

Evaluation of the Jobcentre Plus Team Bonus Scheme: Research Summary

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Following the introduction of the Jobcentre Plus Team Bonus Scheme pilot in April 2002 into the 17 original integrated Jobcentre Plus Districts, MORI were commissioned to carry out research to determine staff awareness and understanding of the Scheme as well as identifying any perceived impacts of it, in order to inform possible wider rollout of the Scheme.

The research took place in two stages: the first in November-December 2002 across six rolled out Jobcentre Plus Districts; and the second in January-February 2004 across eight Districts.

The findings indicate that attitudes toward the different aspects of the Scheme warmed substantially as the bonus period progressed. However, there remained some aspects of it that staff felt could be improved.

Main findings of the research

- Staff now recognise that it is appropriate to link the Team Bonus Scheme to the five Performance Resource Agreement (PRA) targets. Initial concerns over lack of control over the Monetary Value Fraud and Error target (MVFE) have subsided as it has been accepted as of core importance. However, there is still some concern over the length of time taken to provide actionable results and the use of a performance unit based on a 'virtual Region' of the 17 Districts.
- The maximum level bonus is now considered to be reasonable, particularly in the context of public sector remuneration. However, where Districts only achieved three targets, the bonus payments were not perceived to be sufficient to have a positive effect.
- Initial concerns about the two-stage payment process have lessened with staff welcoming the payment split. Managers have also found that spreading the reward allowed them to continually motivate their staff.
- Despite a communication toolkit being issued to all District Managers in the areas where the Scheme was operational, communication of the Scheme was hampered by a lack of guidance on *how* to cascade information. This resulted in widespread variation in the method and content of delivery and in occasional decisions not to cascade any information at all.
- Where communications were weaker, staff tended to focus on the maximum bonus amount, resulting in later disappointment if this was not achieved.
- Throughout the period of the scheme, updates on the PRAs were communicated well, but managers failed to link these to the Team Bonus Scheme until the final performance quarter, when potential achievement came into sharp focus and the structure of the District as a performance unit became distinct.
- Poor communication around payments caused uncertainty and concern among customer facing staff particularly when payment delays occurred.
- Most staff welcomed the opportunity to gain recognition for their efforts. However, attitudes to the Scheme appeared to depend largely on how well it had been communicated. Where staff were negative about the Scheme, it related more to how it was implemented, rather than to the Scheme per se.
- Most staff report feeling motivated by the Scheme and there was evidence that working practices began to change although most felt it difficult to attribute such changes directly to the Scheme.

Executive Summary

Introduction

Jobcentre Plus piloted a Team Bonus Scheme between April 2002 and March 2003. The Scheme was introduced into the 17 original rolled out Jobcentre Plus Districts (Districts which at the time had at least one integrated Jobcentre Plus office in operation) in order to assist the 'Pulling Together' of Jobcentre Plus and to motivate staff to achieve exceptional performance.

This report presents the findings from the Evaluation of the Jobcentre Plus Team Bonus Scheme 2002/03. It focuses on the initial views of the Scheme compared with those found once payment had been made and proposes good practice suggestions for possible future team based bonus schemes.

Research Aims

Market and Opinion Research International (MORI) was commissioned to undertake a research project aiming to:

- Investigate the level and awareness and understanding of the Scheme prior to the launch and during the Scheme;
- Explore attitudes to the Scheme, as well as identifying factors underpinning those attitudes;
- Assess the perceived impact of the Scheme; and
- Highlight lessons of good practice, which can be shared within Jobcentre Plus and inform the development of possible future team bonus schemes.

Methodology

A wholly qualitative methodology was adopted. A variety of information collation techniques were used including individual and paired face-to-face depth interviews, telephone interviews and group discussions. Jobcentre Plus staff at all levels of the organisation were recruited to participate in the research based on their eligibility to achieve the bonus, their job role and location. The research was conducted in six purposively selected Jobcentre Plus Districts in the first stage between November-December 2002 and eight Districts in the

second stage between January-February 2004. Additionally all 17 eligible District Managers were approached to contribute to the research by means of a telephone interview.

Main Findings

Communications

The Team Bonus Scheme has been communicated in a variety of ways in different Districts. Although a communication toolkit was issued to managers, there was no accompanying guidance on how to cascade information, resulting in widespread variations and inconsistencies in message delivery. This resulted in some managers 'selling' the Scheme as a reward for existing practices, while others used it as a motivational driver of change. Where District Managers and particularly Business Managers had a limited understanding of the Scheme or regarded it negatively, communications were filtered with little information reaching customer facing staff.

After the initial communication significant 'grey areas' existed over key details of the Scheme including eligibility criteria, pro-rata arrangements, and the impact on staff claiming Working Tax Credits.

Customer facing staff were keen to be involved and be informed of progress. However on-going communications appear not to have been a District management priority with most Districts not updating staff until bonus attainment became more tangible in the last performance quarter. For most of this time, management focused on effectively communicating the targets without linking them to the Team Bonus Scheme. Furthermore failure to cascade information provided by National Tier Human Resources, about the actual payment dates led to uncertainty and concerns among customer facing staff.

Awareness

Over the course of the bonus year, awareness of the details of the Team Bonus Scheme and understanding of the reasons for introducing it, grew from a relatively small proportion to majority of staff at all levels.

Awareness and understanding of the Scheme is highest in Districts and Offices where

managers actively implemented and communicated the Scheme. The highest levels existed where staff had attended a formal face-to-face presentation, backed up with detailed written information and were provided with on-going updates of progress towards the targets. Staff working in Districts in a more stable environment and with low staff turnover tended to be most aware of the Scheme.

Awareness of the five Performance Resource Agreement (PRA) targets and how these relate to office targets grew substantially. However, it was not until the last performance quarter that customer facing staff fully appreciated how these related to the Team Bonus Scheme and the District as one performance unit.

Staff were generally aware that the amount they stood to gain depended on their performance. However, where the Scheme was implemented as a reward and communications were weaker, staff tended to focus solely on the maximum bonus amount.

Attitudes

Attitudes towards the Team Bonus Scheme have warmed substantially over the bonus period. Achievements, in line with or higher than expectations reassured staff and managers that the levels of 'exceptional performance' were attainable and the Scheme had a positive impact. Many customer facing staff now recognise the positive potential of such a scheme in combating divisiveness and encouraging a team ethos. Business Managers, generally sceptical at the outset, now recognise the utility of the Scheme and its potential as one part of the management toolkit.

Staff were most positive when they received frequent but simple information about the position of the District, as well as feeling that they had 'control' and 'ownership' over the District targets.

On the whole, staff at all grades would like to see a more structured and systematic implementation to drive the Scheme. This is seen as crucial by Business Managers who often feel they have sole responsibility for implementing the Scheme locally.

Once staff were more familiar with the structure of the scheme many of the concerns raised at the outset subsided. In particular there is widespread recognition that the five PRA targets represent the core activity of Jobcentre

Plus and that they are the only appropriate basis for a team bonus scheme. This includes the Monetary Value of Fraud and Error (MVFE) target which many initially felt should be excluded because Districts had relatively little control over its achievement, not least because of delays in performance information becoming available. MVFE is now recognised as a key measure and one, which Districts can influence. Effective measurement rather than exclusion is now the key concern, although there remains persistent confusion over the 'virtual Region'. Similar issues surround the Business Delivery Target (BDT) in that there is a time lag between actual performance and results being available.

Initial fears that a two stage payment process, due to the longer validation process for the MVFE target, would dilute the impact of the Scheme proved unfounded. Most customer facing staff welcomed this approach, rather than a lump sum, as a way of spreading the incentive and the reward.

Initially a key concern affecting attitudes towards the Scheme related to the pro-rated nature of the bonus, which meant that staff in higher grades gained more than those in lower grades. The majority of staff, including those in higher grades, felt that a level or flat-rate bonus would be preferable. However, over time these sentiments have lessened, with recognition that a gentle graduation possibly with wider qualifying bands is more realistic. This change has only occurred where managers have actively championed the Scheme and clearly communicated their role in earning the bonus.

Similarly the stretch elements added to the basic targets to encourage exceptional behaviour were generally accepted in all Districts once managers and Business Managers in particular, realised that they were realistic and achievable. Many managers now believe that the stretch acted as an incentive to greater achievement, although concerns persist over how the stretch levels were derived and how the notion of the 'stretch' is communicated.

Staff tend to feel that the bonus amount is reasonable, and in some cases generous in the context of public sector pay and remuneration in general. However, in Districts, which achieved three of the five targets, the bonus

payments were considered to be insufficient to have a positive impact.

Perceived Impact of the Scheme

The Team Bonus Scheme, when implemented fully, helped to motivate staff, although the extent to which this occurred, depended on how the Scheme was communicated and subsequently 'championed'.

District Managers and Business Managers vary in their beliefs of whether the Scheme fulfilled its aims of encouraging team work and developing improved ways of working. What is agreed upon is a level of surprise at how keen customer facing staff were to see the Scheme fully implemented and to actively contribute to its achievement. Customer facing staff, while initially quite dismissive, recognise certain examples of changes that have been specifically driven by the Team Bonus Scheme

In Districts which, perceived the strongest direct and attributable impact, there is evidence that they passed through three progressive levels of impact, from growing awareness of interdependence of office based teams, to awareness of the District as a performance unit and finally increased ad-hoc cooperation at a local team level. Most changes in working practices occurred at the office level rather than the District and were reliant on the driving force of particular Business Managers.

In other Districts, increased awareness of interdependence and the District identity was clear but in most cases this did not translate into actual changes.

The enthusiasm generated by the Scheme continued after the completion of the bonus period, until the communication problems surrounding the payment dates emerged.

Research Conclusions

Between the two stages of research there has been a marked attitudinal change. Staff at all levels became more positive about the Team Bonus Scheme as the bonus year progressed, familiarity grew and the achievement of bonus levels became more tangible. Where the scheme was implemented successfully and driven by managers, staff felt that it had boosted the team ethos in local offices and led to a greater association with the District as a performance unit.

Staff are generally more satisfied with the structure of the Scheme as a whole than they were initially. Aside from the issue of the payment delays, the two stage payment process is seen as a strength and the PRA targets are widely accepted as a realistic basis for a team bonus, including MVFE and BDT, although concerns persist. Where managers clearly communicated the link between performance against the PRA targets and bonus levels and customer facing staff felt able to actively contribute to the District performance, they were generally satisfied with the Scheme. However, staff in Districts that achieved only three targets found the payments insubstantial and potentially demotivating.

Communications both at the beginning and throughout the Scheme appear to have undermined the impact of the Scheme. Where the Scheme has not worked well, the communications have been unclear, insufficient or absent. Grey areas in the initial communications led to concerns over eligibility and the impact of the bonus payments on staff receiving Working Tax Credits, while failure to provide progress information to customer facing staff led to a loss of momentum until the last performance quarter. Furthermore, confusion surrounding the payment dates created anxiety and cynicism. All staff are keen to see a more structured and systematic process of communication and implementation, with crucially more support given to Business Managers to ensure the Scheme is fully implemented and driven in all Districts.