

Evaluation of Jobcentre Plus Key Management Indicators

Background and Methodology

GHK was commissioned to undertake an evaluation of KMIs, to provide feedback on their application across Jobcentre Plus. The study arose from a need to fill a gap in information about how KMIs were being used in practice. With the Performance and Resource Agreement (PRA) targets, KMIs are intended to help to improve levels of performance and aid the delivery of services in Jobcentre Plus. A revised set were introduced in April 2003 to cover the 2003/04 operational year.

The evaluation focused on a case study approach, using semi-structured interviews in one District in each Jobcentre Plus Region/Country to provide feedback on the operation of KMIs 'in the field'. A range of Jobcentre Plus offices were included in the sample. A total of 252 interviews were carried out with staff at all levels throughout the organisation between August and September 2003.

The specific aims of the study were to:

- Assess whether KMIs were working as intended in terms of supporting the PRA targets
- Reveal what practices are in place and how senior management use KMIs as a management tool in Regions and Districts
- Explore how staff view KMIs, whether the current KMIs are both appropriate and useful, and whether there are other indicators that might be useful in other areas
- Identify which individuals at District and Regional level feed into KMIs

- Identify good practice in the area of KMI use and explore why some KMIs seem to work well in some areas but not in others

Main results

- Various methods were used to communicate information on KMIs. Some interviewees noted that they would have benefited from information provided earlier in the operational year and in a more succinct format.
- Management level staff had a greater understanding and ownership of KMIs than operational level staff.
- Management level staff are far more likely to view KMIs as management tools, whereas operational staff generally see them as targets to be achieved.
- A range of individuals and organisations have to work together to meet KMIs. However, some concerns were raised that not all organisations are as focused as Jobcentre Plus on meeting the KMI levels.
- KMIs are used as management tools to review and improve performance at local office, District and Regional levels. However, concerns were voiced about the quality of KMI performance information provided and the resources needed to analyse it.
- KMIs 1-10 are seen as effective tools to support the PRAs.
- Staff at all levels expressed favourable views on KMIs 11-19.
- Understanding and awareness of KMI 20 (attendance management) was high. Although it was felt to be needed, it has created a degree of anxiety among some operational level staff.

Executive Summary

Nineteen Key Management Indicators (KMIs) were introduced in Jobcentre Plus in July 2002. Together with the Performance and Resource Agreement (PRA) targets, KMIs are intended to help improve levels of performance and assist the delivery of services within Jobcentre Plus. A revised set of 20 KMIs was introduced in Jobcentre Plus in April 2003 to cover the 2003/04 operational year.

GHK was commissioned to provide feedback on the application of KMIs by Jobcentre Plus 'in the field'.

The specific aims of the evaluation were to:

- Assess whether KMIs are working as intended in terms of supporting the PRA targets
- Reveal what practices are in place, and how senior management use KMIs as a management tool in Regions and Districts
- Explore how staff view KMIs, and whether the current KMIs are both appropriate and useful, and whether there are other indicators that might be useful in other subject areas
- Identify which individuals at the District and Regional level feed into KMIs and how they work
- Identify good practice in the area of KMI use and explore why some KMIs seem to work well in some areas and not in others.

A qualitative case study methodology was used, based on semi-structured interviews with staff throughout Jobcentre Plus. A total of 252 members of staff were interviewed at all levels of the organisation; across all 11 Regions/Countries; and in a variety of organisational offices.

The main issues explored during the interviews were:

- Communication and awareness of the KMIs
- The practical use, application and management of KMIs
- The collection, analysis and utilisation of KMI performance management information
- Impacts of the KMIs on resources, job roles and responsibilities
- Impacts of the KMIs on achievement of PRAs (where relevant) and on managing non-PRA areas of activity
- Suggestions for improvements to the breadth, use and management of the KMIs.

Main Findings

Communication of KMIs and Supporting Guidance Information

- Information on KMIs was communicated across Jobcentre Plus using a range of methods. The intranet-based Target Definition Handbook was viewed as especially effective by management level staff.
- Most management level staff were aware of KMI-specific guidance and information, operational staff were less so.
- Some interviewees noted that they would have benefited from information provided earlier in the operational year and in a more succinct format.

Knowledge and Perception of KMIs

- Management level staff across the organisation had a greater understanding and knowledge of KMIs than operational level staff.

- There were clear differences between how KMIs are perceived by management level staff and operational level staff. The former are far more likely to view them as management tools, whereas the latter generally see them as targets to be achieved.
- Amongst operational level staff, there is some confusion between KMIs and other performance management indicators (for example, PRAs). At this level, providing effective customer service for individual clients is seen as more important than meeting KMIs.
- However, operational level staff acknowledged that KMIs usefully set a baseline for performance, ensure public accountability and cost-effectiveness.

Ownership of KMIs

- Interviewees in management levels of the organisation displayed a greater sense of ownership of the KMIs than among operational staff. Arguably, management staff displayed more ownership than operational staff as the latter are not affected by all KMIs.
- Many operational staff view KMIs as the manager's responsibility. The corresponding view of managers' was that operational staff have not 'owned' the KMIs, but should do.
- A range of individuals and processes can feed into, and impact on achievement of KMIs. Consequently, individuals and organisations both within Jobcentre Plus and external to it, have to work together to meet KMIs. However, concerns were raised that not all organisations impacting on KMIs are as aware of the importance of achieving the stipulated levels as are Jobcentre Plus.

Application of KMIs

- KMI performance information is fed from local offices to District and Regional performance teams, who

analyse the data and disseminate results on a monthly basis

- KMIs are used by managers throughout Jobcentre Plus as management tools in various ways, including:

At District and Regional levels to:

- Get an overview of and improve performance across the District or Region
- Focus the minds of managers new to the organisation or to a specific role

At local office level to:

- Manage the performance of operational staff through inclusion of KMIs in their key work objectives
- Review and introduce strategies to improve local office performance.

- Interviewees raised issues around the lack of consistent, timely and accurate data available for some KMIs (particularly around KMIs linked to Monetary Value of Fraud and Error PRA). Comments were also made on the inordinate amount of KMI information provided and the significant amount of resources needed to collect, analyse and report on the KMI information.
- As expected, use and application of the Management Information (MI) portal appears to be greater at more senior levels, although interviewees at all levels voiced concerns about the quality, timeliness and accessibility of data.
- Different aspects of the Jobcentre Plus organisational structure have positive and negative effects on the ability to meet KMIs. Interviewees:
 - Praised existing arrangements around disseminating performance information and sharing good practice as examples of how the organisation's structure aided the achievement of KMIs

–Gave examples of how the organisation’s structure has adverse effects on the ability to meet KMIs, including headcount reductions, the roll-out of Jobcentre Plus, and inter-organisational dependencies.

KMIs 1-10 supporting the PRAs

It was generally felt that these KMIs are effective tools to support the PRAs and to some extent, because of this, they are perceived as more important than KMIs 11-19.

KMIs 1-10 were seen as key drivers primarily in integrated local offices and non-integrated (former Jobcentre) local offices despite KMIs 5-9 being applicable to all offices.

KMIs 11-19: Supporting Performance Around Setting Standards of Acceptable Behaviour

Staff at all levels expressed favourable views on this suite of KMIs. Recognition of the supporting areas of the business was felt to be very important.

Knowledge of the split of PRA related KMIs and the setting standards KMIs was generally evident, but tended to increase with seniority.

These KMIs were viewed as the ‘benefits’ KMIs. For many the division between ‘employment’ and ‘benefit’ KMIs was believed to be arbitrary, artificial and unhelpful, and many staff working in benefits processing believed their roles to be undervalued.

KMI 20 (Attendance Management)

- Nearly all interviewees expressed a view on KMI 20 and it was found to be highly emotive. While it was considered necessary by most, the KMI

had created a degree of anxiety among some operational staff. Where attendance had been increased it was occasionally quoted as a result of fear or a forceful management approach. Some staff questioned how much behaviour the KMI could influence

- Concerns were raised that staff with genuine and long-term illnesses would be treated in the same way as staff with non-genuine absence
- Issues around the implementation of the KMI were raised such as the consistency of approaches by managers, relationships with Human Resources departments and the appropriateness of Occupational Health referrals.
- The level was felt to be stretching but that ‘every step is more resource’.

Recommendations

- Limit the number of KMIs to 20. More than 20 KMIs detracts from management’s ability to focus on the key drivers and priorities
- Given the scale and pace of change within the business, limit changes to the current performance measurement frameworks and allow time for performance improvements to be realised
- If the KMIs as a package are to drive the organisation’s performance then its composition and construction needs to fit a logical framework that staff and managers can understand.
- The PRAs and the KMIs should be complementary and constitute a mutually reinforcing package of business performance measures that should reflect the organisation’s aims and objectives.