

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

by Alex Nunn and Sukvinder Jassi

Department for Work and Pensions

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Dr Alex Nunn and Sukvinder Jassi

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The Project Team

The full project team included:

- **Penny Wymer** – project managed the research process and played a leading role in designing the research methodology and undertaking fieldwork.
- **David Usher, Murray Hawtin, Sally-Anne Halliday, Yvette Fidler, Sukvinder Jassi** and **Penny Wymer** all contributed to undertaking the qualitative fieldwork.
- The Survey Research Centre – **John Jinks** and **James Clark** assisted with organising the qualitative fieldwork.

Abbreviations

BDC	Benefit Delivery Centre
ESA	Employment Support Allowance
FND	Flexible New Deal
JOT	Job Outcome Target
JSA	Jobseeker's Allowance
KMI	Key Management Indicator
LMMP	Labour Market Measures Project
ODET	Operational Delivery Executive Team
OPtE	Off-Flows Potentially Employment
PMAD	Performance Measurement and Analysis Division

Summary

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 affects 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.

Fieldwork 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.

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.

1 Introduction

The Policy Research Institute was commissioned by Jobcentre Plus to undertake a Post Implementation Review of the JSA off-flow rates KMI, following national implementation in April 2009 as one of the new LMMP. The JSA off-flow rates KMI forms part of a project looking at potential measures to enable Jobcentre Plus to influence labour market performance at an operational level. This project provides a rapid and brief post implementation review of the JSA off-flow rates KMI. Other elements of the labour market package are subject to separate review.

1.1 Background and objectives of JSA off-flow rates KMI

The JSA off-flow rates KMI aims to provide Jobcentre Plus with:

'Accurate and meaningful management information to enable real time management of customers claiming JSA, thus reducing the duration of a customers JSA claim.'

(Unpublished note entitled JSA off-flow rates KMI, received from client, 14-07-09).

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 length of time customers remain on JSA;
- support Jobcentre Plus in managing increasing JSA workloads; and
- support achievement of Jobcentre Plus targets.

The aim of the post implementation review is to *'assess how the off-flow rates KMI is working within the Jobcentre Plus business'*, with the specific objectives being:

- assess staff understanding of the KMI;
- explore whether staff trust the data;
- explore whether the KMI motivates staff;
- identify any changes in staff behaviour;
- assess management use of the KMI;
- identify effects on customers and external stakeholders;
- highlight any emerging good practice or perverse behaviours.

The aims and objectives of the post implementation review were pursued through a range of research questions, which are located in the Appendix with the full discussion guide.

1.2 Methodology

The post implementation review of Jobcentre Plus JSA off-flow rates KMI is based on semi-structured telephone interviews with a range of Jobcentre Plus staff working at regional, district and local levels.

1.2.1 District and respondent selection

Districts were selected to reflect a geographical mix (England North, England South, Wales and Scotland) and a general urban/rural split was sought. Districts involved in the Off-Flows Potentially Employment (OPtE) were not included in the sample. It is important that these districts were excluded to ensure that experiences of working with the new OPtE measures was not clouding respondents, judgements about the impacts of the JSA off-flow rates KMI. In addition, a separate review of the OPtE measures has also been carried out to look at their effects. Respondents were selected in negotiation with the district level contacts provided by the Performance Measurement and Analysis Division (PMAD) at Jobcentre Plus. It was recognised that it is not ideal for respondents to be selected by local managers, however, given the timescales involved this was unavoidable.

1.2.2 Fieldwork

The fieldwork was split across four Jobcentre Plus districts. As a result of time and capacity, all fieldwork was limited to telephone interviews with key respondents. The aim was to achieve a maximum of eleven interviews per district. The district level interviews were also augmented by interviews with the relevant Regional Performance Manager's and Regional Directors. The target number of interviews and the number undertaken is summarised in Table 1.1.

Table 1.1 Summary of interviews undertaken

Role	Target number of interviews	Number of interviews undertaken
Regional level		
Regional Director	4	4
Regional Performance Manager	4	4
District level		
District Manager	1 in each = 4	4
District Performance Manager	1 in each = 4	4
District Performance Team members	1 in each = 4	4
Business Manager/Jobcentre manager	2 in each = 8	8
Advisory Services Manager	2 in each = 8	8
Adviser	2 in each = 8	8
Fortnightly Jobsearch Review staff	2 in each = 8	8

All telephone fieldwork interviews were conducted using a semi-structured topic guide. All interviews were digitally recorded and sent for verbatim transcription. There was insufficient time to conduct full Nvivo coding and analysis on interview transcripts; therefore these were used as back-up only. The main focus of the analysis was district level reports based on interview write-up notes and undertaken using structured templates. The interview notes and district summaries were coded using Nvivo, using the auto-code function which was linked to the structured template.

1.3 Structure of report

The report structure is as follows:

- **Chapter 2** focuses on the implementation process of the JSA off-flow rates KMI and explores issues relating to training, the understanding of the measure and trust of the data derived from the measure.
- **Chapter 3** explores the effects of the JSA off-flow rates KMI on staff and management behaviour.
- The effects of the JSA off-flow rates KMI on customer relationships is explored in **Chapter 4**.
- **Chapter 5** examines the effects of the JSA off-flow rates KMI on external stakeholders.
- Areas of good practice and potential improvements to the JSA off-flow rates KMI are considered in **Chapter 6**.
- Finally, **Chapter 7** draws conclusions from the report and sets out recommendations about the future use of the JSA off-flow rates KMI.

2 Implementation and understanding

2.1 Awareness

The JSA off-flow rates KMI was launched nationally in April 2009, where, typically, managers were first introduced to the measure at a district or regional dissemination event, which was viewed as satisfactory by all respondents. However, the exact timing of when front line staff learnt about the measure varied, dependent on the time taken for their managers to brief staff. Communication to front line staff took a number of forms and most often involved a cascade type briefing at weekly team meetings, which was viewed as insightful and a useful introduction to the purpose of the measure. Some members of staff recollected that the introduction of the KMI had been reinforced by email circulars which outlined the context and specific details of the measure. Emails supporting the introduction of the JSA off-flow rates KMI had various attachments which reportedly included a guidance booklet, KMI supporting tools and the slides used in the PowerPoint presentations delivered to managers. The intranet is also a resource where staff can access information about the measure. There was evidence that not all respondents (particularly front line staff) read the supporting material circulated for the off-flow rates KMI and it was suggested that this is because sufficient information was provided at the briefing by managers. Overall, the majority of all respondents were satisfied with the methods described, which were used to introduce the off-flow rates KMI (please see Section 2.2 for further information).

While all respondents reported being aware of the JSA off-flow rates KMI measure, the level and depth of this awareness and knowledge about the measure varied. All respondents were familiar with the off-flow targets at the specified intervals which are 56 per cent at 13 weeks, 78 per cent at 26 weeks and 92 per cent at 52 weeks, and most interviewees were able to quote these with accuracy. In depth knowledge of the measure and how the KMI data is generated was high among senior managers as expected. The majority of front line staff were satisfied with their basic understanding of the off-flow KMI measure and were comfortable without the underpinning knowledge to demonstrate how the data was derived.

2.2 Training

There was no evidence of formal training events having been offered to staff in connection with the KMI, senior managers had typically attended a workshop dissemination event about the new measure and suggested that the communication and training process was appropriate. A few suggestions were made about how the process could have been improved, which involved smaller groups to enable greater discussion and allowing more time in the workshops for questions. There was also a call for simplification of the supporting email circulated to staff about the JSA off-flow rates KMI.

Front line staff respondents were confident that they knew enough about the aims of the KMI to enable them to operate in the context of the indicator and with a view to meeting its off-flow targets. Many members of front line staff reported that there was not a need for any formal training, and deemed a simple introduction to the KMI and its objectives as sufficient in providing a good understanding. The launch of the JSA off-flow rates KMI has also coincided with the introduction of a range of changes for the organisation, which may have contributed to a tendency for staff to prefer a more concise introduction to the KMI. Staff did not tend to compare the level of information provided to them about the JSA off-flow rates KMI with that received for other KMIs.

2.3 Understanding of JSA off-flow rates KMI

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 and establish the best course of action for customers in enabling them to move off benefits more quickly and into employment. The measure was also identified as helping to provide more structure to customer interventions if used practically for identifying and tracking individuals who may be at risk of becoming long-term unemployed. The KMI is viewed as reinforcing and complementing adviser intervention and review activity with customers, therefore of mutual benefit to advisers and staff in charting progress with the customer journey. Adviser respondents were clear that the majority of customers should not be on the register after a period of one year.

The JSA off-flow rates KMI was viewed as being useful to compare offices by some managers, particularly if they had a competitive nature. However, others felt that the comparative element is both unhelpful and misleading due to the wide range of economic factors influencing labour markets in different areas.

2.4 Trust

Overall, the JSA off-flow rates KMI was viewed as an up-to-date measure of office performance and the reliability of data was not questioned by respondents. In some cases, advisory staff assumed that the data was correct simply because it

came from their senior managers. However, the respondents did identify some areas for improvement that would increase the trustworthiness of the KMI data. A minority of respondents were worried that off-flow data is incomplete because of the lack of information currently available about customer destinations which prompted questions about how many customers moving off the JSA register are actually moving into employment. There was also concern about the current backlog of 'change of circumstances' in Benefit Delivery Centres (BDCs) which respondents perceived as causing a delay in the off-flow data, however, in reality this only leads to a delay in the appearance of off-flow data, i.e. it will appear in the following months, data. A need for the improvement in the timeliness of KMI data was also noted; the majority of respondents stated that any improvement would be beneficial, however, a small number of respondents suggested this information would ideally be available on a real-time basis. The majority of respondents, from all levels within the organisation stated a clear preference of JSA off-flow rates KMI data over the JOT. There were a number of reasons for this, including the timeliness of data availability and a greater degree of trust in the data. Though it did not appear to be a general indicator of staff confidence in external, as opposed to internal, data sources, there was a sense to which the experience of JOT has led to a lack of confidence in data produced in the same way. Staff also appeared to have confidence that the data produced as part of the JSA off-flow rates KMI was a reliable basis on which to make management decisions.

3 Effect of the measure on staff and management behaviour

3.1 Staff motivation and job satisfaction

Respondents were mixed about the extent to which the introduction of the KMI has affected motivation and behaviour. For the most part, respondents across three of the four districts suggested that the introduction of the JSA off-flow rates KMI had very little impact on motives and behaviour, especially in comparison with the wide range of other substantive changes in the organisation. Where changes were reported, these tended to be relatively minimal and reinforced the importance of ensuring the timely delivery of particular interventions. In one case, specific interventions (group advice/job search/motivation sessions) were being delivered prior to the 13 week period to generate off-flows in time for the 13 week measure. In only one district was a more pronounced change in motivation reported. Respondents were not yet in a position to reach generalised conclusions about whether such changes were ultimately effective in producing reliable outcomes. To this extent it is difficult to assess yet what 'good practice' might be in this regard.

Despite the apparently minimal effect of the introduction of the KMI on motivation, staff in several districts did report that they perceive the JSA off-flow rates KMI to be a much more accurate and direct measure of performance than other high level targets and indicators, such as JOT. Where this was the case, staff respondents tended to suggest that the KMI contributed to their job satisfaction.

3.2 Management use of the KMI

It appears that 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 JSA off-flow rates KMI is being given a high priority to monitor

performance and suggested that the measure is an appropriate and sensible means of measuring performance. Respondents at an office level agreed that the JSA off-flow rates KMI is an appropriate and sensible means of measuring performance, however, they viewed it as being equally as important to other performance measures rather than a high priority. All respondents in managerial positions viewed the JSA off-flow rates KMI as being closely aligned with the core activity of Jobcentre Plus. Some suggested that the fit between organisational role and performance measure be closer for the JSA off-flow rates KMI than other Jobcentre Plus outcome measures, notably JOT, in the sense that there is a closer link to Jobcentre Plus activities and to ensuring that outcomes are achieved in a timely fashion, before customers become long-term unemployed.

The JSA off-flow rates KMI appeared to be mainly used for analytical purposes rather than to motivate staff or influence behaviours at an individual level. Rather it is being used to explain and understand differential performance at a site level and to re-allocate resources between sites or at particular points in the customer journey. For example, in several districts staff time had been reallocated to pre-13 week interventions rather than undertaking interventions with longer-term customers. The KMI was seen as one part of the reason for this change. In another case, the JSA off-flow rates KMI was perceived as being important to ensure that the pressure to handle new claims had not resulted in the distraction of organisational focus on helping customers to find work.

Although it was suggested that the JSA off-flow rates KMI is not generally used to influence motivation and behaviour at an individual level, it was also reported that JSA off-flow rates KMI data has been used in individual review-discussions between managers and advisers. While no firm conclusion can be drawn here, interestingly one respondent suggested that the complexity of the JSA off-flow rates KMI was the reason that the measure was not used to influence individual level motivation and behaviour in their office. This was mainly because the cohort system and the presentation of the interim data were viewed as difficult to understand, particularly by front line staff.

4 Effect of the measure on customer relationships

4.1 'Job ready' customers

Respondents' views on the way in which the introduction of the JSA off-flow rates KMI had influenced their relationship with 'job ready' customers were mixed, particularly because of the wide range of other substantive changes that have recently taken place at Jobcentre Plus. 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, and that in this context they were more regularly spending time with them encouraging job search and even making referrals to provision. 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; however the introduction of the JSA off-flow rates KMI was not seen as the sole driver of this. Respondents inferred that other drivers were also important, such as line manager direction, the rising register and the increases in the volume and type of provision available to such customers. In contrast to this, respondents in one district reported that the introduction of the JSA off-flow rates KMI was having very little impact on their relationship with job ready customers and the approach to focusing resources on those customers unable to help themselves while encouraging those that are able to help themselves, remained in place and unchanged.

At least part of this shift in emphasis, however, also appeared to be about the redefinition of the very term 'job ready' which was less clear than in the past. It was used by some staff respondents to refer to recently unemployed customers who did not have health, caring or ingrained motivational barriers to work, but who may need some form of low-level retraining, short-term confidence boost or job search coaching to enable them to compete effectively in the labour market. As such the term 'nearly job ready' may actually be more suitable for these customers. In this respect, it was not possible to differentiate between interventions that were needed, as opposed to those that were merely marginally hastening the transition

towards actual job readiness on the part of customers. Any further research on the behavioural implications of new forms of performance measurement may, therefore, need to consider the extent to which the introduction of these measures is driving behaviour which is enabling or hastening this transition and in the latter case by how much.

4.2 'Harder-to-help' customers

Again, findings were mixed in relation to how the introduction of the KMI had impacted on staff behaviour towards 'harder to help' customers. In two districts it was very difficult for respondents to identify any changes in relation to harder to help customers, while in the other two it was suggested that the introduction of the JSA off-flow rates KMI had not had as substantial an effect as a range of other changes (e.g. Employment and Support Allowance, Flexible New Deal, etc). There was some evidence that harder to help customers were being identified and targeted for interventions and referrals at an earlier stage in their claim than might otherwise have been the case. Examples include checks on customers at specific time points to ensure that all interventions had been delivered and the types of referral that had/could be made to make a difference before the next KMI milestone is passed, thereby enhancing existing good practice. Here, the emphasis on the duration of a claim brought about by the JSA off-flow rates KMI appeared to be significant in ensuring that customers' needs were understood and available support was put in place.

4.3 Submissions, referrals and sanctions

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 causal significance to the KMI. Submissions and referrals were thought to be up generally as a result of the higher JSA register and in the latter case the increase in the volume and types of provision available. While little causal role was identified for the JSA off-flow rates KMI, several respondents across the districts did feel that the KMI supported these changes, particularly in relation to making earlier referrals to provision than previously. Increased submissions activity was also identified as a product of changes to benefit conditionality regimes, and again while the KMI potentially supported changes in submissions activity few respondents suggested that it was driving it.

Sanctions and referrals to Decision Makers were reported to have increased across the board. However, this was again for the most part not attributed to the introduction of the JSA off-flow rates KMI. Instead, the increasing register and the increasing emphasis on ensuring customers were taking up the support available (e.g. in the form of provision) were identified as underpinning these changes. However, several respondents suggested that the JSA off-flow rates KMI and its emphasis on claim duration did focus attention in a way that might in the future

support an increased consideration of sanction-related activity, both in the sense of being more willing to undertake referring issues to decision makers where this is consistent with the regulations and potentially in other cases where this may be not be appropriate. While respondents did tend to report an increase in conditionality monitoring and action, they also suggested that the current labour market context made it more difficult to substantiate allegations of 'not actively seeking employment' as a result of the lower levels of vacancies available and the increasing degree of competition for those that exist. There was no evidence of the JSA off-flow rates KMI leading to inappropriate sanctioning or conditionality at present.

5 Effects on stakeholders

Respondents were asked a range of questions designed 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 discernible 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 small number 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. Nevertheless, interpretation of responses to these questions suggests that the JSA off-flow rates KMI is supportive of deeper and wider relationships with providers in particular. It was also suggested that the KMI is particularly supportive of relationships with FND providers as a result of the synergy between the benefit duration milestones in the measure and the four Jobcentre Plus FND stages, however, this finding should be treated with absolute caution as it represents the views of only one respondent.

6 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. Few clear responses were received to these questions. Despite this, it was possible to identify the following components of good practice in working with the measure:

- The measure should be used in conjunction with other indicators and evidence of performance rather than being used as the sole indicator of performance. This more balanced approach appeared to be widely used.
- Performance against the KMI needed to be understood in relation to the labour market context. Again, this appeared to be the case for the most part.
- Careful monitoring by managers is required to ensure that any behavioural incentives associated with the JSA off-flow rates KMI do not result in perverse behaviours. No examples of perverse behaviour were reported at this stage, though the potential for these was noted.

In addition to this, respondents reported only a small number of improvements that could be made to the JSA off-flow rates KMI. These related to identifying specific types of off-flow by tracking and categorising customer destinations and to making more timely off-flow rates information available to a wider group of staff. In several districts these potential improvements were augmented by suggestions that the off-flow rates KMI might be applied to other benefits, though the importance of careful design and consideration was essential in relation to this.

7 Discussion and recommendations

7.1 Conclusions

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 in large part because the introduction of the JSA off-flow rates KMI was of relatively minor significance in comparison to other wider organisational and contextual changes, such as the introduction of the ESA, FND, new provision and preparation for new FND contracts, the rapidly increasing JSA register, increasing staffing levels and the introduction of downturn measures and flexibilities. While, in this context, the introduction of the JSA off-flow rates KMI was of relatively small significance, it was thought to be broadly supportive of these wider organisational changes and was seen by the majority to be an improvement on simply reporting outcomes in the JOT figures. While the particular context meant that the KMI was seen as a comparatively small change, it is likely that this would have been different in a more stable setting and, as such, the profile of the measure may increase over time.

The one area where it was possible to identify an influence that might be specifically attributed to the JSA off-flow rates KMI was in ensuring that interventions were delivered in a timely fashion, though in this respect the KMI merely supports the Intervention Delivery Target. However, the JSA off-flow rates KMI did appear to be part of a wider process of redefining the way in which 'job ready' and 'harder to help' customers are defined, targeted and helped. It appeared, from the discussions with respondents, that one result of delivering earlier interventions and making earlier referrals is that increasingly the assessment of job readiness is down to more individualised considerations, as opposed to benefit duration being used as a factor in deciding the level and nature of the intervention required. Over time, it may prove necessary to improve understanding of these changes and their implications for the operation of Jobcentre Plus. It will be particularly important to ensure that managerial communication over how to focus organisational and staff resources is clear and unambiguous.

It also appeared that the introduction of the JSA off-flow rates KMI acted to help to counter any tendency to focus on simply taking and administering new claims at the expense of helping customers to search for and find employment.

One possible weakness of performance measures which track outcomes in terms of generic off-flows from benefits without any indication of specific destinations (e.g. employment, other benefits, death, etc) is that they do generate at least the potential for perverse incentives. There was no evidence that staff or managers were responding to any such incentive, though several respondents noted the potential for these to emerge. Where this was the case they suggested that careful monitoring is important (for example in relation to sanctions activity) to ensure that this does not become part of an organisational culture. Research suggests that strong managerial signals around such issues can be important in ensuring that this does not happen. However, should it prove possible, further development of the technical data capture process underpinning the KMI might help by specifying destinations to both monitor and rule out potential perverse incentives.

7.2 Recommendations

Specifically in relation to the development and use of the JSA off-flow rates KMI, the following recommendations arise from the research:

- There was no evidence to suggest that the use of the KMI should be discontinued and enough positive evidence to suggest that it is a worthwhile and useful analytical tool, therefore, **the KMI should be maintained for the coming year.**
- Several respondents suggested that **feedback of performance data could be more timely**, and were this possible it would improve the functionality of the data for analytical and managerial purposes.
- Respondents across several districts suggested that **the clarity of performance data could be improved in presentational terms, especially at interim stage.**
- Respondents across all districts were broadly positive regarding the prospects for the KMI to be used to further strengthen the performance target framework in the future. In light of this it may be beneficial to **consider how KMI may further support and strengthen the Jobcentre Plus target framework, with better causal links being made between this and JOT or other future outcome targets.**
- While there was no evidence to suggest that there are currently any perverse behaviours being driven by the KMI, it is important **to monitor the use of the KMI to ensure that perverse behaviours do not arise.**
- The utility of the KMI may be improved by further development to track off-flows to specific destinations. Several issues require **more detailed research and evaluation after steady-state implementation**, especially in relation to longer-term behaviour influences.

In relation to wider Jobcentre Plus operational activities several additional recommendations are suggested by the research:

- The combination of increasing JSA registers, a limited number of vacancies and increased benefit conditionality mean that it is important to monitor the quality of Jobcentre Plus submissions.
- Operational activities and emphases are changing, especially in relation to more recent JSA claimants. In this context, clear managerial communication is necessary to ensure clarity of organisational role and focus.
- There is some tentative evidence here that the definition of what constitutes a job ready and harder to help customer may be changing. Any further research with Jobcentre Plus staff on operational delivery might include a focus on this.

Appendix

Research questions and discussion guide

Research questions

1. How was the KMI implemented?
2. Are staff aware of the KMI and do they understand it?
3. How do staff perceive the KMI?
4. How has the KMI impacted on customers and external stakeholders?
5. How is the KMI used in management practice?
6. How does the KMI influence staff and management behaviour?
7. How might the KMI be further developed in the future?

Discussion guide

Implementation

- Are you/others aware of the KMI?
- How was the introduction of the KMI communicated to staff?
- What communications were received by staff?
- Was the communication and training process appropriate? (why/why not?)
- What could have been improved about the implementation process?

Understanding the measure

- Do you/others understand what the KMI is intended to achieve? (why/why not?)
- What is your understanding of how the KMI works?
- Do you/others understand how the KMI works and what the data shows? (why/why not?) Probe: trust of data
- Do you feel that working towards the KMI drives more job outcomes for customers?
- Do you feel that working towards the KMI helps to shorten the durations that customer spend claiming JSA?
- Do you/others understand how your/their behaviour can influence performance against the KMI? (why/why not?)
- Do you/others feel that it is important to meet the measure/improve performance on the indicator? (why/why not?)
- Do you/others think the KMI is an accurate measure of performance? (why/why not?)
- Has the introduction of the KMI influenced your/others' behaviour? (why has it influenced behaviour in that way?) How?
- Has the introduction of the KMI influenced your/others' motivation? (why has it influenced motivation in that way?) How?
- Has the introduction of the KMI influenced staff behaviour toward each other? How?
- Do you feel compelled to increase your performance and has the introduction of the KMI influenced this?
- Is this driven by individual, office or district level problems?
- Are there unhelpful or perverse behaviours driven by the KMI? Probe: what are they, how do they arise
- Has the KMI impacted on your ability to cope with high JSA workloads? How?
- How does the KMI fit in with other Jobcentre Plus performance measures?
- What level of importance does the KMI have compared with other Jobcentre Plus performance measures?

Impact on Customers

- Has the introduction of the KMI influenced your/others' behaviour toward customers? How?
- Has the introduction of the KMI influenced your/others' relationship with customers? How?

- Has the introduction of the KMI influenced the treatment of job-ready customers? How?
- Has the introduction of the KMI influenced the treatment of 'harder to help' customers? How?
- Has the KMI influenced the way in which you/others make use of provision? How?
- Has the introduction of the KMI influenced your/others' submissions behaviour? (volume and type of jobs?) How?
- Has the introduction of the KMI influenced the way in which you sanction customers? How? Certain customer groups?

Impact on management

- What priority do you/managers give to the KMI (over other performance measures)? (does this differ between national/regional/district/office levels?)
- Do you/managers use the KMI to influence staff behaviour?
- Has staff behaviour/motivation been influenced by the KMI? How?
- Does the KMI link/align with other Jobcentre Plus targets and performance indicators (especially JOT)? How?
- How do you use the KMI supporting tools? (Are they useful?) How could they be improved?

Impact on external stakeholders

- Has the KMI influenced your/others' relationship with employers? How?
- Has the KMI influenced your/others' relationship with employment agencies? How?
- Has the KMI influenced your/others' relationship with providers? How?

Improvements

- How might the impact of the KMI on staff behaviour be improved?
- How might the management of the KMI be improved? (At national/regional/district/office levels?)
- How might the reporting of the KMI be improved?
- Could the KMI form part of a future target framework? (why/why not?)
- Would this be an appropriate measure for other benefits? (why/why not?) This is a real key question – can you probe around how this would be useful, what would be useful etc.

Other

- Is there anything else that you would like to add about the KMI?

The Post-Implementation Review of the Jobseeker's Allowance (JSA) off-flow rates Key Management Indicator (KMI) was commissioned by the Jobcentre Plus Labour Market Measures Project. The KMI forms part of a project looking at potential performance measures to enable Jobcentre Plus to influence labour market performance at an operational level. This research was needed to provide early feedback on how the KMI was working in the business, following its introduction in April 2009.

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