

Jobcentre Plus Jobseeker's Allowance off-flow rates: Key Management Indicator Post-Implementation Review

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Introduction

The Policy Research Institute was commissioned by Jobcentre Plus to undertake a post implementation review of the Jobseeker's Allowance (JSA) off-flow rates Key Management Indicator (KMI), following national implementation in April 2009 as one of the new Labour Market Measures Projects (LMMP). The aims of the JSA off-flow rates KMI are to:

- help identify key points in the JSA intervention process where customers are at risk of becoming long-term unemployed;
- encourage Jobcentre Plus activities that reduce the length of time customers remain on JSA;
- support Jobcentre Plus in managing increasing JSA workloads; and
- support achievement of Jobcentre Plus targets.

The objective of the post implementation review was to 'assess how the off-flow rates KMI is working within the Jobcentre Plus business'. The specific objectives of the review were to assess staff understanding of the KMI; explore whether staff trust the data and if it motivates staff; identify any changes in staff behaviour; assess management use of the KMI; identify effects on customers and external stakeholders and highlight any emerging good practice or perverse behaviours.

Methodology

The post implementation review of Jobcentre Plus JSA off-flow rates KMI is based on semi-structured telephone interviews with a broad

range of Jobcentre Plus staff working at regional, district and local levels.

Field work took place over a short period in July and August 2009. It should therefore be noted that the review was conducted not long after national implementation, and thus provides early feedback which may be confounded by issues related to implementation, and also other activities ongoing in the Jobcentre Plus business at this time.

Implementation and understanding

All respondents demonstrated a good understanding of the basic principles of the JSA off-flow rates KMI, which is to reinforce their core purpose to identify the best course of action for customers. The measure was recognised as helping to target the delivery of interventions by identifying individuals at specific intervals of their claim that may be at risk of becoming long-term unemployed. In depth knowledge of the measure and how KMI data is generated was high among senior managers, while the majority of front line staff were confident that they knew enough about the KMI to enable them to operate in the context of the indicator and with a view to meeting its off-flow targets. Overall, the JSA off-flow rates KMI was viewed as a timely measure of office performance and the reliability of data was not questioned by respondents. Respondents also appeared to be confident that the data produced as part of the KMI was a reliable basis on which to make management decisions.

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Effect of the measure on staff and management behaviour

Respondents were mixed about the extent to which the introduction of the KMI has affected motivation and behaviour. However, it was suggested that the JSA off-flow rates KMI had less impact on motives and behaviour than the wide range of other substantive changes in the organisation at the same time. Where changes were reported, these tended to be relatively minimal and reinforced the importance of ensuring the timely delivery of particular interventions. Staff in several districts did also report that they perceive the JSA off-flow rates KMI to be a much more accurate and direct measure of their performance towards the KMI, than other high level targets and indicators, such as Job Outcome Targets (JOT). Management approaches to the use of the JSA off-flow rates KMI differ at district level and office level; the majority of district level respondents reported that the KMI is being given a high priority to monitor performance, whereas respondents at an office level viewed the KMI as being equally as important as other performance measures. The JSA off-flow rates KMI appeared to be mainly used for analytical purposes rather than to motivate or influence staff behaviours. It is also being used to explain and understand differential performance at site level and to re-allocate resources between sites or at particular points in the customer journey.

Effect of the measure on customer relationships

Respondents' views on the way in which the introduction of the JSA off-flow rates KMI had influenced their relationship with 'job ready' customers varied. In a few districts it was clearly suggested that the introduction of the JSA off-flow rates KMI had provided additional incentives to focus more staff attention on these customers. This was reported as a change from the previous organisational emphasis on focusing resources on the 'hardest to help'

customers, while letting job ready customers help themselves. Findings were mixed in relation to how the introduction of the KMI had impacted on staff behaviour towards 'harder-to-help' customers, however, there was some evidence indicating that harder to help customers were identified and targeted for interventions and referrals at an earlier stage in their claim than previously. Respondents reported that submissions, referrals and sanctions activity have all increased over the period since the introduction of the JSA off-flow rates KMI, but few identified any underlying significance to the KMI. Instead, the increasing register and growing emphasis on ensuring customers were engaged in the support available were identified as underpinning these changes.

Effects on stakeholders

Respondents were asked a range of questions to ascertain whether the introduction of the JSA off-flow rates KMI had impacted in any way on Jobcentre Plus and their individual relationships with external stakeholders including employment agencies, providers and employers. Across all but one district no apparent impact was identified by respondents. In one district, a range of changes in relationships with providers was reported and while these were associated with the JSA off-flow rates KMI by a minority of respondents it was unclear what causal role the measure had. In this and the other districts, the changing nature of relationships with external stakeholders appeared to be driven by changes in the policy and labour market context rather than the JSA off-flow rates KMI.

Good practice and potential improvements

Respondents were asked to identify what they perceived as good practice in managing and working with the new JSA off-flow rates KMI and it was therefore possible to identify several components of good practice in working with

the measure. The measure should be used in conjunction with other indicators and evidence of performance, as opposed to being the sole indicator of performance. Performance against the KMI needs to be better understood in relation to the labour market context. While no examples of perverse behaviour were reported at this stage, careful monitoring by managers is required to ensure that any behavioural incentives associated with the KMI do not result in perverse behaviours.

Discussion and recommendations

Overall, respondents welcomed the introduction of the JSA off-flow rates KMI. However, its impact in terms of behavioural, managerial and operational activity appeared to be minimal, at this early stage of the pilot. This was largely because the introduction of the JSA measure was of relatively minor significance in comparison to other wider organisational and contextual changes. It was, however, thought to be broadly supportive of those changes. The KMI was also viewed by the majority to be an improvement on reporting outcomes in the JOT data, largely because of the timeliness of data availability and a greater degree of trust in the data.

Specifically in relation to the development and use of the KMI, the following recommendations arise:

- the KMI should be maintained for the coming year;
- more timely feedback of performance data to improve the functionality of the data for analytical and managerial purposes;
- improve the clarity of performance data in presentational terms, especially at interim stage;
- monitor the KMI closely to ensure that perverse behaviours do not arise;

- consider how KMI may further support and strengthen the Jobcentre Plus target framework; and
- further develop the KMI to track customers off-flows to specific destinations.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 779 2. Research Report 661. July 2010).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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