important? - To what extent do you think that clear and transparent communication is important within public-private partnerships? - To what extent do you think it important that participating parties keep to their agreements?

<ul style="list-style-type: none"> - Do you think that an individual organisation could have effectuated as much as the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ did now? - Do you think that all the participants together are responsible for warranting the results? - Do you think that participating firms took action to gain results from which they could profit together? - Do you think that the mission for the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ was clear for all participators? - Do you think that all participants had the same motivations for joining the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’? - Do you think there were forms of joint fact-finding between the participating organisations? - Were there concrete goals that the project ‘<i>Excelleren.nu</i>’/’<i>MKB Werkt!</i>’ wanted to reach? 	<ul style="list-style-type: none"> - Do you think that an individual organisation could effectuate as much as a public-private partnership, concerning employability? - Do you think that participants together are responsible for warranting the results? - Do you think that participating organisations should take action to gain results from which they could profit together? - To what extent do you think that the goal of public-private partnership in the field of employability should be made clear to the participators?
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Table 8: Topic ‘process of collaboration’ and relevant questions.

Table 9 shows the questions asked to gain insight in the preferable scale of the cases. There was asked on what scale the respondents thought public-private partnerships could be organised best: on local/regional scale or national scale. Additionally, experts were asked on which scale employability could be improved best.

Topic	Question key respondent	Question expert
<u>Scale for public-private partnership</u>	- On what scale do you think public-private partnerships could be organised best? On local/regional scale or on national scale?	- On what scale do you think public-private partnerships could be organised best? On local/regional scale or on national scale? - On what scale do you think the improvement of employability could be organised best? On local/regional scale or on national scale?

Table 9: Topic ‘scale for public-private partnership’ and relevant questions.

4.6 Validity and reliability

A case study is known for its limited external validity, because it is hard to generalise the findings from two cases to all public-private partnerships in the field of improving employability. In contrast, the internal validity is high, because in-depth information is collected through a case study (Van Thiel, 2014). Because there are only two cases analysed, it is important that there is more than one data collection method used, in order to obtain information from several sources. The interviews are semi-structured, which makes them replicable. This enhances the reliability. The respondents were asked to validate the transcription from their interviews before the information was used in the analysis. This diminishes the chance of misinterpreting data from the interviews. The analysis of documents makes it possible to compare the similarities between the official statements and the experiences of the actors involved. This triangulation of two methods increases the reliability of the research.

Chapter 5 - Two employability enhancing programs: an empirical analysis

This chapter focuses on two exemplary cases of employability enhancing programs. Firstly, the national case Excelleren.nu is described and the presence of the four main variables for collaborative governance is identified. Subsequently, the regional case MKB Werkt! is described and the presence of the four main variables for collaborative governance is identified. The presence of the four main variables for collaborative governance is necessary for collaborative governance to succeed. As in chapter 3 is suggested, public-private partnerships in the form of collaborative governance could tackle the employability paradox.

5.1 Excelleren.nu

Excelleren.nu was a nationwide project that tried to help SMEs to improve their employability between September 2010 and April 2012. Excelleren.nu did this by improving the learning culture in a SME. Employees got the possibility to learn and work simultaneously. During its running time almost seven-hundred SMEs, spread among fourteen trade organisations and six regional departments of MKB Nederland, were helped by human resource development advisors in investing in and generating a learning culture on the work floor (MKB Nederland, n.d.). The main goal of Excelleren.nu was stimulating this investing in and generating of a learning culture on the work floor (R2, personal communication, 28 April 2015). SMEs with less than fifteen employees did not belong to the target group in this project and were thus not approached (R4, personal communication, 7 May 2015).

The idea for Excelleren.nu came into being in a conversation between the minister of Social Affairs and Employability (Piet Hein Donner at that time) and the president of MKB Nederland (Loek Hermans at that time). A study had shown that especially SMEs had problems with the development of a learning culture. For this reason, an interdepartmental working group, consisting of policy executives of the ministry of Social Affairs and Employability, the Ministry of Education, Culture and Science and the Ministry of Economic Affairs (from now on: ‘the government’), was searching for a party that could help with the execution of improving the learning culture within SMEs (R1, personal communication, 28 April 2015; R4, personal communication 7 May 2015).

The seven-hundred SMEs involved invested in a learning culture on their own work floor together with the government and MKB Nederland. MKB Nederland was the executor of the project. The fourteen trade organisations of the different sectors in which SMEs operate were supported by MKB Nederland in empowering SMEs to improve the employability of their employees. The assumption was that investing in the learning culture on the work floor would

generate more successful results, because it is costly for SMEs to send their employees on a course (MKB Nederland, 2012). Another reason to start the project was that trade organisations often mentioned symptoms of a lack of a learning culture or problems with improving employability, but they did not have an integral program which included everything on the field of learning on the work floor: courses, trainings, publications et cetera (R3, personal communication, 1 May 2015).

A high percentage (ninety-seven percent) of the SMEs involved perceive the employability of their employees as increased. Additionally, these SMEs perceive their competitiveness as enhanced (MKB Nederland, 2012). To get to these results, Excelleren.nu organised, amongst others, thirteen congresses throughout the whole country. During several lunch-meetings employers were challenged to share their experiences and visions regarding learning on the work floor. At the individual level, professionals helped employers with implementing a learning culture on the work floor (MKB Nederland, 2012).

It was not only interesting for SMEs to participate in the project Excelleren.nu. Henk Kamp (Minister of Social Affairs and Employability at that time) explains this in the prologue of the evaluation of Excelleren.nu why. Henk Kamp predicts that the Netherlands will have a shortage of working age population in 2040. If there is nothing done, this will diminish the competitiveness of the Netherlands as whole. In order to prevent this from happening, it is important that the whole working age population invests in its employability (MKB Nederland, 2012).

The key respondents were asked which expectations they had of Excelleren.nu. In general, the key respondents had the same expectations of the project Excelleren.nu. They expected to help SMEs to improve the employability of their employees. The project focused on learning on the work floor (R3, personal communication, 1 May 2015; R1, personal communication, 28 April 2015). MKB Nederland got resources from the government in order to get the attention of SME entrepreneurs. It was needed to draw attention to SME entrepreneurs to let them know there was a project started that could help them in regards of improving employability of their employees. These resources were also used to involve professional parties that could give individual advice to SMEs. Because the project leader of MKB Nederland did not know what to expect, he found it 'a challenge' to find such professional parties (R1, personal communication, 28 April 2015).

All respondents perceived the project as a success. The project goals were reached. The main goal was that at least five-hundred SMEs would get individual advice in how to improve employability by developing a learning culture on the work floor. In the end, seven-hundred

SMEs, spread among fourteen trade organisations, participated in the project (MKB Nederland, 2012).

Employability

Because the focus lies on public-private partnerships in the field of employability, the key respondents of the project Excelleren.nu were asked how they would define employability. They all endorsed employability is a difficult concept which is hard to grasp. Employability includes many topics, under which ‘commitment, motivation and satisfaction of employees’ (R3, personal communication, 1 May 2015). In general, the key respondents saw employability as ‘the ability of an employee to preserve and develop his/her position on the labour market’ (R1, personal communication, 28 April 2015). One of the key respondents pointed out that entrepreneurs of SMEs themselves not always have a concrete image of what employability entails: ‘if you ask an entrepreneur: ‘how would you define employability?’, then he would probably mention a few topics. One that is almost always mentioned is: ‘how can I help my older employees passing the last ten years of their careers?’’ (R3, personal communication, 1 May 2015). It seems that not all SME entrepreneurs have a complete image of all factors that contribute to the employability of a person.

5.1.1 Analysis Excelleren.nu

The project Excelleren.nu is analysed with help from documents found online or received from the key respondents. Furthermore, the information gathered from the interviews is used. By means of this information the occurrence of the variables of the collaborative governance model in the project Excelleren.nu is analysed.

1. Starting conditions of ‘Excelleren.nu’

The starting conditions of a project exist of power-resource-knowledge (a)symmetry and prehistory of cooperation or conflict (initial trust level). These two conditions influence the third starting condition: incentives for and constraints on participation (Ansell and Gash, 2008).

All key respondents agreed there was a power-resource-knowledge asymmetry. It varied per firm what could be achieved, because eventually it were the SMEs themselves that had to implement the advices for developing a learning culture on the work floor (R2, personal communication, 28 April 2015). It also depended on the amount of employees a firm had, because some firms do not only have less employees, but also less possibilities (R4, personal communication, 7 May 2015). When there is a power-resource-knowledge asymmetry, the

danger exists that stronger actors with more power, resources and/or knowledge will try to influence the collaboration process (Ansell and Gash, 2008; Olsen, 1965). Therefore, a social institution should facilitate in order to empower and represent the weaker parties in a public-private partnership (Ansell and Gash, 2008). In Excelleren.nu, the government facilitated MKB Nederland to execute the project. It is important to mention that the government and MKB Nederland, and all other participants were equal partners (MKB Nederland, 2012).

SMEs had different incentives for participating in the project Excelleren.nu. First of all, the SMEs were proactively approached with the question if they wanted to participate. In that way, it was possible for MKB Nederland and the trade organisations to raise awareness about the importance for SMEs to invest in employability (R3, personal communication, 1 May 2015). The fact that MKB Nederland initiated the project was no incentive for SMEs to participate. Partly because most SMEs probably did not know that it was organised by MKB Nederland. There reason for this is that trade organisations were the ones who approached the SMEs (R1, personal communication, 28 April 2015). There was chosen for this approach deliberately, because the trade organisations were known by the SMEs. Because SMEs got the feeling that they were helped by people who know them, it was easier for SMEs to participate in the project. The trade organisations ‘speak the language of the entrepreneur’ (R1, personal communication, 28 April 2015). In general, SMEs which are open and extravert will participate faster in a public-private partnership as SMEs which do not have these characteristics (R4, personal communication, 7 May 2015). Another incentive for SMEs to participate is when they are confronted with the need to innovate. In order to stay competitive, SMEs need to innovate and adapt the new developments in their field. Part of innovating and adapting is that employees of a SME are equipped with the right competencies (R4, personal communication 7 May 2015).

The government also had incentives to participate. The government itself knows that there often is ‘a kind of a friction between what the government wants and what the business community wants’ (R4, personal communication, 7 May 2015). The government expected that the SMEs would have gotten the feeling that the government would interfere ‘again’ with their businesses. That is why MKB Nederland was asked to be a partner and executor in the project Excelleren.nu. Having MKB Nederland as a partner also was advantageous for the government, because it would make the access to the SMEs a lot easier. In the end, it was the government’s intention to raise awareness about employability and to stimulate SMEs to invest in learning on the work floor (R4, personal communication, 7 May 2015).

The key respondents named different factors that, according to them, contributed to achieving the project goals. These factors acted thus also as incentives. A first factor was the

way in which entrepreneurs were approached. It was not the project's intention to give the entrepreneurs only free advice about how they could shape a learning culture on the work floor (R1, personal communication, 28 April 2015). In this project, it was done the other way around: the entrepreneurs were told they were offered help in developing their employees and, hence, their firms. It was focused on the SME entrepreneur with the intention to help him developing his entrepreneurship. The government would probably not have taken this approach (R1, personal communication, 28 April, 2015). A second factor that determined the success of the project was the amount of energy that the entrepreneurs themselves were willing to insert in the project (R3, personal communication, 1 May 2015). Therefore, it was important that the entrepreneurs got enough guiding, especially on the practical part of applying the given advices (R3, personal communication, 1 May 2015), which is a third factor. The fourth factor mentioned for success was that the advices were tailored to the individual SMEs, although the same key respondent could think of cases in which it could be beneficial to follow a collective working method for all SMEs within a certain trade organisations (R2, personal communication, 28 April 2015). The easy access for SMEs to the project also contributed to the success of the project and was mentioned as fifth factor (R2, personal communication, 28 April 2015).

There also are projects executed by the government which in essence strive for the same goals in the field of employability, but according to R1 they do not work out because they are shaped top-down. R1 (personal communication, 28 April 2015) thinks a top-down approach does not work for SME entrepreneurs and it will, thus, act as a constraint for public-private partnerships. According to R1 a top-down approach makes entrepreneurs feel that they are being told what to do and therefore they will not receive the message that the government tries to send.

Only a few things were mentioned by the key respondents that could be seen as possible factors for failure of the project. These factors could have acted as constraints. For example: when the project was running, the trade organisations noticed that SMEs had more problems as initially thought. In theory the problems were quite easily fixed, but in practice the entrepreneurs and/or advisors felt resistance to change (R3, personal communication, 1 May 2015). The advisors felt resistance from SME entrepreneurs and the SME entrepreneurs from their own employees. Further, it is not possible to know to what extent the SMEs implemented the given advice, because this was not measured after the project finished. If the SMEs did not use the advice, this could be perceived as a failure. (R4, personal communication, 7 May 2015).

In this case it seems that it did not matter that much whether firms already had experience with public-private partnerships. The problem that could occur due to a prehistory

of conflict was taken away by the government as a result of making MKB Nederland the executor of the project. The key respondents all emphasised that most SMEs probably did not explicitly know that it was initiated by the government. This was because the project was designed bottom-up (R1, personal communication, 28 April 2015) and because it were the trade organisations who approached the SMEs, not the government, with an offer to help them improving the learning culture on the work floor (R3, personal communication 3 May 2015). Due to the diminishing of the prehistory of conflict, which the government itself already effectuated by means of making MKB Nederland an equal partner that facilitated the project, and the power-resource-knowledge asymmetries that were taken into account, there was room created for SMEs to admit to the incentives to participate in a public-private partnerships.

2. Institutional design of Excelleren.nu

The government had initiated preconditions before the project started. These preconditions were quite extensive, but key respondent R1 (personal communication, 28 April 2015) knows from his own experience that these preconditions could have been a lot more extensive. MKB Nederland was the only party that was involved in the formulation of these preconditions. As already explained, MKB Nederland is the representing party for the interests of all SMEs and trade organisations. Therefore, it is not likely that MKB Nederland has agreed to rules or protocols that were against the interests of SMEs and trade organisations (R4, personal communication, 7 May 2015). MKB Nederland communicated the rules and protocols to the trade organisations and six regional MKB-departments. SMEs themselves were not particularly bothered with these rules and protocols, because the trade organisations were made responsible for complying with these rules by MKB Nederland (R1, personal communication, 28 April 2015).

Because not all participants were involved in the formulation of the preconditions, the conclusion could be that not all participants had an equal say in the process of the project. The trade organisations and SMEs only could choose whether they agreed with the set preconditions and wanted to participate, or not. This may not have been a real constraint, because MKB Nederland could be seen as the representative of these trade organisations and SMEs. Thus, the legitimacy of the procedure and the building of trust seems to be warranted in the project Excelleren.nu.

The key respondents all believe the project could have been much bigger. They believe many more SMEs could have participated (R1, personal communication, 28 April 2015; R4,

personal communication, 7 May 2015). This means that the participatory inclusiveness could be improved in order to make the project Excelleren.nu more legitimate.

According to R1 (personal communication, 28 April 2015) the government has initiated several initiatives in the field of improving employability. For example, R1 mentioned the project ‘Duurzame Inzetbaarheid’. This project is a spin-off of Excelleren.nu and focuses on employability in general. This makes the project broader than Excelleren.nu, which focused only on improving the learn culture on the work floor. There also was a spin-off of Excelleren.nu in the province Noord-Brabant. This project extends the Excelleren.nu goals for SMEs in the province Noord-Brabant (R4, personal communication, 7 May 2015).

3. Facilitative leadership

It was the ministry of Social Affairs and Employability working together with the ministry of Education, Culture and Science and the ministry of Economic affairs that initiated the project in an ‘interdepartmental working group’ (R4, personal communication, 7 May 2015). Nevertheless, it was MKB Nederland that was perceived as the leader of the project by trade organisations and firms. MKB Nederland had the information, the professionals and the ideas (R3, personal communication, 1 May 2015). It is not remarkable the key respondents concluded this, because MKB Nederland executed the project. Although the government was an involved party, it held itself on the background for reasons mentioned earlier: the government did not want SMEs to feel like the government interfered again. MKB Nederland facilitated the communication and brought the different parties (trade organisations, SMEs, professionals) together (R4, personal communication, 7 May 2015).

4. Process of collaboration

Face-to-face dialogue is one of the elements of the cycle in the collaborative process. It is useful in public-private partnerships because it can sweep stereotypes away (Ansell and Gash, 2008). During the running time of Excelleren.nu there were different forms of joint-meetings. As examples were given ‘orator-public, intervission, forms of interaction and discussion panels or groups’ (R1, personal communication, 28 April 2015). Especially in the beginning, the meetings were joint. During the project the meetings became more face-to-face: between professionals and SMEs. The professionals gave tailored advice to each individual SME on how they could develop a learning culture (R3, personal communication, 1 May 2015).

The communication in general was perceived as clear and transparent, which is a positive predictor for trust-building. Moreover, it is observed that all participating parties kept

to their agreements (R1, personal communication, 28 April 2015), which also implies that there was trust-building. Nonetheless, R2 (personal communication, 28 April 2015) mentioned that it could have been confusing for SMEs to know how the project was shaped, because some SMEs were approached by trade organisations and others by one of the regional MKB departments. This should have been communicated more clearly (R2, personal communication, 28 April 2015). The entrepreneurs of the SMEs felt free to talk with the trade organisations and their fellows about the problems they had with regards to employability, probably because trade organisations are not perceived as potentially dangerous by those entrepreneurs (R3, personal communication, 1 May 2015). Trust-building is needed before participating parties can commit themselves (Ansell and Gash, 2008)

Commitment to process exists of mutual recognition of interdependence, shared ownership of process and openness to exploring mutual gains. The key respondents had different opinions on the recognition of interdependence. Some key respondents sympathised that individual firms could be able to effectuate as much as was now done in the project Excelleren.nu, but only if firms themselves already recognised that investing in employability and improving the learning culture on the work floor was necessary (R4, personal communication, 7 May 2015; R2, personal communication, 28 April 2015). All key respondents agreed that the project Excelleren.nu was necessary to raise awareness within SMEs. SMEs needed some extra support to take the step to start to move. They needed to be convinced that it was a good idea to invest in employability. Therefore, it was a good thing there was Excelleren.nu (R2, personal communication, 28 April 2015). Also, the government and MKB Nederland were well aware of the fact that they needed each other in order to gain the best results for the project (R4, personal communication, 7 May 2015; R1, personal communication, 28 April 2015). Together, they felt responsible for warranting the results, which implies they felt shared owners of the process. It seems that the openness to exploring mutual gains was greater when SMEs participated via a trade organisations as when SMEs participated directly via a regional MKB-department. For individual SMEs, there were less possibilities to spread results and lessons learned or to learn from others (R2, personal communication, 28 April 2015). The project leaders of the different branches had several meetings in which they discussed what went well and where bottlenecks appeared, and how to tackle these (R4, personal communication, 7 May 2015). Moreover, some trade organisations set up projects that were for a large part similar to Excelleren.nu, but specified to their specific sector (R1, personal communication, 28 April).

The government and MKB Nederland had a concrete mission: ‘the main goal of the project is that at least five-hundred SMEs, spread among fourteen branches and six MKB-regions, get personal advice, ‘tailored to the firm’, about the way in which a learning culture could get developed’ (MKB Nederland, 2012, p. 9). Two sub goals were formulated: 1) ‘the spread of good examples of learning on the work floor, instruments, knowledge-sharing by entrepreneurs meetings and (online) communication to SME entrepreneurs’ and 2) ‘use experiences and learning moments from the project in the field of learning culture and employability in the MKB by doing recommendations for the future’ (MKB Nederland, 2012, p. 9). Those goals were ‘translated’ by MKB Nederland in information that project leaders had to provide in the advisory trajectories for SME entrepreneurs (R1, personal communication, 28 April 2015). It was clear for all parties that the goal was to provide SMEs advices in developing a learn culture on the work floor (R4, personal communication, 7 May 2015). This means that there was a high level of shared understanding between the parties.

The participating parties in the project Excelleren.nu tried to reach intermediate outcomes. The key respondents knew examples of forms of joint-fact finding. There were horizontal forms: between SMEs, between trade organisations and between project leaders, but also vertical forms of joint-fact finding: between SMEs and trade organisations for example (R1, personal communication, 28 April 2015; R4, personal communication, 7 May 2015). It is likely that joint-fact finding is a predictor for successful collaborative governance, because joint-fact finding is the product of an intermediate outcome (Ansell and Gash, 2008, p. 561).

Scale for public-private partnership

The key respondents essentially had the same considerations with regards to the most appropriate scale for public-private partnerships in the field of employability. They all thought it was important that there is a nationwide framework, but the execution of the project should be at a local level. ‘So it is possible to vary at regional scale’ (R2, personal communication, 28 April 2015), but also because there are large differences in the regional labour markets (R4, personal communication, 7 May 2015). There also were considerations to have a nationwide framework and a local execution, but specified on the different sectors to which SMEs belong, ‘because this increases the distinguishability’ (R3, personal communication, 1 May 2015) and trade organisations ‘take care of the developments [in their sector] and they know what is happening in their sector’ (R1, personal communication, 28 April 2015).

5.1.2 Resume

Excelleren.nu was analysed because it was an example of a public-private partnership on national scale. The presence of the four main variables of the model of collaborative governance was analysed and identified.

For the participating parties there were different incentives to participate and reasons for wanting to improve employability. SMEs had several reasons which all could be led back to the wish to improve the employability of their own employees. As explained, SMEs suffer from the employability paradox. Excelleren.nu could have solved this problem, as it offered all SMEs help in improving employability for free. (R1, personal communication, 28 April 2015). The aim of the project was to improve employability in general, not only for one SME or employee, but despite this aim, the SMEs got tailored advice which they could apply immediately in their organisation (R2, personal communication, 28 April 2015). Of course, government knows about the struggles that SMEs have to improve employability, but the government also knows that their intervention is not always appreciated by SMEs (R4, personal communication, 7 May 2015). So, the government had MKB Nederland chosen as an equal partner in and facilitator of the project. MKB Nederland can thus be seen as the facilitative leader of this case. The prehistory of conflict between government and SMEs was smoothened this way.

The institutional design of Excelleren.nu was perceived extensive, but SMEs were not bothered with these rules and protocols as the trade organisations to which they belong were responsible for complying (R1, personal communication, 28 April 2015). Especially in the beginning there were joint-meetings, as the project progressed, most meetings were between professionals and SMEs. The communication between the participating parties was, with exception from a few remarks from R2 (personal communication, 28 April 2015), perceived as clear and transparent and all parties kept to their agreements (R1, personal communication, 28 April 2015). This indicates that there was built trust between the participating parties (Ansell and Gash, 2008). With regards to commitment to process it was interesting that some key respondents sympathized that individual firms could be able to improve employability on their own, but *only* if these firms considered this important. Therefore, even these key respondents found Excelleren.nu a necessary project and saw the surplus value of collaborating. The participating parties felt they were all responsible for warranting the results and were open to exploring mutual gains. The goal and mission of the project was clear for all parties and there were intermediate outcomes.

The general opinion of the key respondents was that the appropriate execution scale for public-private partnerships in the field of employability would be on local/regional level, but that the framework of such a public-private partnership should be on national scale. On local/regional level it would then be possible to vary from the nationwide framework in order to make it possible to comply with the local/regional demands.

5.2 MKB Werkt!

The second case selected is MKB Werkt!. MKB Werkt! is a regionally oriented project that helps employers to find new employees. MKB Werkt! is a project that is facilitated by MKB Eindhoven. In order to avoid confusion, it is important to mention that MKB Eindhoven is not linked to MKB Nederland. MKB Eindhoven is a fully autonomous organisation that is not only a lobby organisation, but it also focuses on other aspects of being a SME entrepreneur: growth of firms and growth of sales in order to create more jobs for example (R5, personal communication, 12 May 2015).

MKB Werkt! is a project that started from the perspective of supply instead of the perspective of demand, as R5 (personal communication, 12 May) explains: a SME entrepreneur needs a new employee and therefore has an open vacancy. This program is initiated by entrepreneurs, not by job seekers or public institutions, although public institutions which have open vacancies are welcome to participate. The fact that the project focuses on the supply-side shows that MKB Werkt! thinks in solutions, and not in problems. The vacancy is the solution for the problem a job seeker has. The job seeker is helped with different instruments, such as education and tips for improving their curriculum vitae and their looks and appearance (R5, personal communication, 12 May 2015). The project is able to respond quickly to changes in the labour market, because the employers are the ones who indicate the need for new employees. Job seekers can introduce themselves to employers at the ‘Vacaturecafé’. This is an event that occurs every several months and is promoted on the website of MKB Eindhoven and in the local newspapers. It is a ‘market’ where employers show their vacancies and job seekers can introduce themselves. The links between employers and potential employees are made as short as possible. MKB Werkt! acts as a mediator between the two of them (MKB Eindhoven, n.d. (b)).

The results of MKB Werkt! are until now above expectation, especially because the project was started in the middle of the economic crisis. Last year approximately 450 vacancies were filled. The years before, when the crisis was more significant apparent, still approximately

270 vacancies were filled. This means that each year the set targets were achieved (R5, personal communication, 12 May 2015).

Different initiatives in the region of Eindhoven are focused on the improvement of employability, and MKB Werkt! is one of them. Just like the other initiatives in this region, the ultimate aim of MKB Werkt! is to enable a group of firms that want to guarantee ‘work certainty’, instead of ‘job certainty’. The municipality of Eindhoven funds MKB Werkt! indirectly, because it is part of the ‘Asscher-aanvraag’. Several initiatives in the region were covered in the ‘Asscher-aanvraag’ (R6, personal communication, 3 June 2015). The ‘Asscher-aanvraag’ facilitates the social partners in forms of temporarily co-financing in order to make it possible for them to execute the sector plans the social partners worked out (Ministry of Social Affairs, n.d.).

Recently a spin-off project is started which is called ‘Op weg naar werkzekerheid’ (‘On the road to employment security’) (R5, personal communication, 12 May 2015). MKB Werkt! is part of this bigger project (R6, personal communication, 3 June 2015). This project aims to involve municipalities and the UWV (Employment Insurance Agency) and other public actors in a structural way (R5, personal communication, 3 June 2015). The form of cooperation in ‘Op weg naar werkzekerheid’ is a network structure (R6, personal communication, 3 June 2015). The aim of the project is to guarantee employees work, to guarantee them ‘work security’. The employees will not always work for the same firm, which means that ‘flexicurity’ will become more important. Flexicurity is the flexibility of employees with regards to changing between jobs (R6, personal communication, 3 June 2014).

Employability

Because the focus lies on public-private partnerships in the field of employability, the key respondents of the project MKB Werkt! were asked how they would define employability. Employability is defined by them as ‘gathering knowledge and skills for life in the different phases of [life]’ (R6, personal communication, 3 June 2015). It is important that employers and employees devote themselves to the improvement of employability. Therefore, curiosity from both sides is needed. Employers need to be curious about the qualities of their employees, and employees need to be curious about the possibilities they have (R7, personal communication, 17 June 2015).

5.2.1 Analysis MKB Werkt!

The project MKB Werkt! is analysed with help from documents found online or received from the key respondents. Furthermore, the information gathered from the interviews is used. By means of this information the occurrence of the variables of the collaborative governance model in the project MKB Werkt! is analysed.

Starting conditions of ‘MKB Werkt!’

Power-resource-knowledge asymmetry could affect the relationship in a public-private partnership, because actors with more power, resources and/or knowledge can exploit actors who have less of these (Ansell and Gash, 2008). R7 (personal communication, 17 June 2015) does not agree with this hypothesis. R7 thinks it is more important that the representative of a SME is enthusiastic for what he does. This would overcome differences in, for example, size of firms. All firms willing to participate in MKB Werkt! are welcome, following R6 (personal communication, 3 June 2015), and they are all treated the same. Assuming this is true, this would overcome an eventual power-resource-knowledge asymmetry.

There are incentives and constraints mentioned for firms and public institutions to participate in a public-private partnership such as the project MKB Werkt!. It is an incentive for firms to participate in the project, because it makes it easier for them to find new employees. The reason for this is that MKB Werkt! organises everything. MKB Werkt! searches for job candidates and facilitates the ‘Vacaturecafé’. The firms only have to send their vacancies and present themselves at the ‘Vacaturecafé’. In many cases, firms find an appropriate potential employee in a short time. For public institutions, there is a bilateral incentive to participate in projects such as MKB Werkt! (or on a broader scale: ‘Op weg naar werkzekerheid’): if firms function better, the economy will grow. This will lead to more vacancies. A part of these vacancies will be filled in by people with a distance to the labour market. Especially when it concerns people with an allowance, this will lead to revenue maximising effects, which is an economic incentive for the government (R6, personal communication, 3 June 2015). Another incentive to participate is the extent to which a firm (or government) feels connected to corporate social responsibility (R7, personal communication, 17 June 2015).

R6 (personal communication, 3 June) mentioned several success factors for a public-private partnership as MKB Werkt!, which can act as incentive to participate. According to R6, it must be a win-win situation for all the participating parties and the perspective of the project should be business driven. A public-private partnership can only be successful if the participants are aware of the differences between the parties and recognise them. Of course, the differences

need to be bridgeable. Therefore, agreements are needed (R6, personal communication, 3 June 2015).

R6 (personal communication, 3 June 2015) foresees a possible constraint to participate, for both public institutions and firms. There is always a field of tension between public institutions and firms. First of all, there is tension because the firm's interest is to get good employees that fulfil their tasks, the public institutions' interest is more societal as it wants to offer perspective to people with a distance to the labour market. Second, the fact that firms and public institutions are from different 'blood types' (R5, personal communication, 12 May 2015) makes it hard to cooperate. This could lead to the failure of a public-private partnership, because 'their working methods differ (...) and we [the SME entrepreneurs] do not speak their [the public institutions'] language' (R5, personal communication, 12 May 2015). Not only the working methods between firms and public institutions differ, also the way they think (R6, personal communication, 3 June 2015). Third, there can arise tensions when participating parties in MKB Werkt! have a conflict with each other in another initiative or project. Therefore, it is important to remember the broader context in which SMEs, governments and others find themselves. Conflicts on another level or in another project can have their effects on projects such as MKB Werkt! (R6, personal communication, 3 June 2015). This acts as a constraint and can be identified as a 'prehistory of conflict'.

What acts as an example of the prehistory of conflict, besides the differences in language and the tension field of different interests between public institutions and firms, is mentioned by R5 (personal communication, 12 May 2015) as the non-experience that both public and private organisations have in improving employability: 'employers could constantly say to the municipality and UWV: 'this has to be organised in another way', but then they say: "okay, how would you organise it then?".' In response to this, MKB Eindhoven decided to do it the other way around and experiment first, so they could learn what works out and what does not. MKB Werkt! is the outcome of this experiment, executed by MKB Eindhoven and the SME entrepreneurs (R5, personal communication, 12 May 2015). This has resulted in a spin-off project ('Op weg naar werkzekerheid'), including the municipalities and UWV, which has recently started. This shows how the initial trust level has improved since the start of the project MKB Werkt!. Another example of the improvement of the initial trust level can be found in the inclusiveness of firms. At first, some partners within MKB Werkt! were sceptical towards employment agencies, but now everybody sees that they are firms that want to associate employees for a sustainable period (R7, personal communication, 17 June 2015). The future

will show if the improvement of the initial trust level will lead to a more successful public-private partnership.

Institutional design of MKB Werkt!

A part of the institutional design of MKB Werkt! was that there were targets set for the project MKB Werkt!, which had to be realised (R5, personal communication, 12 May 2015). These targets functioned as basic protocols and clear ground rules. Not all SMEs that could participate in MKB Werkt! actually participated, according to R5 (personal communication, 12 May 2015). This means that just as in the Excelleren.nu project, the MKB Werkt! project could improve the participatory inclusiveness. R5 (personal communication, 12 May 2015) expects that the project will grow, especially in the spin-off project in which municipalities and UWV are structurally involved.

R6 (personal communication, 3 June 2015) sees three developments in the environment. These developments could affect the forum exclusiveness and participatory inclusiveness: the first development is that big firms are giving people with a vulnerable position on the labour market a chance to work for them. These so-called ‘social enterprises’ are split from the parent company, in order to decrease the risks. The second development in the region of Eindhoven is that bigger firms, but also the bigger SME firms, are ‘re-shoring’: taking their outsourced production activities back to the Netherlands, because some serial production activities can be done cheaper here due to technological advantages in comparison to the industrial countries. The third development finds place within the smaller SMEs. MKB Werkt! is one of these developments (R6, personal communication, 3 June 2015). The first two developments show a power-resource-knowledge asymmetry, because bigger firms have less risk when setting up ‘social enterprises’ and/or ‘re-shoring’, SME firms do not have the power, resources and/or knowledge to take this risk and this has led to the third development, of which MKB Werkt! is one. There are no similar initiatives in the surrounding area. There are some smaller initiatives, but these are not integrated. MKB Werkt! is a project with an integrated approach (R5, personal communication, 12 May 2015).

Facilitative leadership

The municipality of Eindhoven is facilitative on a higher and broader scale, as it did for MKB Werkt! and several other initiatives belonging to the ‘Asscher-aanvraag’. The municipality of Eindhoven sees itself as the encourager of initiatives such as MKB Werkt!, but the ultimate goal of the municipality is that these initiatives can exist without the help of the government.

This is because the government is not the one who ‘makes’ work. The employers are the ones who create vacancies. So, it is important that public institutions accommodate employers when the economy grows, and thus the amount of vacancies too (R6, personal communication, 3 June 2015).

MKB Eindhoven tries to facilitate in linking vacancies of SMEs to job seekers in the project MKB Werkt!. They try to connect the processes to each other and to deliver the needed organising capacity in a professional way for the SME entrepreneurs. ‘You can only try to motivate people, to inspire them to change things in such a way the whole team profits’ (R5, personal communication, 12 May 2015). Firms see the added value of MKB Eindhoven/MKB Werkt! as they are the link between them and the government. MKB Eindhoven is politically involved by all actors, both public and private. This makes them a really useful partner for firms (R7, personal communication, 17 June 2015).

Especially because the project MKB Werkt! shows a high level of prehistory of conflict and the power, resources and knowledge between the participating SMEs seem to be in balance the facilitative leadership of MKB Eindhoven is needed, because this can foster the effectivity of the public-private partnership (Ansell and Gash, 2008). The municipality of Eindhoven facilitates MKB Eindhoven with (financial) resources in order to make MKB Werkt! a success. Thus, the municipality of Eindhoven facilitates MKB Eindhoven and MKB Eindhoven facilitates MKB Werkt!.

Process of collaboration

On a regular basis there are meetings with partners of MKB Werkt! Two people of MKB Werkt! are fulltime occupied with organising these meetings (R5, personal communication, 12 May 2015). One of the subjects discussed in these meetings is the best way to gather subsidies from the (local) governments. It turns out that some subsidies are best spent when several actors together ask for them (R7, personal communication, 17 June 2015). These meetings are important in order to build ‘trust, mutual respect, shared understanding, and commitment’ to the public-private partnership (Ansell and Gash, 2008, p. 558).

At this moment, there is no structural collaboration between MKB Werkt! and the local public institutions, but the spin-off project ‘Op weg naar werkzekerheid’ aims to realise a structural collaboration. R5 (personal communication, 12 May 2015) describes this as leaving the stage of ‘fierljepping’ (of experimenting what works out best) and the beginning of a structural regional program. The municipality of Eindhoven tries to support MKB Werkt! with leaving the ‘fierljepping-stage’ by communicating clearly about the instruments they can offer

in order to help (R6, personal communication, 3 June 2015). R6 describes a possible risk of a network-structure in the way the spin-off project ‘Op weg naar werkzekerheid’ is designed. Because it is a ‘lighter’ design, it might be easier for participants to say they will not keep to the agreements. Therefore, R6, but also R5 (personal communication, 12 May 2015) point out the importance of all parties keeping to their agreements. It is not possible for R5 to collaborate with a party that does not keep to its agreements. ‘Of course it sometimes is necessary to remind a party to an agreement, but it is necessary that eventually everybody keeps to the agreements’ (R5, personal communication, 12 May 2015). Keeping to agreements is important to guarantee the mutual interest too, because in the agreements the different interests between the participating parties are recognised (R6, personal communication, 3 June 2015). This is also considered as important by Ansell and Gash (2008), because keeping to agreements shows the level of trust-building.

The Netherlands are too small to react slowly to developments, so a different perspective on renewing is needed according to R5 (personal communication, 12 May 2015). MKB Eindhoven and the local public institutions gained the insight that collaborating together in a public-private partnership is needed in order to be successful (R5, personal communication, 12 May 2015). Every party has his own interests, but eventually, all parties strive to warrant one mutual interest, which is in this case the improvement of employability (R6, personal communication, 3 June 2015). This insight led to the spin-off project ‘Op weg naar werkzekerheid’ (R5, personal communication, 12 May 2015). In fact, this gained insight has also led to a mutual recognition of interdependence, which is a predictor for commitment to process. ‘All parties have different interests which need to be taken into account, but in the end all parties have the same interest, which is: more employment, and better, faster matching [between vacancies and job seekers]’ (R5, personal communication, 12 May 2015). Therefore, a joint project is needed. At the beginning, ‘everybody will feel threatened (...), but in the end everybody needs each other, only in different positions’ Together, the participating parties are responsible for reaching the set targets (R5, personal communication, 12 May 2015).

The mission of the project is stated very clearly to all parties that participate. There is made clear what is expected from them and which role they have in the process (R5, personal communication, 12 May 2015). Participants are made clear what they can expect from the project. The shared understanding is even more enhanced because the participants are told what the project expects from them. All participants know what they can expect from each other. For example, the job seekers are aware of the fact that MKB Werkt! is supported from the demand side of employers and they know the goal of the projects is to fulfil the needs from the demand

side, not to fulfil the needs of the supply side (unemployment). Though, without job seekers, MKB Werkt!’s mission cannot be accomplished. Job seekers know that the project could also be beneficial for them (R7, personal communication 17 June 2015).

R5 (personal communication, 12 May 2015) thinks that all parties, SMEs and public institutions, participate for the same reasons: more employment and helping people who have a distance to the labour market to get a job. If it would not be the case that all parties have the same goals they want to reach in the end, R5 (personal communication, 12 May 2015) believes collaborating in a public-private partnership will not work out. R6 (personal communication, 3 June 2015) agrees with R5. He thinks that participating parties need each other, but he warns it is important to keep in mind that the accents of all those parties differ. This corresponds with Ansell and Gash (2008). They think that a clear mission and common problem definitions and common identified values will lead to shared understanding between all participating parties.

In the project MKB Werkt! SME entrepreneurs learn from each other in an employer-community. This employer-community learns how to operate in the labour market in such a way that the right people fulfil the right jobs. Another thing the employers learn, is what not to do. MKB Eindhoven tries to show SME entrepreneurs that they can gain knowledge from others and that they not always need to invent things for themselves (R5, personal communication, 12 May 2015). Knowledge will of course only be shared if it is not competitive (R6, personal communication, 3 June 2015). R7 (personal communication, 17 June 2015) agrees to R6, as he is willing to share some knowledge, but only if this will not lead to competitive risks for his firm. R6 (personal communication, 3 June 2015) observes that to an increasing extent, positive and/or negative experiences with the instruments of the government are shared. This shows intermediate outcomes, because it is an example of small outcome wins and joint-fact finding (Ansell and Gash, 2008, p. 561).

Scale for public-private partnership

R5 (personal communication, 12 May 2015) considers it important that the government has a vision and makes the top-down decisions. However, the realisation of the vision should be bottom-up, because each region has its own interests. Bottom-up realisation also makes it possible to give feed-back and to share best practices and lessons learned (R5, personal communication, 12 May 2015). Because of the short links between the actors, the commitment to the projects will be greater if they are locally/regionally executed (R7, personal communication, 17 June 2015). Therefore, R5 (personal communication, 12 May 2015) thinks it is important that the government acts as facilitator and makes the ‘rules of the game’, not only

within the rule of law, but also in a societal and social sense. R5 underlines that the executing part of each public-private partnership should be regional, because ‘that is where things happen’. R6 (personal communication, 3 June 2015) agrees in essence with R5. R7 considers it important that the social partners make agreements on a national scale, but thinks a public-private partnership should be executed on regional or local scale.

5.2.1 Resume

MKB Werkt! is analysed because it is an example of a public-private partnership on regional scale. The presence of the four main variables of the model of collaborative governance was analysed and identified.

Because all firms are welcome to MKB Werkt! and it assumed they get same information and help from MKB Werkt!, eventual power-resource asymmetries are overcome. In this case, the incentives for SMEs to participate could also be drawn back to the wish to improve employability. Again, the intervention of government could be a constraint for participating. The key respondents identify this also as a prehistory of conflict. MKB Werkt! solves this conflict as MKB Eindhoven facilitates between government and firms. MKB Eindhoven can thus be seen as the facilitative leader of MKB Werkt! The protocols and rules were built along the targets that MKB Werkt! has set. Each year MKB Werkt! wants to realise the set targets. The protocols and rules should help MKB Werkt! to realise this aim.

What concerns the process of collaboration, there are regularly meetings with the partners of MKB Werkt!. One of the aims of these meetings is to make the collaboration between MKB Werkt! and the local public institutions more structural. The spin-off project ‘Op weg naar werkzekerheid’ aims to realise this structural collaboration. In order to make this collaboration successful and in order to maintain it, the key respondents point out it is important to keep to agreements and to work for the mutual interest all parties have (in this case: improving employability). So, the key respondents also recognise the shared ownership they have and the mutual interdependence they have. Because the targets are so clear, the mission of the project is also very clear for the participants. MKB Werkt! makes clear to participants what is expected from them and which role they have in the process towards reaching the targets (R5, personal communication, 12 May 2015).

When asked for their opinion for the appropriate scale for a public-private partnership in the field of improving employability. The key respondents have generally the same opinion, which is that there should be a nationwide framework in which the visions and decisions are

made), but that the realisation of that vision should be on a local/regional level, because each region has its own interests (R5, personal communication, 12 May 2015).

5.3 Conclusion

This chapter analysed two exemplary cases of employability enhancing programs. Firstly, the national case Excelleren.nu was described and the presence of the four main variables for collaborative governance was identified. Secondly, MKB Werkt! was described as regional case and the presence of the four main variables for collaborative governance was identified. In order for collaborative governance to be successful, the presence of those four main variables is necessary. Chapter 3 suggest that public-private partnerships in the form of collaborative governance could solve the problem of the employability paradox.

This chapter has shown that SMEs have incentives to improve employability, but due to the employability paradox they are afraid to invest in employability. The employability paradox assumes that an employer is hesitant to invest in the employability of his employees, because he is afraid that those employees will leave the SME for another company, due to their raised attractiveness for the labour market after becoming more employable (Grip et al, 2004, in De Lange and van Wijk, 2012, p. 37). This chapter has also shown that the employability paradox probably could be solved by public-private partnerships. SMEs are less hesitant to invest in employability when they are offered help and when they see that other employers also invest in employability. A SME employer will probably think when considering to collaborate in a public-private partnership: “if other SMEs also improve in employability, the employability in general increases, which would probably will not lead to a loss of my own employees”.

In order to get a SME in a public-private partnership, it is important that the conditions from (Ansell and Gash, 2008) are satisfied. The starting conditions of a collaboration should contain no constraints for participation, such as a power-resource-knowledge asymmetry or prehistory of conflict. Furthermore, there should be a facilitative leader who is trusted by all parties, also by the participating SME. A clear and transparent institutional design is needed and the collaborative process should be cyclical and consisting of communication, trust, commitment, understanding and outcomes (Huxham 2003; Imperaial 2005; in Ansell and Gash, 2008, p. 558).

Chapter 5 has shown that public-private partnerships on national level as well as on regional level are perceived as relatively successful, at least by the key respondents who were involved with the cases themselves. This raises the questions how the findings of the two cases should be explained exactly. Which variables in the model of collaborative governance (Ansell

and Gash, 2008) are of special importance to the solving of the employability paradox? And are there differences between public-private partnerships involving SMEs and public-private partnerships involving multinationals, and if yes, could differences in capacity explain these differences?

Chapter 6 - An assessment of public-private partnerships and the employability paradox

In this chapter, there will be examined what can be said about the four variables of the model of collaborative governance in comparative sense. An answer to the question how the four variables converge towards public-private partnerships is given. In the end, it will become clear to what extent public-private partnerships contribute to employability. At first, the possible differences between multinationals and SMEs with regards to their capacity to improve employability are examined. After that, the opinions of the experts will be compared to the two selected cases Excelleren.nu and MKB Werkt! in order to be able to interpret the findings of the two cases in chapter 5. The definition of employability and the appropriate scale for public-private partnerships are also taken into account in order to know how the experts think about these.

6.1 Multinationals and SMEs: dealing differently with the employability paradox

What makes multinationals and SMEs so different from each other? Why is it so hard for SMEs to improve their employability, and which factors determine that this is easier for multinationals? In order to give an answer to this question and to make it possible to compare multinationals and SMEs the ‘Philips – Werkgelegenheidsplan’ is chosen as example of a multinational that invests in the improvement of employability. This case shows which factors make it possible for a multinational to improve employability. Furthermore, it shows how Philips collaborates with several public institutions.

6.1.1 Philips’ ‘Werkgelegenheidsplan’

The ‘Philips Werkgelegenheidsplan’ (‘Employment project’) is a project started by Philips N.V. thirty years ago. The goal of the project is to make people with a distance to the labour market more attractive for employers. Philips does this by giving these people the chance to gain work experience within Philips and by offering them education and courses for personal development. The aim of Philips is not necessarily that all people they help in the Werkgelegenheidsplan will find a job within Philips or in a firm linked to Philips. Rather it is Philips’ aim that they will find a regular job somewhere else (R9, personal communication, 5 May 2015).

The reason Philips started with this project thirty years ago was the high percentage of youth unemployment at that time. The government’s reaction to the youth unemployment was to restrict working weeks to 32 or 28 hours per week. Philips and some other firms were not keen on this construction, but Philips (and the others probably too) wanted to do something

about youth unemployment. Therefore, the ‘jeugdwerkgarantieplan’ (youth employment guarantee plan) was invented by Philips. The youth was given the chance to gain some experience on the work floor of Philips. This worked out so well that Philips extended the plan to the ‘Werkgelegenheidsplan’, in which all people with a distance to the labour market could participate (R9, personal communication, 5 May 2015).

According to R9 (personal communication, 5 May 2015), it is a collective labour agreement of Philips, a commitment, that 1.5 percent of the employees of Philips are recruited for the Werkgelegenheidsplan. At this moment, Philips has around thirteen thousand employees in the Netherlands, which means that around 185 people with a distance to the labour market can participate on an annual basis. These people may participate in the Werkgelegenheidsplan if they fit the criteria of Philips, which are for instance: they must be unemployed for at least six months and may not have a history of employment within Philips. Those people are mainly redirected by the municipality of Eindhoven or the *UWV* (R9, personal communication, 5 May 2015). The collaboration between the municipality and the *UWV* has not always been as good as it is now. The last few years the collaboration has become more structural and this pays off (R9, personal communication, 5 May 2015). Each quarter of a year there is a kick-off meeting for new participants of the Werkgelegenheidsplan. Once a year, the Werkgelegenheidsplan-congress is held. This congress is held for and by participants of the Werkgelegenheidsplan. Internal and external relations also attend this congress (R9, personal communication, 5 May 2015).

Seen from the perspective of Werkgelegenheidsplan employability is taking a look at ‘how far can a person develop himself during this year’ (R9, personal communication, 5 May 2015). Philips tries to find the things that people are able to do, not what they are not able to do (R9, personal communication, 5 May 2015). Philips tries to develop a person’s personal development, his employability, by learning them general, but also specific employee skills. The learn-work trajectories and the gained work experience on the work floor attribute to a person’s personal development (R10, personal communication, 5 May 2015).

Philips not only tries to improve employability of unemployed with the Werkgelegenheidsplan, but also invests in its own employees by providing them employability trainings in the ‘E-miles program’. Each employee gets 1000 ‘E-miles’ every year that he/she can spend voluntary on different employability trainings (R9, personal communication, 12 May 2015).

6.1.2 Reasons for differences between multinationals and SMEs

When comparing the Philips Werkgelegenheidsplan to Excelleren.nu and MKB Werkt! the differences in capacity that multinationals and SMEs have are most remarkable. This is also emphasised by the respondents of the Werkgelegenheidsplan themselves, as both R10 and R9 (personal communication, 5 May 2015) underline it is easier for a multinational such as Philips to start and maintain such a big project, partly because SMEs do not have the capacity to give many people with a distance to the labour market a job. That is why they think that public-private partnerships in the field of employability would be fruitful for SMEs, because the SMEs can share the burdens and the government can facilitate them. Multinationals have enough capacity to organise such projects for themselves and would probably only be constrained by governmental interference (R9, personal communication, 5 May 2015).

It seems that the main difference between multinationals and SMEs lies in the power-resource-knowledge asymmetry. Even if SMEs are willing to invest in employability and are aware of the advantages of a higher employability, they do not have the same capacity as multinationals. In other words, they do not have power, resources and/or knowledge to invest in employability on their own. That is why a SME is most probably not able to start a big project such as the ‘Werkgelegenheidsplan’. A multinational as Philips takes lead in power, resources and/or knowledge. Therefore, there is a power-resource-knowledge asymmetry between multinationals and SMEs.

6.2 Experts’ opinion on the model of collaborative governance

Several experts were asked for their opinion on how public-private partnerships could improve employability. The analysis starts with describing how the experts define employability and how firms and government could contribute to the improvement of employability. After that, there is gained insight on what experts say about the four variables of the model of collaborative governance. Their opinions are compared to the two selected cases.

Possible influence of firms and government on improving employability

The key respondents and the experts were asked how they would define employability. The general opinion was that employability is a difficult concept which is hard to grasp. The key respondents and the experts gave different versions of the definition of employability, but they all had links to and/or parts of the employability definition of R1 (personal communication, 28 April 2025): ‘the ability of an employee to preserve and develop his/her position on the labour market’, It is important that employers are curious about the qualities of their employees and that employees are curious about their possibilities (R7, personal communication, 17 June

2015). R1 (personal communication, 28 April 2015) pointed out that employers of SMEs themselves do not always have a concrete image of what the concept of employability entails. They only mention a few aspects (for example, ageing employees) when asked what employability is.

The experts were also asked if, and if so, how firms and government could contribute to the improvement of employability. R8 (personal communication, 8 May 2015) explained that firms could improve employability in three dimensions. The first dimension is ‘individual factors’. R8 gives several examples, such as training and education, commitment to the career, work/home balance, healthiness and the learning value of a job: does a job offer possibilities to learn new competencies and expertise. R11 (personal communication, 12 May 2015) adds to these examples that the education should make a person more interesting (not only for his current employer). Therefore, R11 considers it important to find the real qualities of people. R12 (personal communication, 12 May 2015) agrees to R11 and thinks that the strengths of people should be emphasised and not their weaknesses.

The second dimension of employability that firms could improve on is function. R8 (personal communication, 8 May 2015) underlines the importance of the history of a career. Both organisations and individuals should take this into account. It is important to find a balance between ‘job hopping’ and the danger of ‘experience denseness’. In other words, it is important to change your job activities every once in a while (could also be within the same organisation), but there must be a balance in this. Changing too often leads to ‘insufficient profundity to expand real expertise’ (R8, personal communication, 8 May 2015).

The third dimension is organisational. R12 (personal communication, 15 May 2015) summarises the content of this dimension shortly by saying that an active human resource management (HRM) policy is needed. R8 (personal communication, 8 May 2015) explains it more explicitly, by giving examples such as the degree of social support that colleagues offer or the development possibilities within an organisation. R8 also stresses the importance to take the work load capacity of a person into account, and to adjust the burden when necessary (for example, when a person gets older). R12 and R11 (personal communication, 12 May 2015) both think it is important for firms to invest in the improvement of employability, because the current generation of new/young employees considers it important to be able to develop themselves.

The experts all saw possibilities for the government to improve the employability of persons in general. Both R12 and R11 (personal communication, 12 May 2015) emphasise the importance of education and the steering role the government can play. R11 thinks the

government could have had a more steering role with regards to the sectors that are expecting employee shortages, the technical sector for example. R11 notices a discrepancy between available studies and what the labour market needs. R12 (personal communication, 12 May 2015) suggests a certain reward policy and discouragement policy with regards to certain studies. Although, R12 foresees problems with equality, rights and discrimination if the government would really carry out such policies. Other ways in which the government could improve employability is by disputing stereotyping based on age, and to give attention to the responsibility of organisations for the consent and labour satisfaction their employees have. The government should protect the long-term productivity of people (R8, personal communication, 8 May 2015). Additionally, governments could help firms, especially SMEs, to organise ‘a kind of a community, or a regional working method’ (R9, personal communication, 5 May 2015). This could give SMEs the capacity to improve employability which they otherwise would lack. This would also be beneficial for the government, because it will cost the governmental institutions eventually less (R8, personal communication, 8 May 2015; R10, personal communication, 5 May 2015). At this moment, the government acts mostly curative instead of preventive. This is something the government could improve (R8, personal communication, 8 May 2015). R11 (personal communication, 12 May 2015) agrees that the government could do more to invest in employability in general.

The experts suggest that public-private partnerships could help SMEs improving their employability. Because it is a ‘win-win for both’, firms and governments have reasons to choose for collaboration in public-private partnership (R12, personal communication, 12 May 2015). Furthermore, collaboration gives possibilities to build in ‘feedback loops’ for policy makers and financial supporters. Those feedback loops from the practice (in the SMEs) give possibilities to adjust policies (R8, personal communication, 8 May 2015). This is beneficial for both SMEs and the government.

The experts were able to explain the concept of employability in different dimensions and regard different aspects of the concept and also took the government’s perspective into account, whereas the key respondents mainly focussed on the perspective of the employee and a bit on the aspect of employers. Though, both the key respondents and the experts are aware of the importance of the improvement of employability. Next question is, how should a public-private partnership be organised? And: are the examples of the practice organised in the way the experts think it should be, or does theory differ from practice? Below, the four variables of the collaborative model of governance are discussed.

Starting conditions of public-private partnerships

The experts do not think that all firms involved in public-private partnerships have equal chances to improve their employability. They all emphasised that the size of a firm matters. The general opinion was that smaller firms do not have the capacity to improve their employability. R12 (personal communication, 12 May 2015) meant by ‘smaller firms’ firms that are smaller in the sense of their financial budget: ‘so, besides [if a firm is] small or big, there must be resources in order to realise employability by employees’. Moreover, ‘in a bigger firm you have more chance to grow (...) So you can invest in an employee to let him grow into a higher level, or maybe to another function’ (R11, personal communication, 12 May 2015). Furthermore, R12 (personal communication, 12 May 2015) foresees a risk for smaller firms that invest in an employee, because this may lead to the withdrawal of an employee to a bigger firm that can offer him more. In fact, R12 describes the employability paradox from which SMEs suffer. In addition, R8 (personal communication, 8 May 2015) explains that smaller firms often do not have a human resources department. The entrepreneur of a smaller firm often does not have the time to stay up to date about new public campaigns. This (unintended) lack of attention may lead to missed chances. R9 (personal communication, 5 May 2015) points out that even if a firm is big enough to have the capacity to improve employability, still the will to do this is needed: ‘I think that it has not so much to do with the size of a firm, but more with the will of a firm (...) Although it is easier for Philips to accomplish, because it is a bigger firm and that makes it financial probably easier’. R9 also thinks of a solution for this problem: ‘maybe you should just set up something regional’. She recognises that it is easier for a multinational such as Philips to improve in employability: ‘we can accommodate annually around 180 people, a SME cannot do that. A SME could maybe accommodate 1 or 2 people’ (R9, personal communication, 5 May 2015). Therefore, R9 (and also R10, personal communication, 5 May 2015) emphasise to set up something regional in which several firms could participate.

The experts recognise there is a power-resource-knowledge asymmetry, which is mostly disadvantageous for SMEs. The relatively small size of SMEs is given as reason for this asymmetry. The experts point out that a public-private partnership is needed to reduce the power-resource-knowledge asymmetry. The two selected cases Excelleren.nu and MKB Werkt! dealt both with this asymmetry in the same way: a facilitative leader held the power-resource-knowledge asymmetry in balance as this leader redistributed the power, resources and/or knowledge.

Firms have different considerations before they decide whether to involve themselves in a public-private partnership. R8 (personal communication, 8 May 2015) gives several examples of incentives or constraints of firms to participate. A major constraint appears if participating in a public-private partnership involves financial costs. If there are relatively fast visible results, this will act as an incentive for firms to participate. What also plays an important role is whether a firm is engaged with employability cases in an intelligent way. So, if the one who decides whether to participate or not has eye for (medium-)long-term results. Finally, R8 (personal communication, 8 May 2015) also thinks that the human resource knowledge of the person who decides whether to participate or not could act as an incentive or constraint.

The experts mentioned different factors when asked what could determine the success or failure of public-private partnerships according to them. These factors could also be an incentive or constraint to participate. One factor predicting success of public-private partnerships is making clear agreements and keeping to them (R12, personal communication, 12 May 2015). What plays an important role, is being transparent. So, 'do not tell things you actually cannot do'. Being honest and reliable are thus important factors determining success or failure of public-private partnerships (R12, personal communication, 12 May 2015). Another factor is that firms must be willing to participate (R9, personal communication, 5 May 2015). This could be achieved by making a good bridge between science and practice, that all participators respect each other's added value. That they share each other's experiences of success and failure, because then it is possible to develop and adjust policies which can be tested in practice. This does not happen enough at this moment (R8, personal communication, 8 May 2015). The sharing of experiences is also important because input of firms is needed to know what these firms need. Asking input of firms will lead to commitment, because this enables firms to share their opinions and ideas (R9, personal communication, 5 May 2015). Although, another expert mentioned that a public-private partnership should not ask too much effort, but should lead to a relief for SME entrepreneurs, because otherwise SME entrepreneurs will not participate in the first place (R12, personal communication, 12 May 2015). It is thus important to find a good balance in involving firms in a public-private partnership and offering them a relief: it may not lead to more work for them. Finally, it is important that participating parties in a public-private partnership speak the same language, because 'even if you have the same idea: if you do not speak each other's language, it could get stuck only at this point [of not speaking the same language] (R10, personal communication, 5 May 2015). In fact, all experts say it is important to build trust in order to get a history of cooperation, instead of a history of conflict. The initial trust-level between different parties has to be high enough in order to decide

to participate in a public-private partnership (Ansell and Gash, 2008). Therefore, it is important that the social institutions take the effort to learn which ‘language’ other participating parties speak.

The two selected cases reflect the opinion of the experts. It was for SMEs relatively easy to join Excelleren.nu and MKB Werkt!, which implies that the (financial) costs of these projects were low. It is hard to verify if only SMEs with (a certain level of) HR knowledge participated, but key respondents of both projects emphasised that only SMEs with a certain level of enthusiasm and/or corporate social responsibility joined (R3, personal communication, 1 May 2015; R7, personal communication, 17 June 2015). The difference between the two selected cases is that in Excelleren.nu the trade organisations/local departments of MKB Nederland actively approached SMEs. This is not the case in MKB Werkt!. It is thus likely that in Excelleren.nu more SMEs without any prior knowledge of employability participated, because SMEs in Excelleren.nu were actively approached and informed about the project’s design. This is supported by R3’s statement (personal communication, 1 May 2015) that some SME entrepreneurs needed guiding. Another thing that experts considered important was the diminishing of ‘language differences’. The facilitative leaders of the projects, MKB Nederland and MKB Eindhoven, were the ones who translated the ‘language differences’ between the participating parties and brought the different worlds together. These facilitative leaders assured that each participating party kept to the agreements. These agreements were very transparent (also considered important by the experts). Experiences were shared in the several meetings organised by Excelleren.nu and MKB Werkt!.

A summary of the incentives and constraints mentioned by the experts and the key respondents of the cases can be found in table 10 and 11.

Incentives for SMEs	Incentives for government	Shared incentives
- SMEs are already engaged with employability/HRM and are involved with corporate social responsibility.	- Participating with representative organisations for SMEs and trade organisation makes access to SMEs easier.	- Amount of energy a party is willing to invest.
- Executors of the project speak the language of the participants (SMEs).	- It is in the interest of the government that firms invest in employability: less unemployed people means	- Being honest and reliable: clear agreements and keeping to them

less financial costs for the government.	
<ul style="list-style-type: none"> - SMEs are confronted with the need to innovate. - Proactively approached. - Way in which entrepreneurs are approached: offering them help instead of telling them what to do - Public-private partnerships being tailored to SMEs. 	<ul style="list-style-type: none"> - Easy access to the project. - Being transparent - Asking input/sharing experiences, which leads to commitment - It must be a win-win situation for all participating parties.

Table 10: summary of incentives to participate in a public private partnership

Constraints for SMEs	Constraints for government	Shared constraints
<ul style="list-style-type: none"> - Financial costs linked to participation - Asking too much of a burden from a SME - Resistance to change from SMEs and/or employees. - Not measureable if SMEs continue in investing in employability after the finishing of the public-private partnership. 		<ul style="list-style-type: none"> - Field of tension between interests firms and public institutions (prehistory of conflict) - Field of tension between public institutions and firms. - Not speaking the same 'language' and having different working methods and ways of thinking. - Earlier conflicts on other levels/in other project which involve (partly) the same participants.

-
- Non-experience in improving employability.
-

Table 11: summary of constraints to participate in a public private partnership

A prehistory of conflict or cooperation, so the initial trust-level, acts as a predictor for the decision to participate in a public-private partnership. If there is a prehistory of (successful) cooperation, this will act as predictor for participating again (R8, personal communication, 8 May 2015). R12 (personal communication, 12 May 2015) has the same opinion: ‘I think that firms who had a good experience with it [public-private partnerships] are much more positive towards public-private partnerships as firms who did never participate and maybe even have a certain prejudice’.

In practice, it is not clear whether only firms who a prehistory of conflict had participated. As already said, it is certain some SMEs did not have experience with public-private partnerships. R5 (personal communication, 12 May 2015) mentioned that the non-experience with improving employability of some of the participating parties in MKB Werkt!, including SMEs and governmental parties, acted constraining. It is probable that MKB Werkt! started with a prehistory of conflict: the parties spoke different ‘languages’ and had other ideas about how to improve employability (R5, personal communication, 12 May 2015). That the initial trust level increased is shown by the spin-off project of MKB Werkt: ‘Op weg naar werkzekerheid’. This effect supports the opinion of the experts that a history of cooperation leads to a (more structural form of) public-private partnership. Interestingly, the incentive for participating in Excelleren.nu was probably not diminished by a prehistory of cooperation. Rather, the fact that MKB Nederland facilitated the project and the government was participating at distance led probably to SMEs not knowing that they participating in a public-private partnership (R1, personal communication, 28 April 2015). So, it could be argued that it is not necessarily true what Ansell and Gash (2008) suggest. A prehistory of conflict does not necessarily have to be constraining, for example when there is a leader that facilitates in such way that the parties do not bother each other more as necessary. Both cases show that the facilitative leader had a positive impact on the initial trust level.

Institutional design

Clear ground rules and basic protocols are considered important by all experts. They all agreed it is important to have a good contemplate on the rules before the public-private partnership

starts and they also warn for being too strict on the rules. Sometimes when a public-private partnership does not work out ‘you could say it is being too strict on rules, but afterwards you can say: there has not been enough thought about it’ (R11, personal communication, 12 May 2015). Protocols offer structure and R8 (personal communication, 8 May 2015) thinks most organisations appreciate structure. R8 also warns for being too strict on the rules: ‘that could be constraining’. She considers it important to find a good balance in this: ‘that people do keep the use and function in mind, of those structures, (...) but when it is not coordinated and not structured it will lead eventually to nothing (R8, personal communication, 8 May 2015). R9 (personal communication, 5 May 2015) mentions it is important that somebody who has close links to target groups takes some time to invest in making clear ground rules and basic protocols: ‘what is your exact aim, what do you want to do with the plan?’. Therefore, she does not think it is possible to make a good working plan within a month or so.

In both projects there is given special attention to basic protocols and clear ground rules. It is important that a trusted party investigates the aims which clear ground rules and protocols have to guarantee (Ansell and Gash, 2008). In Excelleren.nu MKB Nederland was this trusted party with links to the target groups who investigated, in collaboration with the government, what these clear ground rules and protocols had to be. The preconditions were extensive, but according to R1 (personal communication, 28 April 2015) they could have been a lot more extensive. Probably, in the case of Excelleren.nu the suggestion of the experts to have rules and protocols about which is thought enough, but to not be too strict on these rules worked out in practice. In the case of MKB Werkt! they did not speak about rules or protocols, but about ‘targets’ that should be realised (R5, personal communication, 12 May 2015). In essence this means the same as having clear ground rules and protocols, and R5 (personal communication, 12 May 2015) also stresses that it is important that participants keep to their agreements and strive for realisation of the targets, but to be not too strict: ‘of course sometimes it is necessary to remind a party to an agreement, but it is necessary that eventually everybody keeps to the agreements (R5, personal communication, 12 May 2015). So, it were the facilitative leaders of the projects (MKB Nederland and MKB Eindhoven) that were mainly responsible for making these protocols and rules. The several spin-off projects make it seem increasingly more the tendency to cooperate in public-private partnerships when it regards the improvement of employability. Probably, public institutions and SMEs are more aware of their interdependency on this subject. This has led to several bigger and smaller initiatives, for example the spin-off project of Excelleren.nu in the province Noord-Brabant (R4, personal communication, 7 May 2015), the nationwide project ‘Duurzame Inzetbaarheid’ (R1, personal communication, 28

April 2015) and the local spin-off project of MKB Werkt! ‘Op weg naar werkzekerheid’ (R5, personal communication, 12 May 2015; R6, personal communication, 3 June 2015), but they all are on a certain way different from Excelleren.nu or MKB Werkt!. This means that it is possible to speak of ‘forum exclusiveness’ of the projects: there are no alternatives that look after exactly the same.

Facilitative leadership

An independent and/or objective party that facilitates public-private partnerships acts stimulating in public-private partnerships (R8, personal communication, 8 May 2015). R8 questions what is really independent and objective, because she thinks it is impossible to be fully independent and objective. Nevertheless, R8 (personal communication, 8 May 2015) thinks it is essential to strive for full independency and objectivity, because this will diminish the chance for hidden agendas and conflicts of interests. R9 (personal communication, 5 May 2015) does not think that an independent and/or objective party always acts facilitative. For a multinational such as Philips it would act constraining, because Philips has enough capacity to arrange things for itself. The opinion of R9 is not in line with the considerations of Ansell and Gash (2008). They think that in all cases a facilitative leader has the power to bring stakeholders together and to make them wanting to cooperate. Especially the weaker actors in a public-private partnership are in need of a facilitative leader, which could explain why R9, an employee of a multinational, perceives a facilitative leader as constraining. R9 (personal communication, 5 May 2015) recognises it is easier for Philips to set up something as for SMEs (probably the weaker actors in a public-private partnership, as argued in chapter 2), because Philips has the financial capacity. Therefore, R9 thinks a facilitative leader could act stimulating for SMEs wanting to improve employability.

Both projects had a facilitating party. In fact, both projects had two facilitating parties. In Excelleren.nu the government facilitated MKB Nederland in executing the project. MKB Nederland facilitated between the government and the participating trade organisations and SMEs. Although it was the government who initiated the project, MKB Nederland facilitated the communication and brought the different parties (trade organisations, SMEs, professionals) together (R4, personal communication, 7 May 2015). MKB Nederland was chosen by the government as facilitative leader, because the government did not want SMEs to feel like the government interfered again. R8 (personal communication, 8 May 2015) considers it important to strive for independency and objectivity. Facilitative leader MKB Nederland was not fully independent and objective, as it was dependent of the demands from the government and

handled from the perspective of SMEs. Though, this was probably led to a good balance between the interests of the governments and the interests of SMEs. The same was the case with MKB Werkt!. The municipality of Eindhoven ‘accommodates’ MKB Werkt and several other regional initiatives, by the ‘Asscher-aanvraag’, and MKB Eindhoven executes the project (R6, personal communication, 3 June 2015). Again, the project was dependent on the government, this time the municipality of Eindhoven, as they received financial resources (R6, personal communication, 3 June 2015). Though, MKB Werkt! was facilitated by MKB Eindhoven, which looks after the interests of local SMEs. So, again this probably led to a good balance between the interests of the government and the interests of SMEs. MKB Nederland and MKB Eindhoven could prevent stronger parties from taking advantage of weaker parties in a public-private partnership, which is one of the main aims of a facilitative leader (Ansell and Gash, 2008).

Process of collaboration

R12 (personal communication, 12 May 2015) and R8 (personal communication, 8 May 2015) both underline the importance of joint meetings with participants of public-private partnership: ‘unknown, unloved’. It is important to speak to each other on a regular basis. During several events organised by R11 (personal communication, 12 May 2015) she got the feeling that all parties participating find it very useful to have joint meetings. Joint meetings give possibilities to interact with each other. ‘If people have more to do with each other, they will appreciate each other more on their merits. So it is very important to have exchanges with each other, absolutely’ (R8, personal communication, 8 May 2015). The experts all more or less say that face-to-face dialogue is important to sweep stereotypes away, which is in line with Ansell and Gash (2008).

Face-to-face dialogues occurred in both projects. There were face-to-face meetings in all kinds of forms. Especially Excelleren.nu organised different meetings in which trade organisations, advisors and/or SMEs could exchange their experiences and ideas (R1, personal communication, 28 April 2015). The professionals involved in the project gave individual SMEs tailored advice about how they could develop a learning culture (R3, personal communication, 1 May 2015). So, the parties involved got to know each other in joint meetings, but also in personal meetings. MKB Werkt had the Vacaturecafé where participants could meet each other and two persons who arranged meetings between the participants (R5, personal communication, 12 May 2015). This means that MKB Werkt! gets to know all their participants

personally, which could sweep away stereotypes, such as R8 (personal communication, 8 May 2015) and Ansell and Gash (2008) suggest.

Especially in the field of improving employability it is important to have clear and transparent communication, because ‘there are lots of different legislations, regulations and target groups with a distance to the labour market’ (R11, personal communication, 12 May 2015). Furthermore, clear and transparent communication could help to prevent stereotyping (R8, personal communication, 8 May 2015). Clear and transparent communication adds to trust-building according to the experts. Nevertheless, it is not always easy to communicate in a clear and transparent way (R12, personal communication, 12 May 2015). Not only clear and transparent communication is important for trust-building. It is also important that all parties keep to their agreements, ‘if you do not do so, you could also just quit’ (R11, personal communication, 12 May 2015). ‘Keeping to agreements is a predictor of the perception of reliability of the collaboration partner. Reliability is then of course again a principle to search for further and more in-depth collaboration, so it is really relevant (R8, personal communication, 8 May 2015). R8 points out the same thing as Ansell and Gash (2008): trust-building is needed to diminish (possible) antagonistic feelings between participants. In the field of employability, it could be hard to build trust among people with a distance to the labour market thinks R10, because they sometimes lack the employee skills of communicating clearly and transparent and keeping to agreements (personal communication, 5 May 2015).

The experts thought that clear and transparent communication leads to more trust. The communication within the projects is perceived as clear and transparent by the key respondents and in general the participating parties kept to the agreements. Only R2 (personal communication, 28 April 2015) mentioned that it was not always that clear for SMEs to know how the project was designed, because some SMEs were approached by trade organisations and others by regional departments of MKB Nederland. The advantage of being approached by trade organisations was that SMEs already knew them and were not seen as a potential danger (R3, personal communication, 1 May 2015). The perception that the participating parties kept to their agreements is was indeed perceived as beneficial for trust-building, as suggested by the experts. Because the participating parties kept to the agreements, it could be argued that the communication really was clear and transparent: if this was not the case, the chance that there was refrained from agreements was higher. This would be disadvantageous for trust-building. Although the communication within the projects was clear and transparent, R6 (personal communication, 3 June 2015), who is involved in the MKB Werkt! project, warned that a

network structured public-private partnership could make it easier for participating parties to refrain from the agreements made. Therefore, it is important that there are agreements which structure a public-private partnership. Probably, the refrainment of agreements can be prevented when all participating parties recognise their mutual interdependence and mutual interest. None of the parties would then consider it advantageous to refrain from agreements.

The experts do not have an unequivocal answer to the questions if an individual organisation could effectuate as much as a public-private partnerships, concerning employability. They do not know if this would play a role in getting commitment to the collaborative process. R12 (personal communication, 12 May 2015) thinks it is possible for individual firms to invest in employability and improve employability, especially when he looks at the government drawing back in the *participatiemaatschappij* ('undisclosed partnership'). R11 (personal communication, 12 May 2015) agrees to R12 and adds that firms can hire professionals with the right expertise in a certain field of employability. R8 (personal communication, 8 May 2015) is less certain. She thinks it depends on the quality of specific relations if public-private partnerships are more successful than individual organisations that try to improve employability. It is thus possible that public institutions and SMEs at this moment do not really feel the urge to collaborate in a public-private partnership, although the recognising of interdependence and shared ownership of the process is needed for ongoing cooperation (Ansell and Gash, 2008).

When all the participants together are responsible for warranting the results, this will lead to more commitment to the process of all participating parties, because they all have an interest to be successful. If one party is not responsible, this party can always withdraw (R12, personal communication, 12 May 2015). R8 (personal communication, 8 May 2015) also considers shared ownership of designing the relationship between parties and adding content to it as important. They need to keep to agreements, be reliable and have to share their ideas and knowledge with regards to employability she thinks. Gaining results from which all participating organisations could profit together, so being open to explore mutual gains, is considered important for a successful collaboration (Ansell and Gash, 2008). This makes it possible to translate policy frames to concrete employability policies, because subsequently the successes and failures should be shared in order to get a feedback loop (R8, personal communication, 8 May 2015). R12 (personal communication, 12 May 2015) also believes in the 'win-win' of knowledge-sharing. He also thinks that this is something that belongs to the current world we live in: 'you have to give more than you get in these days (...) the days of

only getting are really gone. Be as open and transparent as possible. We may not hide anything anymore’.

Commitment to the process can be generated when participating parties in a public-private partnership are aware they need each other. The respondents of Excelleren.nu and MKB Werkt! perceived this mutual recognition of interdependence as present. They felt all participating parties together were responsible for the results. Some respondents of Excelleren.nu (R4, personal communication, 7 May 2015; R2, personal communication, 28 April) thought, it would be possible for individual SMEs to effectuate as much as the project now did, but only if these individual SMEs already recognised that investing in employability was necessary. The experts also think individual SMEs could improve employability on their own, but only when hiring external experts (R12, personal communication, 12 May 2015; R11, personal communication, 12 May 2015). Therefore, it was a good thing Excelleren.nu existed, because this project could raise awareness and support SMEs in investing in employability (R2, personal communication, 28 April 2015). R5 (personal communication, 12 May 2015) summarised the recognition of interdependence that exists (or of which SMEs become aware) as: ‘All parties have different interests which need to be taken into account, but in the end, all parties have the same interest, which is: more employment’. Therefore, knowledge between the participants was shared, as long as it was non-competitive. (R6, personal communication, 3 June 2015). Although each party has its own interests, it was known by participating parties they ultimately strived for the same goal (R5, personal communication, 12 May 2015). A marginal comment that needs to be made is that only SMEs that participated in a public-private partnership are interviewed in this research. It is likely that not all SMEs perceive mutual interdependence and that only SMEs who do perceive this participate in a public-private partnership. These respondents did only not take into account the financial burdens this would cost for a SME. Hiring an external expert would probably be too expensive for a SME.

For shared understanding it is considered important that the mission a public-private partnership in the field of employability is made clear, because there a lots of initiatives in the Netherlands. Therefore, it should be clear what a certain initiative aims for, in order to prevent people from doing just something and filling in the gaps for themselves (R12, personal communication, 12 May 2015; R11, personal communication, 12 May 2015).

The mission of both projects was concrete and originated from common problems that occurred among the participating parties. Before a party could participate in one of the public-private partnerships, it was made clear what the project expected from that party. Excelleren.nu

made this clear by ‘translating’ their mission into information that the project leaders had to provide to the SMEs (R1, personal communication, 28 April 2015). In that way, it was clear for all participants that the goal of the project was to provide SMEs advice in developing a learning culture on the work floor (R4, personal communication, 7 May 2015). MKB Werkt!’s mission makes clear to all participating parties that they ultimately participate for the same reasons: improving employability (R5, personal communication, 12 May 2015), but the project also recognises the different reasons for wanting to improve employability (R6, personal communication, 3 June 2015). If the parties did not have the same values, they probably could not have shared understanding. Therefore, it is considered important by the key respondents that parties know what they can expect from the project and what the project expects from them. This is in line with the considerations of the experts.

Public-private partnerships

The experts think that it would work out best when there is a nationwide framework and a local/regional executing of the public-private partnerships. Some experts even think it is important to take the different branches into account, ‘because then you could unite all knowledge and skills from that sector (...). Otherwise everyone has to invent the wheel again, and now it [the knowledge and skills] is shared within the sector’ (R12, personal communication, 12 May 2015). R8 (personal communication, 8 May 2015) thinks the same. A nationwide framework is needed because then there is one central institution where everything comes together and it acts as knowledge partner that secures the knowledge of all sectors and parties (R8, personal communication, 8 May 2015). A nationwide framework is useful to make a uniform working method, but the execution and collaboration itself should be local (R10, personal communication, 5 May 2015; R9, personal communication, 5 May 2015).

Every key respondent thought mainly the same about the appropriate scale for public-private partnership as the experts did. They all thought that it would be best if there was a nationwide framework which defined the main goal and the working method. The public-private partnerships should be executed on a regional or local level, keeping the regional/local preferences and possibilities in mind. The reasons that key respondents and experts think that a nationwide framework is needed are that a nationwide framework makes it possible to: 1) share the knowledge and skills (R8, personal communication, 8 May 2015; R12, personal communication, 12 May 2015), 2) design a uniform working method (R9 and R10, personal communication, 5 May 2015), 3) create a nationwide vision between all actors (R5, personal communication, 12 May 2015; R7 personal communication 17 June 2015). According to the

key respondents and experts, the execution on local regional level makes it possible to: 1) vary, because there are large differences in regional labour markets (R2, personal communication, 28 April 2015; R4, personal communication 7 May 2015), 2) to create a greater commitment, as there are short links between the actors (R7, personal communication, 17 June 2015) and 3) know what is going on in the region, because 'that's where things happen' (R5, personal communication, 12 May 2015). Some key respondents even thought it would be best if the execution of the public-private partnerships on regional/local level were further amplified into the different sectors of SMEs, because 'this increases the distinguishability' (R3, personal communication, 1 May 2015) and the trade organisations know which developments there are in their sectors (R1, personal communication, 28 April 2015). It can be concluded that the key respondents and the experts try to combine the best characteristics of both scale. The benefits of having a nationwide framework and the benefits of having a local/regional or even sectoral execution are summed up above. They show that a nationwide framework offers public-private partnerships the possibility to steer towards one main goal and/or mission. Executing a public-private partnership on a local/regional or even sectoral level makes it possible to vary and to react on the demands of a specific region or sector. This leads to a more tailored approach towards the needs of participants of a public-private partnership and would probably lead to a higher chance of being a successful public-private partnership.

6.3 Conclusion

The focus of this chapter was on what could be said about the four variables of the model of collaborative governance in a comparative sense. Firstly, there was examined what factors cause the differences between multinationals and SMEs with regards to the improvement of employability. After that, the opinions of experts of how a public-private partnership should be organised were compared to the reality with help from the two selected cases Excelleren.nu and MKB Werkt!.

Most probably, the main difference between multinationals and SMEs is the difference in power-resources-knowledge. There is a high power-resource-knowledge asymmetry between these two types of firms. Even if SMEs do not suffer anymore from the employability paradox and thus see reasons to improve employability, they do not have the power, resources and/or knowledge to do this on their own. Multinationals have the advantage they do have enough power, resources and/or knowledge to invest in employability as an individual firm.

Experts suggest that public-private partnerships could help SMEs improving their employability, because it is a ‘win-win for both’ (R12, personal communication, 12 May 2015). The model of collaborative governance (Ansell and Gash, 2008) exists of four variables that lead to the outcome of the collaborative process, which is in this case a public-private partnership on employability.

The first variable was ‘starting conditions’ and existed of power-resource asymmetry, incentives and constraints to participate and the initial trust level. The power-resource asymmetry could be diminished by a facilitative leader, which could be a social institution, as Ansell and Gash (2008) suggest, but also another party. The cases show that the organisations for SMEs (MKB Nederland and MKB Eindhoven) also could perform this role. Facilitative leaders could also increase the initial trust level, as the prehistory of conflict can be overcome in this way. The constraints to participate are diminished by facilitative leaders. An important incentive to participate is the lack of costs, not only in a financial way, but also costs in forms of time.

If the starting conditions are appropriate for a public-private partnership, the next thing that becomes important is the second variable: institutional design. Clear ground rules and basic protocols are considered important by the key respondents and experts and this is reflected in Excelleren.nu and MKB Werkt!. The facilitative leaders of these projects looked after the realisation of these clear ground rules and basic protocols.

The third variable ‘facilitative leadership’ is needed for the starting conditions to become appropriate for a public-private partnership and making a working institutional design.

The experts thought it is important that facilitative leaders, who not necessarily have to be a social institution, strive for full independency and objectivity for as far as that is possible. This would be beneficial for weaker parties who need a facilitative leader that prevents stronger parties from taking advantage of them (Ansell and Gash, 2008).

When asked, all experts and key respondents thought that a public-private partnership would work out best if it gets its framework on a national scale and when it is executed on a local/regional or even sectoral scale. Such an approach would make it possible to strive for one goal and/or mission, but does not take away the possibility to vary on local/regional or sectoral level if this would lead to better results for the participants of the public-private partnership. A more tailored approach towards the needs of participants of a public-private partnership would probably lead to a higher chance of being a successful public-private partnership.

The three variables 'starting conditions', 'institutional design' and 'facilitative leadership' seem to help the fourth variable 'process of collaboration to succeed'. This fourth variable exists of face-to-face meetings, trust-building, commitment to process, shared understanding and intermediate outcomes. The successful existence of each of these variables seems to be dependent of the degree to which the starting conditions, the institutional design and facilitative leadership are successful. If these three variables are successful, the collaborative process is more likely to succeed, because these three variables structure and facilitate the collaborative process. If the collaborative process is successful, a (successful) public-private partnership on employability could unfold itself.

Chapter 7 - Conclusion and discussion

In this concluding chapter, the sub-questions are answered. Subsequently, the research question that is leading within this research is answered: *How can public-private partnerships improve employability within Dutch SMEs?* Eventually, the implications of this research on the possibilities and constraints of public-private partnerships with regards to the employability paradox in which SMEs participate are posited. This will be followed by suggestions for further research in this rather unexplored field of research.

7.1 Sub - questions answered

This research answers five sub-questions. These answers are discussed below.

1. What is employability and which problems are connected to the Dutch government, SMEs and employability?

In this research, the definition of employability is based on Thijsen (2004), McQuaid and Lindsay (2005) and the inclusiveness of policy makers. ‘Employability is influenced by the individual factors, personal circumstances and external factors. It is seen as the intended behaviour from individuals, employers and policy makers on obtaining, maintaining and using qualifications that are aimed to participate independent in all career phases in a changing labour market’.

Although little research is done on SMEs and employability, there is found that SMEs suffer from the costs of investing in employability. For a SME the costs to invest in employability are relatively high, because a SME has a relatively small personnel file. The costs of investing in employability marginally decrease when a greater share of employees is in need of development of their employability (Fleischmann et al, 2015, p. 4). Subsequently, SMEs take the ‘employability paradox’ in consideration (Grip et al 2004, in De Lange and van Wijk, 2012, p. 37). The employability paradox entails a dilemma for employers, because investing in employability makes their employees more attractive for the labour market, which increases the (perceived) risk of their employees leaving their firm.

The analysis revealed that some experts think the Dutch government could have played a more preventive role in the employability problems that occur now in some sectors. There is a discrepancy between studies available and the skills which the labour market needs. The government could have had a more steering role in this (R12, personal communication, 12 May 2015; R11, personal communication, 12 May 2015).

The problem connected to the Dutch government, SMEs and employability is the angles, and incentives, from which SMEs and the Dutch government want to improve. Where SMEs

focus mainly on their own employees' employability, the Dutch government focuses mainly on unemployed people and the growing working population at age. Although both parties want to improve employability, their interests lay on different target groups. The interviews made clear that both the Dutch government and SMEs have little experience with the improvement of employability (R5, personal communication, 12 May 2015).

2. What can we learn from the literature about constraining and facilitating conditions for the emergence of public-private partnerships?

From the literature can be derived that the lack of trust between parties acts constraining for the emergence of public-private partnerships. Olson (1965) describes this as the dilemma of collective action. The costs and burdens of collective action are perceived too high by parties and these parties also perceive a risk of free riding, due to the lack of trust towards other parties. Furthermore, in public-private partnerships there is a chance that stronger actors will try to exploit the weaker actors and it is likely to believe that SMEs, which have less capacity, are the weaker actors.

Despite this dilemma of collective action, the literature shows examples of public-private partnerships. Three examples are discussed in this research: 1) diversified quality production, where social institutions facilitate and guide firms in a modern industrial economy (Streeck, 1992), 2) flexible specialisation, where social institutions through their political influence set the boundaries for innovation and change within a competitive environment (Piore and Sabel, 1984) and 3) the Pennsylvania case, where social institutions helped firms to define their common interests in order to build trust (Sabel, 1993). Lack of trust is an important constraint for public-private partnerships and these examples show how social institutions can overcome this constraint.

The model of collaborative governance shows how public-private partnerships can be achieved. First of all, it is important that the starting conditions are designed in such way that there is no power-resource-knowledge asymmetry and there is a prehistory of cooperation, before incentives for participating in a public-private partnership will appear. Secondly, the institutional design should be aimed at the inclusiveness of participation, the exclusiveness of the forum (the public-private partnership). In addition, the rules should be clear and the process transparent. Thirdly, there should be a facilitative leader. The process of collaboration could be successful if these conditions appear. This process of collaborative process is cyclical between face-to-face dialogue, trust-building, commitment to process, shared understanding and intermediate outcomes (Ansell and Gash, 2008). If the conditions for collaborative governance

are satisfying, this could lead to a public-private partnership. Public-private partnerships could tackle the employability paradox as it would make SMEs less hesitant to invest in employability when they are offered help and when they see that employability in general is improved, because other SMEs also participate.

3. What is the appropriate scale for public-private partnerships in the field of employability?

The respondents' opinion was unanimous what concerns the appropriate scale for public-private partnerships in the field of employability. Based on the answers of all respondents together, the appropriate scale for the execution of public-private partnerships should be local/regional. At the national level, the government should act as facilitator that frames 'the rules of the game' (R5, personal communication, 12 May 2015). A nationwide framework is needed to make a uniform working method (R10, personal communication, 5 May 2015; R9, personal communication, 5 May 2015) and to have a central institution that acts as knowledge partner of all local/regional executors (R8, personal communication, 8 May 2015). At the local/regional level it is possible to vary (R2, personal communication 28 April 2015), which is needed because there are large differences between the regional labour markets (R4, personal communication, 7 May 2015). Some respondents even think that at the local/regional level, the public-private partnerships have to be separated on the basis of the sector SMEs belong to, 'because this increases the distinguishability' (R3, personal communication, 1 May 2015) and trade organisations 'take care of the developments [in their sector] and they know what is happening in their sector' (R1, personal communication, 28 April 2015).

The appropriate scale for public-private scale seems to be a combination of the best of both the national scale as the local/regional scale. In this combination, the best of having a nationwide framework and executing on the local/regional level is expressed. In order to steer towards the same main goal/mission it is needed to have a nationwide framework, but in order to be the most successful the possibility to vary on a local/regional or even sectoral scale is needed. It is possible to give arguments for executing on the local/regional level, just as it is possible to give arguments for the sectoral scale (see the arguments in the previous paragraph), but both proposals carry out the desire for having a decentralised execution on a lower scale than national scale.

4. What public-private partnership initiatives on employability are unfolded on regional and national scale in the Netherlands?

In this research, two cases on different scales were chosen. Excelleren.nu was a case on national scale. The goal of this project was to improve the learning culture on the work floor of SMEs. The national government, MKB Nederland and six regional departments, trade organisations and SMEs were involved as partners of this project. At local scale, MKB Werkt! was an example of a public-private partnership. The goal of this project was to link employers with a vacancy to an unemployed person. MKB Eindhoven initiated this project. SMEs, multinationals, and the municipality of Eindhoven are all more or less involved in this project as (equal) partners. The municipality of Eindhoven is mostly indirectly involved, as it tries to help MKB Werkt! and several other similar initiatives to support with financial and informative means.

The general conclusion that can be drawn from the analysis is that there are several similar initiatives with regards to public-private partnerships on employability on both national and regional scale. Spin-off project 'Duurzame Inzetbaarheid' is mentioned as initiative on national scale and spin-off project 'Op weg naar werkzekerheid' as initiative on regional scale. It seems that the subject employability is getting more attention than before, but that everyone involved is still seeking for the best way to capture this matter. It looks like there are lots of initiatives, especially on local/regional scale, that are quite similar in their working method and aims, but have a slightly different focus on employability. Because in the end all those initiatives strive for the same outcome (improvement of employability), it could be an idea to try to make a nationwide framework for all those small initiatives on local/regional scale and to execute from that perspective those smaller initiatives.

5. To what extent are these initiatives successful?

When looking at the answers given to the questions what the reasons for the success and/or failure of the public-private partnerships Excelleren.nu and MKB Werkt! were, there are more possible reasons for success than for failure given. Based on that, it could be argued that the initiatives were quite successful, although there is always room for improvement. The success factors mentioned by the respondents can largely be drawn back to 'trust-building', 'commitment to process' and 'shared understanding'. The factors for failure can also be drawn back to those variables. When there is a lack of trust, commitment or shared understanding, then it is likely that a public-private partnership will not work out, according to the respondents. Another factor that could influence the success of a public-private partnership is the (financial)

costs it takes to participate. When these are too high, failure is more likely (R8, personal communication, 8 May 2015).

When looking at the cases analysed in this research, public-private partnerships on employability could be seen as a success. All respondents were positive about Excelleren.nu/MKB Werkt! and perceived the initiatives as successful. Of course, they experienced/could think of factors for failure, but these were overcome or were not present in the cases analysed.

7.2 Research question answered

The main question leading this research was: *How can public-private partnerships improve employability within Dutch SMEs?* An extensive literature review on SMEs, government and employability in chapter 2 and on public-private partnerships in chapter 3 gave theoretical insight in the possibilities and constraints for public-private partnerships with regards to the resolving of the employability paradox and, hence, the improvement of employability within SMEs. In chapter 4 the methodology of this research was discussed. Two employability enhancing programs were analysed empirically in chapter 5. Chapter 6 gained more insight in the similarities and differences between the opinions of experts and the opinions of the key respondents which reflects the practice of public-private partnerships in the field of employability.

The results of the literature review are to a large extent similar to the empirical analysis. Not only in theory, but also in practice Dutch government and SMEs have different incentives to improve employability. The fact that Dutch government mostly focuses on unemployed people with a distance to the labour market and the growing working population at age and SMEs mainly on the employability of their own employees, could make it at first hard to cooperate. In addition, SMEs suffer from the employability paradox and could therefore have little incentives to improve employability. It is important that both actors realise that they need each other if they really want to improve employability in general. Therefore, the lack of trust between the actors needs to be overcome. Especially the government should take a leading role in this, as social institutions can guide and facilitate in trust-building between actors (Streeck, 1992; Piore and Sabel, 1984; Sabel, 1993). The case of Excelleren.nu shows how the government initiated an employability-enhancing project by making MKB Nederland the facilitative leader of it. The model of collaborative governance shows how a facilitative leader in combination with a fitting institutional design and start conditions can foster a cyclical process consisting of face-to-face dialogue, trust-building, commitment to process, shared

understanding and intermediate outcomes (Ansell and Gash, 2008) that will lead to an outcome of a public-private partnership.

That it is possible to generate successful public-private partnerships, despite the dilemma of collective trust (Olson, 1965), is shown by the cases analysed in chapter 5. The respondents all found that public-private partnerships should be facilitated by the government on national level, but thought that the execution of a public-private partnership should be adapted to regional/local level. Some even considered sectoral level. Both cases reflected this more or less. In Excelleren.nu the government and MKB Nederland initiated the project and the trade organisations/local departments of MKB Nederland executed the project. MKB Werkt! was a local project, but it has become part of a new project called 'Op weg naar werkzekerheid'. This new project is not nationwide, but on a regional scale. Nevertheless, the thought behind 'Op weg naar werkzekerheid' is that it is better to guide and facilitate small initiatives from a higher level in order to prevent that several initiatives are essentially doing the same and to have a framework in which knowledge can be shared (R6, personal communication, 3 June 2015).

Therefore, it could be concluded that public-private partnerships could help SMEs to overcome the employability paradox and, hence, could help to improve employability of their workforces when several preconditions are satisfied. For the success of such public-private partnership it is important that all actors involved have the same mission and goals. They need to recognise the mutual interest they have and need to be willing to strive for achieving the set goals. A facilitative leader is needed for guiding and steering, diminishing the power-resource-knowledge asymmetry and to build trust between the actors. When the actors involved trust each other, there is a high probability that a public-private partnership will succeed. The sharing of the knowledge and experiences will help SMEs to improve the employability of their workforce. Moreover, together they will have more capacity to do so. And because SMEs together invest in the improvement of employability, the fear of losing employees to competing firms decreases, as the employability in general increases. In that way, public-private partnerships could overcome the employability paradox from which SMEs suffer.

7.3 Reflection on this study

The central aim of this thesis was to investigate how, and to what extent, public private partnerships can help SMEs to improve the employability of their workforce. In order to do this, the employability paradox had to be solved. Public-private partnerships could contribute to overcoming the employability paradox.

As explained, little research on employability is done which includes SMEs. Therefore, not much is known about SMEs and their efforts to improve employability. Only for the last few years there is attention for employability, so the extent to which public-private partnerships could improve employability can only be measured within a short period of time. It would be fruitful to do a longitudinal study on the extent to which public-private partnerships could improve employability in order to investigate the effects of these partnerships on a longer period of time.

What also limits the study was the fact that the research was from a qualitative type. This means there is no factual data gathered by quantitative methods, so it is not possible to measure the extent to which public-private partnerships could have improved employability in terms of percentages or probability. Nevertheless, it also means there is in-depth research done to the feelings, opinions and perspectives of the interviewed respondents, which made it possible to understand what the considerations of the actors involved were, before they decided whether or not to participate in a public-private partnership with regards to employability. The positive thing of an in-depth analysis of two cases is that it generates in-depth information which is not only factual but also reveals attitudes and perceptions of actors (Van Thiel, 2014). The downside of using only two cases is the difficulty to generalise the cases. In order to get more insight in the effects of public-private partnerships towards the improvement of employability (within SMEs) more cases should be studied.

Furthermore, it seems that there are lots of (smaller) initiatives that have similar goals and working methods. This implies that it may be more efficient to merge these initiatives in the way the respondents proposed: a nationwide framework with local/regional execution. It would be interesting to investigate to what extent all those initiatives could be merged into one structural national initiative or a few structural regional initiatives. More research needs to be done in this field, because public and private institutions will become more and more interdependent as employability is a subject that affects everyone in several ways.

7.4 Discussion

This research has shown that SMEs do not have the capacity in forms of power, resources and knowledge to improve employability on their own. If SMEs share their power, resources and knowledge, they could achieve more with regards to the improvement of employability. This would be even more beneficial if other interested actors would participate. Especially the government has interests for improving employability. Public-private partnerships could under specific conditions contribute to resolving the employability paradox, as SMEs together (with

the government) invest in employability. This leads to an overall improvement of employability, and not only the improvement of the SME's own employees. The (perceived) chance that employees will leave the SME after becoming more employable will become smaller when employability is improved in a public-private partnership. Therefore, it is important that SMEs solve the problem of improving employability together in a public-private partnership. For a public-private partnership to be successful, it is important that all starting conditions of the collaborative model of governance (Ansell and Gash, 2008) are satisfied. Especially important is the appearance of a facilitative leader who steers and guides all actors involved. It is recommended to create a nationwide program that is executed per region and/or per sector. In this way, the mission and goals of the public-private partnership are the same throughout the country but it is possible to deviate in the different regions and/or sector. This would make it possible to make the program tailored to the needs of each different region and/or sector.

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Appendix 1 - Background interviewees

Excelleren.nu

- R1 is project leader of MKB Nederland. He is responsible for projects in the field of the labour market in the broad sense. His projects have very different subjects, such as: learning and developing, employability, health, vitality and mobility.
- R2 is an account manager. She was project leader and HR manager in twelve trajectories by SME entrepreneurs in the provinces Zeeland and Noord-Brabant on behalf of MKB Nederland.
- R3 is a project leader. He acted as project leader, on behalf of MKB Nederland, for the participating SMEs within the trade organisation.
- R4 is a staff member of the Ministry of Social Affairs and Employability. He was member of the interdepartmental working group which included also the Ministry of Economic Affairs and the Ministry of Education, Culture and Science.

MKB Werkt!

- R5 is responsible for one of the projects executed by MKB Eindhoven: MKB Werkt!
- R6 is senior advisor Economic Affairs and coordinator labour market in the field of Economics and Culture at the municipality of Eindhoven.
- R7 is manager from a firm that participated in MKB Werkt!.

Experts

- R8 is professor strategic Human Resource Management and president of the branch ‘strategic Human Resource Management’. She has a background in occupational – and organisational psychology. Her main focus lays on age stereotyping and employability.
- R9 is consultant Philips. She is responsible for the whole project ‘Werkgelegenheidsplan’.
- R10 is responsible for the learning on the work floor trajectories of the ‘Werkgelegenheidsplan’.
- R11 is account manager by a firm that tries to find jobs for people with a distance to the labour market. She is especially responsible for the individual detachments and fulfilling the ‘social return’ requirements of firms.
- R12 is account manager by a firm that tries to find jobs for people with a distance to the labour market. Entrepreneurs can ask him all questions with regards to the labour market, vacancies and people with a distance to the labour market.